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# International relations

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## Introduction

Australia has a wide spread of regional and global interests, not least as a major trading country and a country of immigration. Trade and investment with the Asia-Pacific region, and with the Americas and Europe, make a significant contribution to Australia's prosperity. Australia is a relatively affluent and resource-rich country in a populous and dynamic region.

The political, economic and strategic importance to Australia of the countries of the Asia-Pacific region has led to the development of broader and deeper relationships with those countries, including with the United States where we share an enduring alliance relationship. At the same time, links with Britain and other European countries are important features in Australian foreign policy in terms of cultural tradition, security, strategic interests, trade and investment.

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. Of Australia's top 12 markets, 11 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 Asia Pacific region, both as a means to secure our strategic interests and to develop mutually profitable trade and investment links and exchanges of technology. Australia gives special attention to its relations with regional neighbours such as the United States, 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 Pacific island countries.

International issues including global trade rules, economic cooperation, arms control and disarmament, conflict prevention and resolution, global environment protection, human rights, status of women, refugees and post-cold war security have assumed importance in Australia's international policies,

apace 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 such as the World Trade Organisation (WTO), but also in the regional context through plurilateral bodies such as APEC.

## ASEAN

The Association of South East Asian Nations (ASEAN) brings together seven countries of South East Asia into one political and economic organisation. Current members of ASEAN are Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. In 1997 Laos, Cambodia and possibly also Burma are expected to join ASEAN. Australia has a formal and institutionalised Dialogue Partnership with ASEAN. Australian Foreign Ministers attend the annual ASEAN Post Ministerial Conference in the capital city of the country which holds the Chairmanship of the ASEAN Standing Committee. The Australian Trade Minister and his counterpart Minister from New Zealand also attend annual meetings with their ASEAN counterpart ministers to discuss linkages between the ASEAN Free Trade Area (AFTA) and the Closer Economic Relations (CER) arrangement between Australia and New Zealand.

## 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. Australia also works closely with Indonesia on multilateral issues and in major regional forums, particularly APEC and the ASEAN Regional Forum (ARF). The Australia-Indonesia Agreement on Maintaining Security which was signed in 1995 is a significant and natural extension of this cooperation

between Australia and Indonesia. It sets out the common interests of both countries in the peace and security of the region and underlines the intention of both to cooperate in support of our long shared long-term strategic interests. The Australia-Indonesia Ministerial Forum, which meets every two years, gives government impetus to strengthening and broadening the bilateral economic relationship.

## 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, trade and investment, education and other diverse activities including narcotics control, tourism and aviation. Total bilateral trade reached \$3,917m for 1995-96, with Australian exports totalling \$2,281m. Malaysia's view is 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.

## Philippines

The bilateral relationship with the Philippines is friendly and long-standing. The 50th anniversary of Australia-Philippines diplomatic relations occurred in 1996. Under the administration of President Fidel Ramos, the Philippines is experiencing a new era of political stability and economic growth. Indeed, the Philippines has registered steady economic growth since 1992. Gross National Product (GNP) grew by 5.5% in 1995 and the International Monetary Fund (IMF) predicted growth of at least 6.5% in 1996. The Philippines has also reoriented its foreign policy away from the United States towards its own region. Aside from its membership of ASEAN, the Philippines is an active supporter of APEC, which it chaired during 1996, and the ASEAN Regional Forum. In the past five years, Australia's two-way trade with the Philippines has more than doubled.

## Singapore

Relations between Australia and Singapore have become more productive, diverse and mutually beneficial than ever before. Australia and Singapore are now engaged in significant cooperation and dialogue on major regional and

global economic, political and security issues, including APEC, the ASEAN Regional Forum, prospects for an AFTA-CER linkage, and cooperation in developing linkages in the Indian Ocean region. Our relations with Singapore also encompass trade and investment, defence, students, civil aviation, tourism, immigration and cultural relations. These linkages have been assisted by historical ties, comparable political and legal structures, similar regional security objectives, common interests in enhanced regional economic cooperation and well established commercial exchanges. Australia/Singapore trade for 1995-96 was valued at \$6,163m. Singapore is Australia's seventh largest trading partner.

## 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 \$77m in 1995-96, is an important component of the bilateral relationship.

## Thailand

Australia has long had a close and cordial relationship with Thailand. The 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 embracing economic and political issues at the different bilateral, regional and international levels, including such matters as APEC, the Cairns Group and regional security issues such as Burma and Cambodia. Trade continues to expand at a rapid rate — two-way merchandise trade was \$2,777m in 1995-96 with the balance in Australia's favour — encouraged by both Governments and by regular bilateral visits. Former Prime Minister Keating visited Thailand in 1994, and Mr Banham Silpa-Archa visited Australia in 1995 as opposition leader shortly before being elected Prime Minister. The Australian Minister for Foreign Affairs, Mr Downer, included Thailand in his first overseas visit to emphasise the importance the

Government places on relations with regional nations.

## Vietnam

Vietnam continued the process of integration with the region, becoming a member of ASEAN in 1995. Despite the increased profile of Vietnam's relationships with ASEAN nations and major investors such as Taiwan and South Korea, Australia remained an established and long-term economic and political partner and has consolidated and expanded relations with Vietnam across a range of issues. Australia is a significant foreign investor in Vietnam. Bilateral trade has been growing quickly, reaching \$528m in 1995–96, and is expected to continue to grow as the Vietnamese economy develops. Dialogues on strategic, security, human rights and veterans' affairs issues continue to evolve.

## Cambodia

Australia's principal policy objectives in Cambodia are to support the democratically elected Government, to help raise overall living standards and to rebuild civil and economic structures. As a signatory to the Paris Accords, Australia takes an active interest in developments in Cambodia, particularly in the areas of good governance, human rights, landmine clearance and development. Cambodia's upcoming membership of ASEAN accords it strategic importance to Australia. Cambodia offers limited opportunities for Australian business and investment (exports of \$22m in 1995–96) but there is long-term potential.

## Laos

Australia has a positive reputation in Laos built over more than 40 years of unbroken diplomatic relations and supplemented by Australia's high profile program of bilateral aid. Laos is of relatively high strategic and economic value to Australia because of its position in the Mekong Basin Region and upcoming membership of ASEAN. The opportunities for expanding Australian commercial activities in Laos are also disproportionate to Laos's size. Laos is resource-rich but infrastructure poor; Australia can benefit and contribute on both counts. Australia is a significant foreign investor in Laos. Exports to Laos were \$15m in 1995–96.

## Burma

Although the Nobel Peace Prize winner, Daw Aung San Suu Kyi, was released from house arrest in 1995, the State Law and Order Restoration Committee, Burma's military government, has made very little progress towards political liberalisation. Australia continues to play a prominent role, both directly in our dealings with Burma and through international fora such as the United Nations, in supporting Burma's democracy movement, and in pressing the State Law and Order Restoration Council to implement human rights and political reforms.

## India

India is becoming an increasingly important regional partner for Australia and there was significant growth in Australia–India trade and investment throughout 1996. Merchandise exports to India rose by 21%, from \$979m in 1994–95 to \$1,181m in 1995–96. Australian investment in India rose to an estimated \$550m, while approvals for new investment increased from \$177m in 1994 to \$601m in 1995. There is ongoing high-level dialogue with India on a wide range of important issues, including disarmament, nuclear non-proliferation, regional economic and security organisations, including APEC and the ASEAN Regional Forum, the environment, women's development and other social issues, international law enforcement, and science and technology. A major initiative, Australia India–New Horizons, which took place in India in late 1996, will promote Australian capabilities in India across the spectrum — including business, culture, sport, science and technology and the environment.

## Pakistan

A key Australian Government objective in Pakistan is the expansion of trade and investment. Australian exports increased by around 36% between 1994–95 and 1995–96. Australian investment in Pakistan has risen from a negligible amount a few years ago to around \$300m in mid-1996. Representations to the Pakistan Government on behalf of companies investing in Pakistan contributed to this growth. The Australian High Commission in Islamabad facilitated the visit to Australia of a high-level business mission from Pakistan in February 1996, which was particularly successful in highlighting investment opportunities in Pakistan for Australia.

## Sri Lanka

Against the background of the ongoing conflict in Sri Lanka between the Government and the Liberation Tigers of Tamil Eelam (LTTE), Australia–Sri Lanka relations are strengthening, especially in economic areas. Exports increased by 37% in 1995–96, and Australia — with current investments valued at \$385m — became the largest foreign investor in Sri Lanka. Further investment proposals, valued at over \$1b, are in the pipeline. Several successful high-level visits have taken place, including by the then Foreign Minister Gareth Evans and a visit to Australia by the Sri Lankan Minister for Justice. An Australian Parliamentary Delegation visited Sri Lanka in October 1995.

## Bangladesh

Australian objectives in Bangladesh are to support the development of democracy and to improve the environment for Australian trade and investment, against the background of the long-running political dispute between the opposition parties and the Bangladesh Government. Despite the negative economic effects of the protracted political deadlock in the country, Australian exports to Bangladesh in 1995–96 surged by 86% to \$171m. The staging of elections in June 1996 provided the opportunity to support Bangladesh democracy through assistance to the Commonwealth Election Observer Mission.

## North Asia

### China

Australia and China enjoy a wide-ranging relationship encompassing frequent ministerial and official level contacts underpinning substantial and growing economic and trade ties. China is Australia's fifth largest trading partner, while Australia is China's tenth largest partner (having entered the top 10 in 1996 for the first time). Two-way trade reached \$7,783m in 1995–96, with Australian exports at \$3,772m and imports at \$4,011m. Two-way trade was expected to reach \$8b by the end of 1996. Trade with China constitutes 5% of Australia's total trade. Australian investment in China is also expanding rapidly. Firms are increasingly producing for export from China, and to service the increasingly affluent Chinese market. Total Australian realised investment in China to the end of 1995 was over \$1b. Chinese investment in Australia is also growing, particularly in the

resources sector. The Joint Ministerial Economic Commission (JMEC) is the key government mechanism for the management of the economic relationship. JMEC meets biennially at Ministerial level. The ninth session of JMEC will be held in Australia in the second half of 1997.

### Hong Kong

In 1995–96, Hong Kong was Australia's tenth largest trading partner with two-way trade valued at \$4,034m. Exports to Hong Kong totalled \$3,064m, making it Australia's eighth largest export market. Hong Kong is Australia's sixth largest market for export of services, worth \$905m in 1994–95. Over 30,000 Australians live in the territory and more than 350 Australian companies are based in Hong Kong. Hong Kong is Australia's sixth largest destination for foreign investment, worth \$3.2b in 1994–95, and fourth largest source of foreign investment in Australia with investment of HK\$14.5b in 1994–95.

### Taiwan

Australia's commercial relationship with Taiwan has expanded significantly over recent years, with two-way trade reaching \$6,027m in 1995–96. Taiwan is Australia's seventh largest export market, valued at \$3,442m. In the absence of diplomatic relations with Taiwan, Australia's 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. A Double Tax Agreement was signed in May 1996 which will provide more favourable conditions for Australian businesses operating in Taiwan. Tourism is growing strongly with 158,100 Taiwan tourists visiting Australia in 1995–96, making Taiwan Australia's seventh largest source of visitors.

### Japan

Japan remains Australia's largest trading partner, with two-way trade in 1995–96 of \$27,220m, over 17.7% of Australia's total trade, and with a surplus of \$5.6b in Australia's favour. While unprocessed primary products account for around 44% of total merchandise exports to Japan, exports of manufactured products continued to grow and accounted for around 14% of total exports in 1995–96. Tourism, the largest services export to Japan, has shown good growth with more than 813,000 Japanese

tourists visiting Australia in 1995–96. Japan is the third largest source of foreign investment in Australia, behind the United Kingdom and the United States. Although total Japanese investment in Australia, relative to its investment in other countries in the Asia-Pacific region, has declined in recent years, the proportion directed to the manufacturing sector has increased, with around 30% of Japanese foreign direct investment in Australia in 1995 being in the manufacturing sector.

There is an active agenda of bilateral consultations between Australia and Japan, both at Ministerial and officials' level. Since the new government took office, the Prime Minister and several key Ministers, including the Ministers for Foreign Affairs and Trade, have visited Japan. Several Ministers participated in the November 1996 meeting of the Australia Japan Ministerial Committee (AJMC) in Tokyo, which considered a range of proposals for further deepening and broadening the relationship.

During the period 1996–98 Japan and Australia will jointly celebrate a number of significant anniversaries in the Australia–Japan relationship which have been designated the 'Friendship Anniversaries'. These include the twentieth anniversary of the Basic Treaty of Friendship and Cooperation, the fortieth anniversary of the signing of the Australia–Japan Commerce Agreement and the centenary of the opening of the Japanese Consulate in Sydney.

## Korea

Relations between Australia and the Republic of Korea (ROK) continue to expand across the board, building on the strong complementarities in trade and shared political, strategic and economic interests in the Asia-Pacific region. The active agenda of bilateral cooperation was further supplemented in 1996 by the inauguration of consultations on political-military, development cooperation and UN issues.

The ROK remains Australia's second largest export market and fourth largest trading partner, with exports in 1995–96 of \$6,608m. Although our exports to the ROK continue to be dominated by primary products, particularly non-monetary gold, coal and iron ore, there has been rapid growth in recent years in exports of Australian manufactures, reflecting our increased competitiveness in non-traditional areas and the success of efforts to promote Australia as a source of high technology and

higher value-added products. Services exports have also registered strong growth, with the ROK becoming our largest source of fee-paying students (with almost 6,200 student visas issued in 1995 compared with around 4,000 in 1994), and one of our fastest growing tourism markets with 196,000 Korean visitors in 1995–96, compared with only 9,000 in 1983.

Relations between the Democratic People's Republic of Korea (DPRK) and Australia remain suspended following the DPRK's decision in 1975 to close its Embassy in Canberra and expel Australian diplomats from Pyongyang. Trade remains at low levels, reflecting the DPRK's economic difficulties and shortages of foreign exchange.

In response to serious food shortages following severe flooding in 1994–95, Australia contributed a total of \$1.1m to two UN Emergency Appeals for the DPRK. Australia has also provided strong support for the Korean Peninsula Energy Development Organisation (KEDO), which has played a key role in addressing concerns about nuclear proliferation on the Korean Peninsula, and for the Four Party Meeting proposal (involving the ROK, DPRK, the United States and China) aimed at achieving a permanent peace treaty on the Korean Peninsula.

## South Pacific

Australia, as a prominent player 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 \$449m and \$42m in 1996–97 (including Papua New Guinea). A focus of such assistance is to seek to improve the competitiveness of Pacific island countries through encouraging and facilitating economic reform in the region.

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.

## 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. 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, and the development of a joint food standards-setting system. 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 have a close relationship based on ties that have continued at all levels of society since Papua New Guinea attained its independence in 1975. In 1995–96 Australian exports were valued at \$1,036m and imports at \$1,221m. The total level of Australian investment in Papua New Guinea was \$2.2b as at 30 June 1995.

The 1987 Joint Declaration of Principles (JDP) provides a framework for bilateral relations between Australia and Papua New Guinea 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–Papua New Guinea Ministerial Forum. The ninth Forum took place in Adelaide in September 1996.

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

jointly programmed aid directed at fostering Papua New Guinea's development and self-reliance.

The Torres Strait Treaty between Australia and Papua New Guinea 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 based on strong cultural and historical ties.

A formal security treaty has linked the two countries for over 40 years, and at the most recent meeting of the annual Australia–United States Ministerial Consultations (AUSMIN) in July 1996, the two sides released two important statements, a Joint Security Declaration ('the Sydney Statement') and a Joint Communiqué, both of which re-affirmed Australia and United States commitment to the ANZUS alliance and to a continued United States strategic and economic engagement in the Asia–Pacific region.

The economic relationship with the United States is also significant. The United States 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. Two-way trade in goods exceeded \$22,000m in 1995–96, with the trade balance heavily in favour of the United States.

Canada is a country comparable with Australia in terms of institutions and traditions, geographical size and international outlook. This allows a close degree of cooperation and interchange of ideas between the two nations at many levels, particularly in the multilateral arena in key institutions such as the World Trade Organisation (WTO) and regionally in APEC.

Australia is taking an increasing interest in developments in Latin America, especially those related to trade and investment. In recent times, Latin America has been characterised by a shift toward progressive trade liberalisation, privatisation and budget consolidation policies

which has accompanied a trend towards democracy. The result has been generally sound economic performance and a more positive business environment for foreign firms. Australia has initiated exchanges with Latin American countries on trade liberalisation matters, for example through a high-level dialogue between Australia and New Zealand and Mercosur, the Latin American Common Market comprising Brazil, Argentina, Uruguay and Paraguay. There was a continuing increase in political and official contacts during 1996, including through meetings of APEC and the Cairns Group. The focus of Australia's links with the Caribbean is in sport, culture and multilateral cooperation.

## 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. During 1996 special emphasis was given to developing stronger relations with Germany and the United Kingdom.

Australia's historical, cultural and social links with Europe underpin these bilateral ties and Europe is a leading source of technology and ideas. Cooperation with European countries on a number of international issues is extensive, and our trade and investment links continue to develop.

The EU is Australia's largest source of investment funds and major host of Australian overseas investment, its largest source of imports and its second largest market for exports of goods and services. Australia and the EU developed a new, broader relationship during 1996. The bilateral agenda with the European Commission now includes constructive exchanges on a wide range of issues on which the two sides share concerns and interests.

Despite continuing political and economic uncertainties in Russia and the countries of the Commonwealth of Independent States, the promotion and facilitation of trade and investment is a key element of Australian government activity in that region. Constructive exchanges have taken place with Russia on several important bilateral agreements under negotiation and on a range of foreign policy issues. Several important Russian visitors were

welcomed to Australia during 1996, including former Prime Minister Gaidar and the Governor of Nizhny Novgorod, Mr Boris Nemtsov. The government has also produced a major study on the economic prospects of, and opportunities for trade and investment in Pacific Russia. The successful implementation of the first round of Russian presidential elections in June 1996 was welcomed by the government.

In Central Europe, the continuing conflict in Yugoslavia remained a source of concern in 1996. The achievement of the Dayton Framework Agreement in November 1995 for the restoration of peace in Bosnia and Herzegovina and respect for its sovereignty was endorsed by the Government as a major breakthrough. Australia also maintained its humanitarian aid to the former Yugoslavia. On the economic front, the Government, during 1996, promoted the expansion of Australian commercial interests in the region, including through the conclusion of double taxation and investment promotion and protection agreements and the despatch of government-business economic missions to Bulgaria, Slovenia, Slovakia and Poland. The pursuit by a number of Central European countries of early membership of the EU highlights the importance of an enhanced Australian commercial presence in this region.

## The Middle East

Australian involvement in the Middle East is underpinned by commercial interest and long-standing friendships.

Australia has a substantial commercial imperative in the maintenance of existing (largely commodity) markets and the development of new markets which reflect our changing trade and commercial profile, notably in the provision of services.

Australia continues to promote the search for a comprehensive, just and lasting regional peace. Australia is fundamentally committed to Israel's right to exist within secure and recognised borders. The Government supports the right of the Palestinians to self-determination and also acknowledges that the question of self-determination and the ultimate shape of the Palestinian entity, including the possibility of an independent state, is subject to the final status negotiations between the parties directly involved. Australia has played a prominent role in multilateral tracks of the peace process, most

notably in the Arms Control and Regional Security Group and the Water Resources Working Group.

The Middle East is of strategic concern with regional disputes and tensions frequently having global significance. Australia has committed personnel and resources to activities designed to strengthen regional security: the Multinational Force and Observers (MFO), United Nations Truce Supervision Organisation (UNTSO) and the Multinational Interception Force (MIF).

Political and humanitarian developments in the region command considerable attention, given the resonance such issues have in the Australian community. Concern for the universal application of human rights and the pursuit of other items on the international agenda (e.g. terrorism, narcotics and the environment) have become prominent among Australia's regional priorities in recent years.

## Africa

Africa held a higher profile for Australia in 1995–96. Australia's Foreign Minister attended the Organisation of African Unity Heads of Government Summit in Cameroon in the middle of 1996 and special envoys visited most African countries. Regular contact was maintained with African leaders at multilateral events. Australia attended the Southern African Development Community (SADC) Consultative Conference held in South Africa in February 1996. The 'good governance' program, administered by the Australian High Commission in Harare promoted democratic processes and principles of good governance in several southern African nations.

The development of an improved framework for expanding our trade and investment markets, and assisting in the promotion of a wide range of economic and social reform programs, was a particular concern in strengthening the relationship with South Africa. Considerable progress was made in promoting South Africa as a potential market, particularly for elaborately transformed manufactures. South Africa's participation as a feature market at the National Trade and Investment Outlook Conference held in Melbourne in December 1995 proved very successful.

The finalisation of South Africa's provincial elections and the commencement of the reconciliation process have reduced substantially the level of political violence in the country. Crime, unemployment and attracting foreign investment through trade liberalisation and economic reform will continue to be the main priorities for the South African Government.

Total Australian aid flows to Africa in 1995–96 were around \$180m or 12% of total Australian aid. This aid is distributed, inter alia, through our contributions to the World Bank, direct bilateral aid programs, humanitarian aid including the World Food Program, and through non-government organisations (NGOs). In 1995 a review of Australia's aid to Africa resulted in full country programs for South Africa, Mozambique, and Zimbabwe, and an increased emphasis on regional assistance, especially through the Southern African Development Community (SADC). In addition, Australia also provides aid to a wide range of African countries through various multilateral and NGO programs.

In recent years Australia has had a significant involvement in peacekeeping and humanitarian relief operations in Namibia, Somalia, Rwanda and Mozambique, and assisted with landmine clearance in Angola and Mozambique.

## Indian Ocean

Australia was a leading player in the development of Indian Ocean regional cooperation in 1995, initiating one of the two major tracks along which cooperation has developed and playing a significant role in shaping the other. In June 1995 the Australian Government, together with the Western Australian Government, sponsored an International Forum on the Indian Ocean Region (IFIOR) in Perth. This meeting, which attracted 122 participants from 23 countries in the region, launched a 'second track' non-governmental process to complement the 'first track' inter-governmental dialogue which had begun several months earlier in Mauritius. A key outcome of IFIOR was the establishment of a Consultative Business Network, through which the Australian Chamber of Commerce and Industry, in partnership with the Department of Foreign Affairs and Trade, has promoted business links in the region.

At the Government's initiative, the Indian Ocean Centre was established in July 1995 at Curtin University in Perth as a research centre to support the various emerging regional dialogues exploring aspects of regional cooperation. With principal funding and support from the Sub-program, the Centre coordinated the regional activities of the Indian Ocean Research Network, supported the work of the Business Network and worked with the Department of Foreign Affairs and Trade in building both 'first' and 'second track' dialogue.

Another key achievement in the inter-governmental process was the proposal to create a new regional body, to be known as the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). Australia worked closely with India in the process of drafting the Charter of the new Association.

## APEC

The Asia-Pacific includes a number of the fastest growing economies in the world. Rapid development in the region over several decades 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 economies. Regional economies now account for around 56% of world output and 46% of world exports. Economic interdependence has increased, 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 and open trade and investment in the region by 2020, with industrialised economies achieving this goal by the earlier date of 2010. At Osaka in November 1995, Leaders endorsed a detailed plan — the Osaka Action Agenda — setting out how these and other APEC goals would be achieved. The implementation process focuses on each APEC member preparing an Individual Action Plan (IAP), tabled by the annual Ministerial and Leaders meetings in the Philippines in November 1996. IAPs are expected to be gradually improved over time as economies find it possible to move further towards the Bogor goals.

About 76% of Australia's merchandise exports were directed to APEC economies in 1995–96, up from 64% in 1975. Exports to ASEAN have been growing particularly rapidly. Imports from APEC had risen to 67% of total merchandise imports by 1995–96, up from 52% in 1975. Australia has a strong stake in trade and investment liberalisation in the region and in steps to simplify and harmonise trade-related practices and procedures, particularly in areas such as standards, customs and movement of business personnel. 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 dialogues

### The ASEAN Regional Forum (ARF)

In the 1990s 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 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 security processes. The ARF, which met first in mid 1994, held its third meeting on 23 July 1996 in Jakarta. The ARF is attended by the Foreign Ministers, accompanied by only one senior official, from all

the major countries in the Asia-Pacific region. It now comprises 21 participants with the addition of India and Burma at the third ARF, following agreement by Ministers on criteria for new members. These are: Australia, Brunei, Burma, Cambodia, Canada, China, the EU (represented by the Presidency), India, Indonesia, Japan, Laos, Malaysia, New Zealand, Papua New Guinea, the Philippines, the ROK, Russia, Singapore, Thailand, Vietnam and the United States. 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. Ministers increasingly have shown themselves comfortable discussing sensitive issues, such as the South China Sea and Burma, frankly but in a non-confrontational way.

In addition to the Ministerial-level discussions of the ARF, and linked directly to it, there are a number of 'first track', official-level meetings and 'second track', academic forums (in which officials also participate in their personal capacity). The most important of these at the official-level is the annual May ARF Senior Officials' Meeting which, as well as being a preparatory meeting for the ARF, is a regional security dialogue in its own right, as current political and security issues in the region are discussed. In the 1996-97 intersessional period official-level groups will meet to discuss confidence-building measures, peacekeeping, search and rescue and disaster relief coordination. Under the umbrella of the peacekeeping group, Australia will co-organise with Malaysia a 'train-the-trainers' activity. Officials from all ARF countries participate in these activities, which are directed towards 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. In late 1996 second track ARF seminars were held on preventive diplomacy and on non-proliferation. Australia along with Germany (on behalf of the EU) and Indonesia co-sponsored the non-proliferation seminar.

There are a large number of other important unofficial, second track academic meetings which contribute to multilateral regional security dialogue and cooperation. One second track dialogue process is the Council for Security Cooperation in the Asia-Pacific (CSCAP), established by 'strategic studies' institutes in 1993. CSCAP currently has 14 country/institution members (Australia, Canada, the DPRK, Indonesia, Japan, Malaysia, Mongolia, New Zealand, Philippines, ROK, Russia, Singapore, Thailand and the United States) 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.

### **Bilateral security linkages**

The development of a region-wide security dialogue through the ARF is part of a pattern of expanding bilateral, sub-regional and region-wide linkages — formal and informal — in a growing web of relationships. All these links contribute to building a sense of trust, a sense of shared interests and a sense of shared responsibility for the region's future, with strong bilateral relationships underpinning regional stability and effective multilateral activity.

In addition to its alliance with the United States, Australia also has close security relationships with New Zealand, Papua New Guinea, and more recently the formalisation of the security relationship with Indonesia through the Agreement on Maintaining Security. Australia is also party to the long standing Five Power Defence Arrangements which include Malaysia, Singapore, the United Kingdom and New Zealand. In addition to these more formal linkages, Australia has a range of less formal defence and security ties with other South East Asian countries and in 1996 instituted semi-official security talks with Vietnam. Australia is also strengthening bilateral security links with North East Asian countries through initiatives such as the establishment of politico-military talks with the Republic of Korea and Japan, and the upgrading of official discussions on regional security with China.

## 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 183 member states and is a central part of the international security framework. In 1995, 25 years after its entry into force, the treaty members agreed to make the NPT a permanent treaty.

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. Through membership of the IAEA, Australia is able to promote non-proliferation objectives and contribute to regional and international nuclear cooperation and technical assistance, including in the areas of nuclear science and technology and nuclear waste safety. 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 (AONM) for any military or explosive purpose, the acceptance of IAEA safeguards in order to verify that undertaking and a strict system for accounting for quantities of AONM as it moves through the civil nuclear fuel cycle. Australia has concluded 14 bilateral nuclear safeguards agreements covering 24 countries.

Australia has long recognised the importance of effective controls on nuclear and nuclear-related 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 Cooperation and Development (OECD), which consists of all European Member countries of the 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 UN 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.

The conclusion of the Comprehensive Test Ban Treaty (CTBT) has been a high priority for Australia for a number of years. When over two years of negotiations in the Conference on Disarmament in Geneva failed to gain agreement on the Treaty text, Australia initiated a resolution in the UN General Assembly which saw the Treaty adopted and opened for signature on 10 September 1996. The CTBT will lock into place an end to nuclear testing by the five nuclear weapon states — the United States, the United Kingdom, Russia, France and China.

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 signature by France, the United Kingdom and the United States of the Protocols of the Treaty of Rarotonga in March 1996 fulfilled a long-standing Australian and South Pacific Forum objective. The past year has also seen the establishment of two new nuclear weapon free zones: the Southeast Asian Nuclear Weapon Free Zone in December 1995 and the African Nuclear Weapon Free Zone, also known as the Treaty of Pelindaba, in April 1996.

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 during the first half of 1997. Australia has strongly supported efforts to achieve an effective CWC, both during the negotiation of the treaty at the Conference on Disarmament and subsequently in the Preparatory Commission for the Organisation for the Prohibition of Chemical Weapons, 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 (Prohibition) 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. This program is now focused on helping these countries with their national implementation of the Convention.

Australia also strongly supports efforts to strengthen the Biological Weapons Convention (BWC), particularly the development of international arrangements to verify compliance with the treaty. These are needed if the BWC is to provide an effective global ban on these inhumane and potentially devastating weapons. Australia has accordingly been an active participant in the negotiations in the Ad Hoc Group of BWC parties established by the special conference of BWC States Parties in 1994. These negotiations are expected to result in the development of a protocol to the BWC containing verification measures.

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 participates in the Missile Technology Control Regime: these two bodies enable similar cooperation in the nuclear weapons and missile fields.

Concerned about the scale of the widespread civilian suffering caused by the use of anti-personnel mines, Australia in April 1996 suspended the use of landmines by the Australian Defence Force and announced that it would support a global ban on landmines. Australia played an active role in negotiations to strengthen the *Inhumane Weapons Convention* which concluded with the adoption of an amended Protocol governing the use and transfer of landmines on 3 May 1996. Australia participated in a meeting of like-minded states in Ottawa in October 1996 which developed a strategy for achieving a global ban. Australia hopes to be one of the first states to ratify the amended Protocol and is encouraging other states to also move quickly, in order to bring the amended Protocol into force as soon as possible.

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 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 53 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 and the next meeting will be held in Edinburgh, Scotland in October 1997. The Auckland CHOGM agreed to establish the Commonwealth Ministerial Action Group (CMAG), comprising the Foreign Ministers from eight countries, not including Australia, in response to the continuing violations of the principles contained in the Harare Declaration by some Commonwealth countries, in particular Nigeria. The Harare Declaration is a key Commonwealth document which sets out the principles by which member states will abide, including the protection and promotion of fundamental political values, democracy, democratic processes and institutions, the rule of law and the independence of the judiciary. CMAG's task is to assess the nature of the infringement and recommend measures for collective Commonwealth action aimed at the speedy restoration of democracy and constitutional rule.

## International trade relations

With formal trade barriers being dismantled and international competition increasing, trade policy can no longer be concerned simply with controls imposed at the border. The future trade policy agenda is being shaped by pressures which go beyond new or more advanced forms of government intervention in the trade of goods and services and into the issues which affect the international movement of capital, labour and technology.

Globalisation of production is one of the driving forces behind the future trade policy agenda. Firms are increasingly organising their activities on a regional or global scale to achieve efficiencies. This usually involves a search for the optimal mixture of trade and investment activities most likely to secure the firm's commercial objectives. There is a view that traditional trade policy mainly concerned with border measures is not capable of dealing with all of the issues arising from this trend.

## The multilateral framework

For nearly 50 years the General Agreement on Tariffs and Trade (GATT) signed in 1947 provided basic rules for the conduct of international trade. The GATT was not an organisation but a treaty to which governments became contracting parties. It was replaced as of 1 January 1995 by the Agreement establishing the World Trade Organisation (WTO). This created for the first time an international organisation with a permanent existence to be responsible for the trading relationships between countries. It has much broader scope than the GATT in terms of the commercial activity and trade policies to which it applies.

The key provisions of the GATT provided for non discriminatory trade between members. This was established through adherence to the principles of most-favoured-nation (MFN) treatment and national treatment. These mean, respectively, that the goods of all members will be granted treatment no less favourable than any other, and that once goods have entered they must be treated the same as domestically produced goods.

## Australia's role in the multilateral trading system

As exports make an increasing contribution to the economy, expanding market access for Australian goods and services is central to creating wealth and jobs. The multilateral trading system enables middle-sized nations like Australia to defend and protect market access for their exporters. Its system of rules provides transparency, predictability and fairness for Australia's firms in international markets.

In the GATT and now in the WTO, Australia has been a staunch advocate for the establishment and close monitoring of multilateral rules. Australia has played a key role in strengthening the institutional development of the WTO. Australian representatives have been the 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.

An important innovation for the WTO is the introduction of Ministerial Conferences as the management body of the organisation. The first

biennial WTO Ministerial Conference was held in Singapore in December 1996. The conference presented another opportunity for Australia to take a key role in exercising its responsibility for influencing the direction and development of the multilateral trading system. Australian initiatives on the built-in agenda, environment and industrials, have become the focus of international attention as providing the core elements of a post-Singapore work program.

Australia has taken a leading role in the work on agriculture. Ministers of the Cairns Group of agricultural fair traders, which Australia co-chairs, agreed at their 1996 meeting in Cartagena (Colombia) the terms of the 'Cartagena Compact' initiative which set the Group's objectives for the Singapore Ministerial and the post-Singapore agricultural work program of the WTO.

Australia's approaches to APEC and in the promotion of closer links between Australia and New Zealand and the members of the ASEAN Free Trade Area (AFTA) are strengthening trade and economic cooperation at the regional level.

## Law of the Sea

The United Nations Convention on the Law of the Sea (UNCLOS) entered into force in 1994, with Australia an original party. UNCLOS provides for the creation of several international institutions, including the International Sea-bed Authority (ISA) and the International Tribunal for the Law of the Sea (the Tribunal). The past year has seen much activity concerned with the creation of these institutions.

The ISA is the institution which will manage the exploitation of the resources of the deep sea-bed beyond the limits of national jurisdiction. It is based in Kingston, Jamaica. The first Council (the executive arm) of the ISA was elected in March 1996. Australia was elected for a two-year term in the chamber composed of states which are land-based producers of minerals also found on the deep sea-bed.

The Tribunal is the judicial organ established by UNCLOS. It is one of the means of compulsory dispute settlement which states may choose under UNCLOS. The first election of the 21 members of the Tribunal was held in August 1996. No Australian was elected.

## 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, management of hazardous chemicals and transfer/disposal of hazardous waste. Australia has a significant national interest in many of these issues, being a mega-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, and 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 '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 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.

## Antarctica

Australia has had a long association with Antarctica. It commenced with expeditions as early as last century and continues today 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: Casey, Davis and Mawson.

As one of the 12 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 held annually in one of the Consultative Party States. The twentieth ATCM was held in Utrecht, the Netherlands in April/May 1996. There are now 42 governments which are parties to the Antarctic Treaty. Of these, 26 are Consultative Parties (ATCPs) entitled to participate fully in Consultative Meetings.

Hobart is host to the Commission for the Conservation of Antarctic Marine Living Resources, which is responsible for developing measures necessary for the conservation of the Antarctic marine ecosystem. The Commission and its Scientific Committee meet annually.

On 22 May 1989, the Australian Government announced that it was opposed to mining in Antarctica and that it would not sign the Convention on the Regulation of Antarctic Mineral Resource Activities. Instead the Australian and French Governments pursued the negotiation of a comprehensive environmental protection regime for Antarctica and its dependent and associated ecosystems. Following consultations 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. 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. Mining activities are specifically prohibited for at least the next 50 years. All 26 ATCPs must ratify the Protocol for it to enter into force. As at August 1996 there remained four ATCPs yet to ratify.

Consistent with the priority attached to protecting the Antarctic environment, in December 1992 Australia became the first ATCP to enact legislation to implement the Protocol and ratified the Protocol on 6 April 1994.

## Treaties

Treaties that Australia is contemplating are tabled in Commonwealth Parliament for at least 15 sitting days for scrutiny before binding action. The texts of bilateral and multilateral treaties to which Australia is a party are printed in the Australian Treaty Series when they enter into force. Australia's current position with regard to particular treaties may be ascertained by referring to the Australian Treaty List. 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, with the exception of *Insight*, which is available from the Department of Foreign Affairs and Trade, Canberra.

The texts of Australian treaties and related domestic law are available electronically through the Australasian Legal Information Institute, at the Internet site <http://www.austlii.edu.au>.

## 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, and its belief that strategies to ensure the observance of human rights have a preventive security dimension.

Australia is actively involved in human rights promotion through multilateral channels including the UN General Assembly, the Commission on Human Rights, the Commission on the Status of Women, and numerous other UN bodies and meetings. The Government provides technical assistance for the promotion of human rights through UN programs and on a bilateral basis through the AusAID program. 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 bilateral representations, on behalf of individuals or groups, many of which are made on behalf of the Amnesty International Group of the Australian Parliament. Since 1987, when the Department of Foreign Affairs and Trade first started maintaining a register of human rights representations, the Australian Government has raised over 4,000 individual and group cases with other governments.

## 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 region and the global community. The international cultural relations program plays a significant and unique role in conveying abroad these messages about modern Australia in support of key foreign and trade policy objectives. Cultural relations activities span a wide range of fields from the visual and performing arts, sport, science and technology, Australian studies, environment and other 'people to people' contacts.

## Consular services and passports

The Department of Foreign Affairs and Trade protects the interests of Australian citizens overseas in accordance with international law. Consular officers are often called upon to assist Australians who are hospitalised, who have been victims of crime or who have been detained or imprisoned overseas. Consular services to

Australian citizens are provided by all Australian diplomatic and consular posts and by 31 honorary consuls. There are also 11 countries, mostly in Africa, where Canadian diplomatic and consular posts provide consular assistance to Australians under the Australia Canada Consular Sharing Agreement. Honorary consuls are appointed where there is a need for an Australian presence and for consular services that cannot be met within the resources of the Department of Foreign Affairs and Trade. An Australian citizen is often appointed as honorary consul. In the absence of an appropriate Australian candidate, consideration is given to non-Australians. Australia's posts abroad are shown in tables 3.2 and 3.3.

Under the authority of the *Passports Act 1938* the Department of Foreign Affairs and Trade provides travel documents to eligible Australian citizens. In Australia, there is a passport office in the capital city of each State and Territory. There is also an office in Newcastle. Overseas, all diplomatic and consular posts issue passports. In 1995–96 there were 699,645 passports issued. Most applications (75.7%) were lodged at one of Australia Post's network of offices through Australia Post, under an agency agreement with Australia Post. A passport information and enquiry service is available to the general public and over 568,000 calls were handled in 1995–96. To support the Department of Foreign Affairs and Trade's consular operations, the passport information and enquiry service incorporates a facility to handle large numbers of telephone enquiries from the public about overseas crises which might involve Australians.

## Australian overseas aid program

The purpose of Australia's development cooperation program is to assist developing countries reduce poverty and improve the standard of living of their people through sustainable development. In doing this the aid program aims to assist in achieving a more secure and equitable international order.

In 1996–97 Australia's official development assistance (ODA) will total approximately \$1,450m (current dollars). This represents a decline of 10% in real terms on 1995–96

expenditure. Australia's ODA to gross national product (GNP) ratio in 1996–97 is expected to be 0.29%. This places Australia above the current weighted average of 0.27% 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 main areas: Country and Regional Assistance; Multilateral, Humanitarian and NGO Assistance; and funding to the Australian Centre for International Agricultural Research (ACIAR). In 1995–96, Country and Regional Assistance totalled \$870.8m; Multilateral, Humanitarian and NGO Assistance totalled \$554.3m; and ACIAR expenditure totalled \$40m. Expenditure on Corporate Services totalled an additional \$56.9m.

Although AusAID administers most of Australia's development cooperation, expenditure on ODA-related activities also takes place in other government departments and agencies. In 1995–96, more than \$42.5m of total ODA was spent by other government agencies. In 1996–97, \$56.5m of total ODA is projected to be spent by other government agencies.

### 3.1 AUSTRALIAN AID FLOWS, Major Recipients — 1996–97 Estimate(a)

Country	\$m
Papua New Guinea	319.5
Indonesia	108.0
Africa	105.6
Vietnam	63.6
Philippines	60.0
China	41.7
Bangladesh	32.2
Cambodia	30.8
Thailand	26.3
India	21.0
Fiji	19.1
Laos	17.3
Vanuatu	12.8
Western Samoa	11.6
Sri Lanka	11.6
Solomon Islands	11.5
Tonga	10.4

(a) Total aid flows include assistance provided under Country and Regional Programs, multilateral agencies, emergency and relief assistance, NGO projects, and ACIAR activities.

Source: AusAID.

## Country and regional assistance

The bulk of Australia's overseas development assistance is provided on a country program basis. Country programming involves formulating long-term development cooperation strategies in partnership with recipient countries which match recipient country needs with Australia's objectives and capacity to assist. Within the framework of country strategies, individual country programs comprise a range of discrete activities. These may include projects, the training of recipient country students, the provision of technical assistance, the supply of equipment and commodities, food aid, and non-government organisation (NGO) activities.

For the majority of recipient countries the shape of Australia's country assistance is reviewed annually, usually during annual High Level Consultations with partner governments. This review process takes into account the budget allocation. In addition, all country programs follow a regular cycle 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 men and women.

Additional support to individual countries is provided through regionally focused or multi-country programs, as well as through a variety of international organisations and community programs (see *Multilateral, humanitarian and NGO assistance*).

### Papua New Guinea

Papua New Guinea receives the largest share of the Australian aid program, with total flows in 1996-97 estimated to reach \$319.5m, including country program assistance of \$313.5m. This represents over one fifth of the total Australian development cooperation program, reflecting the significance of the relationship between the two countries.

Australia's aid program to Papua New Guinea aims principally to promote sustainable development, self-reliance, stability and social cohesion and the successful implementation of Papua New Guinea's economic reform program. In 1996-97, assistance in the form of programmed activities will outweigh budget support to Papua New Guinea for the first time. This reflects an agreement by the two

Governments to move progressively to a level of 100% jointly programmed activities by the year 2000. The next few years will see a rapidly increasing pace of implementation of Australian activities in Papua New Guinea in six mutually agreed sectors: education and training, health, infrastructure, law and order, renewable resources and the private sector.

### South Pacific

Despite their relatively small economies and their distance from potential markets, many Pacific Island Countries (PICs) are performing well in terms of social development. However, both the Australian and Pacific Island Governments have recognised the urgent need for cooperation in pursuing economic reforms necessary to achieve sustainable growth. In addition, PICs face several emerging development challenges such as increasing urbanisation, creating new health and environmental risks. In 1996-97, bilateral, multi-country and regional programs in the South Pacific will total around \$129.1m, making Australia the largest donor to the region. The focus will be on education, health, sustainable resource use, private sector development and economic and public sector reform.

### East Asia

The East Asia region is one in which many countries continue to experience rapid and sustained economic growth. Some countries nevertheless remain among the poorest in the world. Assistance to the region in 1996-97 will total \$371m, including country program assistance of \$247.2m.

Assistance to Vietnam, Cambodia and Laos, three of the world's poorest nations, will concentrate on poverty alleviation through targeted intervention in areas such as health, education and training, and the development and reconstruction of basic infrastructure. In Indonesia, Australian assistance supports human resource development, rural infrastructure development, environmental management and maternal and child health care. Assistance to the Philippines will increasingly concentrate on the southern Philippines, and focuses on health, human resource development and rural infrastructure development. Development assistance to Malaysia and Thailand is being wound down in recognition of their development achievements.

Assistance to China, the world's most rapidly growing country, will total \$41.7m, including country program assistance of \$33m. This will focus on the environment, education and training, health and population, and community development sectors.

### **South Asia**

Endemic poverty and low social development remain major problems in this region. In 1996–97, assistance to South Asia will total \$92.5m, including country program assistance of \$42.7m. Australia's aid program to the region focuses on food security, human resource development, technology transfer, institutional strengthening, health, agriculture, the environment and community development. The main recipients of country program assistance are India (\$14.3m), Bangladesh (\$16.7m), Nepal (\$3.4m) and Sri Lanka (\$3.0m).

### **Africa**

Unlike East Asian countries where the flow of private investment has grown rapidly, private investment in African countries has at most grown very slowly and, in many countries not at all. As a result of the 1995 review of the policy basis of Australian aid to Africa, three countries now have full country program status within Australia's aid program: South Africa, Zimbabwe and Mozambique. Priority areas of assistance to these countries are education and training, water supply and sanitation, health service delivery and private sector development. Total country program expenditure in 1996–97 for these three countries will be \$38.5m. Total aid flows to Africa are expected to amount to \$105.6m.

### **Cross-regional programs**

Cross-regional programs provide support for activities where the focus is not on any particular country or region. By far the most significant cross-regional program consists of two in-Australia tertiary education scholarships: Australian Sponsored Training Scholarships, and Australian Development Cooperation Scholarships. The former comprises a program of scholarships for individuals who have been nominated by their governments. Under the latter program individuals apply directly, without the need for government nomination. Over 6,600 sponsored students are expected to study in Australia in 1996–97.

Over the past ten years AusAID has worked closely with educational institutions in an effort

to build their capacity to develop a range of quality services devoted to the support of international students. As from January 1997, AusAID's new training management strategy will see educational institutions contracted to provide education services, scholarship management and support services to students.

### **Multilateral, humanitarian and non-government organisation assistance**

#### **Multilateral development banks and international organisations**

The Australian 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 multilateral agencies, Australia also contributes to their policies and program directions. To ensure that Australia is achieving its goals through multilateral development organisations, close monitoring of the various agencies is undertaken.

Contributions to international organisations in 1996–97 will total \$304.5m. UN development agencies will receive \$74.7m, with the largest contributions directed to the World Food Program (\$54m), the United Nations Development Program (\$9m) and the United Nations Children's Fund (\$4.5m). Australia's contributions of \$204.7m to the multilateral development banks will go mainly to the concessional lending arms of the World Bank and the Asian Development Bank, namely the International Development Association and the Asian Development Fund. Other beneficiaries of Australia's contributions to international organisations in 1996–97 include Commonwealth development organisations, international health and environment programs and international non-government organisations.

#### **Emergencies and refugees**

In 1996–97 the allocation for emergency and refugee assistance will be \$81m. Africa is likely to remain the major recipient of Australia's humanitarian assistance in the medium term. Many African countries are making a transition to peace and stability following the cessation of civil conflict. In Mozambique, Australian assistance is helping support the repatriation and reintegration of thousands of refugees. In

Angola, Australia's efforts are directed at supporting UN sponsored demobilisation of soldiers and programs by non-government organisations to help repair community infrastructure. In both countries Australia contributes to the international effort to clear landmines. In the Horn of Africa, rehabilitation of infrastructure, reintegration of displaced persons, and efforts to promote food security are contributing to stability in Ethiopia and Eritrea.

In the Pacific, a significant contribution is being made to disaster preparedness programs which aim to strengthen the institutional capacity of local authorities to respond effectively to emergencies. In South and South East Asia, Australia supports programs for refugees and internally displaced people in Bangladesh, Thailand, Nepal, Sri Lanka and Cambodia.

Australia also supports the programs of a number of international relief agencies by making contributions to their core budgets. Agencies which benefit include the UN High Commissioner for Refugees, the UN Relief and Works Agency and the International Committee of the Red Cross.

### Community programs

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

NGOs play a valuable role in translating the Australian community's concern for the poor and disadvantaged peoples of developing countries into practical, tangible projects which address basic human needs at the community level. Total funding channelled through NGOs is expected to exceed \$100m in 1996-97. This includes overseas development projects, volunteer programs and emergency relief assistance. A key element of this funding is the AusAID-NGO Cooperation Program (ANCP), which subsidises development activities designed and implemented by NGOs. The ANCP has been allocated \$15.8m in 1996-97. Funding is also provided through a number of NGO windows in country programs.

The aid program also supports academic research through the provision of funds to the National Centre for Development Studies and the Australian National University. The Government also commissions

development-related research from other research institutions in Australia.

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

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 also 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 international agricultural research centres such as the International Rice Research Institute. Funding provided to ACIAR in 1996-97 is \$40m.

## Australian representation overseas

As at 30 June 1996, 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).

### 3.2 DIPLOMATIC AND CONSULAR REPRESENTATION OVERSEAS

Country	Post
Argentina	Buenos Aires
Austria	Vienna
Bangladesh	Dhaka
Belgium	Brussels
Barbados	Bridgetown
Brazil	Brasilia
Brunei	Bandar Seri Begawan
Burma	Rangoon
Cambodia	Phnom Penh
Canada	Ottawa
Chile	Santiago
China	Beijing, (a)Guangzhou, (a)Shanghai
Cyprus	Nicosia
Denmark	Copenhagen
Egypt	Cairo
Fiji	Suva

For footnotes see end of table.

...continued

### 3.2 DIPLOMATIC AND CONSULAR REPRESENTATION OVERSEAS — *continued*

Country	Post
France	Paris
Germany	Bonn, Berlin(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
Kazakhstan	Almaty
Kenya	Nairobi
Kiribati	Tarawa
Korea, Republic of	Seoul
Laos	Vientiane
Lebanon	Beirut
Malaysia	Kuala Lumpur
Malta	Valletta
Mauritius	Port Louis
Mexico	Mexico City
Micronesia, Federated States of	Pohnpei
Nauru	Nauru
Nepal	Kathmandu
Netherlands	The Hague
New Caledonia	(a)Noumea
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/Cape Town
Spain	Madrid
Sri Lanka	Colombo
Sweden	Stockholm
Syria	Damascus
Thailand	Bangkok
Tonga	Nuku'alofa
Turkey	Ankara
United Kingdom	London
United States	(a)Washington, Honolulu, (a)New York
Vanuatu	Port Vila
Vatican	Holy See
Venezuela	Caracas
Vietnam	(a)Hanoi, Ho Chi Minh City
Western Samoa	Apia
Yugoslavia	Belgrade
Zimbabwe	Harare

(a) Consulate-General. (b) Consulate.

Source: Department of Foreign Affairs and Trade.

### Permanent missions

Australia also maintained five separate missions in:

New York	UN
Geneva	UN
Geneva	Disarmament
Geneva	WTO
Paris	OECD

### 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
Fukuoka	Consulate
Houston	Consulate-General
Istanbul	Consulate-General
Los Angeles	Consulate-General
Milan	Consulate-General
Nagoya	Consulate
Osaka	Consulate-General
San Francisco	Consulate-General
Sao Paulo	Consulate-General
Sapporo	Consulate
Sendai	Consulate
Toronto	Consulate-General

### Other consulates

The Department of Immigration and Cultural Affairs maintained offices with consular status in:

Berne	Consulate
Manchester	Consulate
Vancouver	Consulate

**3.3 AUSTRALIAN HONORARY CONSULS — 30 June 1996**

City	Country	Responsible Office
Barcelona	Spain	Madrid
Bogota	Colombia	Caracas
Boston	United States of America	New York
Bucharest	Romania	Belgrade
Denver	United States of America	Los Angeles
Edinburgh	United Kingdom	London
Guadalajara	Mexico	Mexico City
Guayaquil	Ecuador	Caracas
Helsinki	Finland	Stockholm
Kota Kinabalu	Malaysia	Kuala Lumpur
Kuching	Malaysia	Kuala Lumpur
Kyiv	Ukraine	Moscow
Lae	Papua New Guinea	Port Moresby
La Paz	Bolivia	Santiago de Chile
Lima	Peru	Santiago de Chile
Lisbon	Portugal	Paris
Ljubljana	Slovenia	Vienna
Monterrey	Mexico	Mexico City
Montevideo	Uruguay	Buenos Aires
Oslo	Norway	Copenhagen
Papeete	French Polynesia	Noumea
Penang	Malaysia	Kuala Lumpur
Port of Spain	Trinidad and Tobago	Bridgetown
Prague	Czech Republic	Warsaw
Pusan	Korea, Republic of	Seoul
Rio de Janeiro	Brazil	Brasilia
Seville	Spain	Madrid
Sofia	Bulgaria	Athens
Tallinn	Estonia	Stockholm
Vladivostok	Pacific Russia	Moscow
Zagreb	Croatia	Vienna

Source: Department of Foreign Affairs and Trade.

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