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CHAPTER 5

INTERNATIONAL RELATIONS

The basic principles underlying the shaping and conduct of Australia's foreign policy are that Australia is a significant middle-level power with democratic institutions; having strong affiliations with other Western countries but an emerging Asia-Pacific identity through its increasing involvement in the region.

Australia's prosperity is largely dependent on trade; it is geographically remote from its founding nation, principal migration source countries, major markets and its main allies; it is a relatively affluent and resource rich country in a populous, developing and rapidly changing region.

Initially, Britain and the Commonwealth countries were the central elements of Australia's foreign policy and activity. Later, partly as a consequence of the vital role played by the United States of America in the Pacific during the Second World War and subsequently, close relations were also developed with that country. These links, and links with Western Europe, remain important factors in Australian policy. Australia inherits its national traditions from Western European countries, conducts a major part of its trade with these countries and with Japan and the United States, and obtains technology and capital for its development from them.

Australia is located in a region which includes the politically, economically and strategically significant countries of North East and South East Asia and the many newly independent nations of the South Pacific. Awareness of the importance of these neighbouring states has led successive Australian Governments to seek to promote and maintain friendly and co-operative relations with them, not only to ensure the stability and security of the region, but also to develop mutually profitable trade, investment, exchange of technology, and co-operation in the development process. Australia gives special attention to its relations with China, Japan, ASEAN (the Association of South East Asian Nations) and its members, New Zealand, Papua New Guinea and the other South Pacific states.

Australia has also been concerned at the increasing instability in the world strategic environment, particularly in South West Asia, Indo-China, the Middle East and Africa. These will remain issues of central importance to the Government's foreign policy concerns and to the Western alliance of which Australia is an active member.

New international issues (economic, resources, human rights, refugees, etc.) and new concepts of national interest are emerging, together with an increasing recognition of the growing interdependence of the world community. This is reflected in economic issues becoming one of the priorities in Australia's foreign policy. Australia recognises the importance and growing complexity of economic issues, particularly the slow-down in world trade and economic development and the continuing energy crisis affecting both developed and developing countries. The growing interdependence of national economic and foreign policies and the increasing vulnerability of Australia's economy to international trade and other developments will remain at the heart of Australia's foreign policy concerns for some while to come. Australia's recognition of the serious implications that many of these issues have for the relationships between developed and developing countries was shown by the establishment early in 1978 of a Committee on Australia's Relations with the Third World. The Committee's Report was issued in September 1979. Australia places a high priority on its participation in the resolution of these global issues in the United Nations, the Commonwealth and other multilateral forums.

The United Nations

Successive Australian Governments have reaffirmed their support for the United Nations (UN), its Charter and the work being done in the various specialised agencies. Within the United Nations and other organisations, Australia seeks to work toward the solution of the pressing problems confronting humanity today.

Australia is involved in a wide range of United Nations matters and has served on many United Nations bodies. It was a member of the Security Council in 1973-74 and, in 1975, a long period of membership on the Trusteeship Council came to an end with the independence of Papua New Guinea. It is a member of the Special Committee on Decolonisation and the UN Committee for Namibia.

Australia is a member of the Economic and Social Council for 1980-82. Australia also supports the work of the specialised agencies and subsidiary bodies in such areas as development assistance, drug control and human rights. It is an active participant in the economic work of the United Nations

through such forums as the UN Conference on Trade and Development (UNCTAD) and has been re-elected to the UN Development Program (UNDP) Governing Council for three years from 1 January 1983. Australia is a member of the UN Commissions on Human Rights, Human Settlements, and Narcotic Drugs, and on the Executive Board of the UN Children's Fund and the Governing Council of the UN Environment Program (UNEP)—and has been elected to the Statistical Commission for a four-year term which began in 1981. Australia is a member of three of the UN Educational, Scientific and Cultural Organisation's Governing Councils and its prominent role in world refugee assistance is reflected in membership of the Executive Committee of the UN High Commissioner for Refugees.

Australia has been involved in almost all UN peacekeeping activities since these began. Australia has also contributed its assessed share of the costs of all UN operations and also makes voluntary contributions as well as providing men and equipment for peacekeeping forces.

Australia is also fully involved in the work of the UN on disarmament and outer space, and is a member of the main subsidiary bodies working in these areas.

Australia accepts the compulsory jurisdiction of the International Court of Justice and plays an active role in bodies concerned with the development of international law.

The Commonwealth

The Commonwealth is a distinctive and unique framework bringing together about a quarter of the world's population. Australia participates actively in the broad range of Commonwealth activities. It was host to the first regional Heads of Government meeting in Sydney in February 1978, and hosted the Commonwealth Heads of Government Meeting (CHOGM) in Melbourne in September-October 1981.

South East Asia

Australia shares with South East Asian countries a concern for peace and the economic and social development of the region. The Australian Government is in regular contact and consultation with South East Asian governments on a wide range of issues. Contacts with them have widened beyond the scope of official activity to include consultation between private sector organisations, co-operation in trade and resources, the export of Australian expertise and technology in joint enterprise arrangements, and direct Australian investment. Benefits from this growing economic relationship are mutual, and it is essential to Australia's economic and political future in its own region.

The range of personal contacts with the region continues to widen, as tourism develops, migration from Asia to Australia grows, student exchanges increase, and academic studies and press coverage of regional affairs expand.

Australia has particularly welcomed the progress made by ASEAN and its contribution to the promotion of regional co-operation. Australia has a significant interest in helping to ensure that ASEAN succeeds in generating economic growth and political stability and supports its wish to prevent domination of the region by any major power. Australia has entered a program of economic co-operation with ASEAN to which it has pledged a total of \$56.7 million over the period 1974-75 to 1986-87, and for a number of years has played a major part in assistance with the Indo-Chinese refugee problem.

Asia

Australia believes that peace and prosperity in Asia depend largely on the ability of countries in the region to co-operate to secure these objectives and in ensuring that no major power, either inside or outside the region, is able to exert an undue influence in the area.

Australia's primary interest and concern in Asia has long been reflected in its active role in regional associations and organisations such as the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Colombo Plan, the Asian Development Bank and in many other bodies, both private and government.

Japan is Australia's largest trading partner, with total trade now around \$9,420 million a year and is a significant source of investment funds. Relations between the two countries in political, cultural, scientific, sporting and other areas are being actively fostered by both Governments with a view to improving mutual understanding and friendship.

Australia has developed a broad range of interests with China since the establishment of diplomatic relations in 1972. This has been facilitated through reciprocal visits by political leaders and the conclusion of several bilateral agreements. There is an increased level of co-operation and exchange of experts between the two countries, one element of which is an aid program which Australia has begun with China. The level of trade between Australia and China is important for both countries. China is a significant market for Australian wheat, sugar, wool and iron and steel products. Recent years have

also seen an increase in consultations between China and Australia on regional issues of mutual concern. Under the aid program Australia supports China's modernisation through the Technical Co-operation for Development Agreement which involves provision of relevant Australian expertise and advice on technical aspects of development projects. The Australia-China Council has played an important part in cultivating relations on a wide basis.

Australia's relations with the Republic of Korea are firmly established. In addition to the important economic partnership, both countries are promoting exchanges in other areas.

Australia is developing its relations with Laos and is providing a small program of development assistance. Australia maintains normal diplomatic relations with Vietnam but the bilateral relationship has been affected by Vietnam's military occupation of Kampuchea.

Australia recognises the strategic and political importance of the Indian sub-continent and has continued to strengthen friendly relations with the countries of that region. The Australian Prime Minister has visited India on three occasions in the past three years and the Indian Prime Minister, Mrs Gandhi, attended the 1981 Melbourne CHOGM. There have been regular exchanges of ministerial visits between Australia and the region. As part of the aid program with India, Australia is providing assistance, with an emphasis on livestock development.

South Pacific

Australia looks to consolidate and to expand its co-operative activities to promote the stability, welfare, harmony and economic development of the region. Australia has moved deliberately to develop and extend its bilateral relations with the Island countries and now has nine diplomatic missions in the area. Aid programs are substantial in size and varied in nature, covering all types of infrastructure and other development projects. The Australian Government has approved a new five-year forward indicative planning figure for the aid program to the region (excluding Papua New Guinea) to commence in 1983-84. A further \$5.202 million for defence co-operation projects in the countries of the South West Pacific has been allocated for 1982-83.

As the largest of the South Pacific Island States, Papua New Guinea (PNG) has played, since independence, an influential and leading role in the region. Australia and PNG have a close and warm relationship which encompasses a broad range of Government and non-government activities. Australia's aid commitment to PNG is substantial and a second five-year aid agreement was announced in September 1980. Australia's budgetary aid will total \$253 million for 1982-83 while the defence co-operation program will provide grant assistance of a further \$17.54 million.

Australia was a foundation member of the South Pacific Commission, the South Pacific Forum and the South Pacific Bureau for Economic Co-operation and has become a party to the convention establishing the Forum Fisheries Agency. Australia takes part in these and the many regional meetings held in the Pacific to act on a broad range of issues of common interest. Besides contributions to ESCAP, SPEC and the SPC, financial support for other regional and international programs developed in the South Pacific is being increased significantly in 1982-83. Australia has also established a fund to promote the preservation and development of Pacific cultures. Australia and New Zealand have entered into a non-reciprocal preferential trade agreement in favour of South Pacific Forum States: the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA).

Relations between Australia and New Zealand are particularly close. They are based on shared history, close economic ties, and common problems in dealing with the current international political and economic environment. The implementation in 1966 of the New Zealand-Australia Free Trade Agreement (NAFTA) established a special trading relationship between the two countries. Negotiations on a possible closer economic relationship have been taking place since 1980. The proposed new agreement to replace NAFTA would lead, on the basis of equality of opportunity, to the progressive elimination of remaining barriers to trans-Tasman trade such as tariffs and import restrictions, and to the removal of other trade-distorting factors such as export incentives.

The Australia New Zealand Foundation was founded following discussions between the Prime Minister of Australia, the Rt Hon. Malcolm Fraser, and the Deputy Prime Minister of New Zealand, the Hon. Brian Talboys, in March 1978. The aim of the Foundation is to help strengthen relations between Australia and New Zealand by encouraging the study and discussion of issues of interest to both countries and the promotion of increased cultural and other exchanges. The Foundation is government-funded but is administered by an independent Executive Board.

The Americas

Australia has a long-standing and close relationship with the United States which extends across the whole range of the national life of both countries. Government-to-Government relations are only one part of a larger and more extensive interaction between the two countries which derives from

common experiences, culture and language. In general, relations between the countries are warm and co-operative, with a high degree of official political consultation and a close personal relationship between the political leaders. The affinity between Australia and the United States is underpinned by substantial economic and commercial relations which, however, are not without their substantial difficulties from time to time. The United States is Australia's largest supplier of imported items and its second largest export market.

Canada is, to a greater degree than other nations, a country comparable with Australia in terms of institutions and traditions, geographical size, economic standing and international outlook. The genuine goodwill established between the two countries has allowed Canada and Australia to co-operate on the achievement of mutually desirable objectives, reflecting individual national interests and competition in certain commercial fields.

Developments in the Caribbean and the Latin American region are of increasing importance to Australia, and resident missions have been established in Jamaica, Mexico, Chile, Argentina, Brazil, Peru and, most recently, Venezuela. Australia has observer status at the annual General Assemblies of the Organisation of American States.

Europe

Australia attaches considerable importance to maintaining warm and friendly relations with the countries of Western Europe, with the European Community and its institutions, including the European Parliament.

Bilateral relations with individual Western European countries continue to be of considerable importance. These relations are promoted by the very close cultural and historical links we share with these countries and are reinforced by the presence in Australia of large numbers of people of recent European origin. Economic ties between Australia and the major Western European economies are likely to be significantly strengthened by a major increase in the export of Australian energy resources to Europe.

The European Community (EC) is Australia's second largest trading partner and a major source of investment funds and scientific and technological expertise. The 1979 agreement with the EC over the Multilateral Trade Negotiations (MTN) has gone only some way towards resolving trading difficulties. Australia remains committed to seeking the development of a closer and mutually advantageous relationship with the EC based on our wide range of common interests.

With the establishment in 1979 of the first directly elected European Parliament, it is evident that the Parliament will assume an increasingly important role in the Community. A delegation from the Parliament visited Australia early in 1981 during which the foundation for further mutually advantageous contact was established. The opening of an EC Commission Delegation in Australia in 1981 and the visit of the Commission President in 1982 were important developments.

Australia's relations with the Soviet Union have been circumscribed following that country's invasion of Afghanistan. The Government has denounced unequivocally the Soviet invasion as being totally without justification and as being in contempt of the Charter of the United Nations. Australia does not accept the Soviet view that what has occurred in Afghanistan can be divorced from the conduct of bilateral relations. To demonstrate its concern, the Government has taken a number of measures to curtail relations between Australia and the Soviet Union.

Australia has expanded its contacts with Eastern European countries since 1966, which saw the establishment of diplomatic missions in Poland and the German Democratic Republic (GDR). Eastern Europe is a sensitive area in world affairs and Australia has an interest in the maintenance of a balanced East/West relationship. Eastern Europe also has significant potential for Australian exports, particularly commodity exports, and our trade relations with the area have been expanding. Another aspect of our relations with Eastern Europe is the presence in Australia of large ethnic groups from countries of the region which have substantial links with their country of origin, notably in cultural matters.

The Middle East

Much value is placed on Australia's longstanding and close relations with the Arab nations and with Israel. Australia has an interest in the settlement of unresolved disputes in the region. Although Australia's ability to bring influence to bear towards a settlement of the Middle East dispute is limited, it has important interests in the region which cannot be overlooked. Australia supports the Camp David Accords and the peace treaty between Israel and Egypt, seeing them as a first step towards a just, lasting and comprehensive peace settlement. Australia's position on the Middle East dispute is that a comprehensive settlement should be based on United Nations Security Council Resolution 242

(which, *inter alia*, recognises the right of all states in the area to live in peace within secure and recognised boundaries and calls on Israel to withdraw from territories captured in 1967) and recognition of the legitimate rights of the Palestinians including their right to a homeland and the right to participate directly in decisions affecting their future. The terms of a settlement are a matter for negotiation among the parties directly concerned.

Africa

Australia wishes to broaden the range of its contacts with independent black African states and consolidate links with those with which it already enjoys friendly relations. It maintains formal diplomatic relations with South Africa without allowing this to derogate from its opposition to that country's policies of racial discrimination. Australia supports international action to bring Namibia to independence by a negotiated settlement. There has been a significant growth of aid to Africa in recent years. While aid is given to some 20 recipients in Africa, the greater proportion goes to the Commonwealth member states in East Africa.

Indian Ocean

Although recognising that the deterioration in the regional and international climate following the Soviet invasion of Afghanistan has ruled out any immediate prospects for the successful convening of a conference on the Indian Ocean as a zone of peace, Australia continues to play an active role in the UN Ad Hoc Committee considering this matter. In response to the changed strategic situation in the north-west Indian Ocean region, Australia has increased its naval and air deployments into the region on an independent national basis. It has also indicated a readiness to co-operate with the United States in assisting the latter's deployments into the region. In March 1981 Australia and the United States agreed on terms for staging unarmed B-52 aircraft through Darwin for the purposes of training and surveillance over the Indian Ocean.

ANZUS

Maintenance of the ANZUS alliance with the United States and New Zealand remains of major importance in Australian foreign policy. The alliance continues to play a valuable role in the promotion of stability and normal relations in the Asian and Pacific area.

Nuclear issues

Australia's nuclear policies are based on strong support of the Nuclear Non-Proliferation Treaty (NPT), which Australia ratified in 1973, and of the International Atomic Energy Agency (IAEA) whose responsibilities include the operation of the international safeguards regime. On 24 May 1977, the Prime Minister announced Australia's nuclear safeguards policy which prescribed the conditions and controls, including eligibility criteria, for countries wishing to import Australian uranium under new contracts. The conditions include an undertaking not to use Australian origin nuclear material for military or explosive purposes and to accept IAEA safeguards in order to verify that undertaking. The conditions are set out in binding bilateral nuclear safeguards agreements with customer countries. Nuclear safeguards agreements incorporating all the requirements of the Government's policy have been signed with Finland, the Philippines, the Republic of Korea, the United States, the United Kingdom, France, Sweden, Canada, EURATOM and Japan. The later agreements incorporate a settlement of the detailed conditions under which Australia exercises its prior consent rights over reprocessing, consistent with the policy statement by the Minister for Foreign Affairs on 27 November 1980.

Australia encourages universal adherence to the NPT and supports other measures to strengthen generally international arrangements to provide assurance against the further spread of nuclear weapons. These include participation in the activities of the IAEA to improve international safeguards and its discussions directed towards facilitating international nuclear co-operation under effective non-proliferation arrangements. Australia is a member of the Board of Governors of the IAEA and also a member of the Nuclear Energy Agency of the Organisation for Economic Co-operation and Development.

Disarmament and arms control

For a number of years Australia has promoted nuclear arms control and disarmament objectives in the United Nations, and, since January 1979, as a member of the Committee on Disarmament in Geneva. Australia attaches particular priority to the earliest possible conclusion of a treaty banning all nuclear testing in all environments. Australia also has great interest in a number of non-nuclear disarmament questions. A promising start to serious consideration of a possible chemical weapons convention has been made in the Committee on Disarmament.

Australia has acceded to the following disarmament and arms control agreements: The Partial Test Ban Treaty, the Geneva Protocol (on Asphyxiating, Poisonous or Other Gases), the Outer Space Treaty, the Sea Bed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, and the Environmental Modification Ban.

Economic relations

In recent years economic factors have assumed increasing importance in international relations. This is largely due to the growing economic interdependence between nations and the need for global co-operation to solve the problems facing domestic economies.

Australia's interest in international economic developments derives from the overall importance of trade to Australia and its historical reliance upon a substantial amount of capital inflow to offset balance of payments deficits on the current account.

The economic instability of the world economy in the 1970s and 1980s has led to the growth worldwide of protectionist pressures and moves towards seeking solutions to economic problems through bilateralism and the formation of trade blocs. The Australian Government has endeavoured to counter these harmful trends and to encourage global approach to economic recovery through its involvement in forums such as the General Agreement on Tariffs and Trade (GATT). GATT is the principle multilateral institution for negotiation of reductions in trade barriers in pursuit of the further liberalisation of world trade. In the context of the GATT Ministerial Meeting in November 1982, Australia has proposed a number of initiatives aimed at a standstill, followed by a progressive reduction, in all forms of protectionism and a strengthening of GATT's capacity to deal with outstanding trade disputes.

Australia also has a strong commitment to the freedom of international capital flows. As a net capital importer, it is of considerable importance to Australia that the international system be increasingly open and adaptable to facilitate the global exchange of goods, services, labour and capital. This is all the more so in view of the significant challenges imposed on the international monetary system by the dramatic changes in the world economy during the past decade.

Because of its particular characteristics and location, Australia is vitally dependent on its aviation, shipping and communications links with the rest of the world. Civil aviation has assumed particular prominence in Australia's foreign policy considerations in recent years, notably in its relations with developing countries in the region. These relations have been further developed by a series of new routes and services between Australia and points in South East Asia recently agreed upon by the Australian Government and the governments of the countries concerned. The maintenance of Australia's air links with Europe and the United States, furthermore, involves dealings not only with the countries to which Australia's international airline, Qantas, operates these services but also with the countries which Qantas overflies on these routes or where it enjoys stop-over rights.

A recent factor contributing to moves for changes in the world economy has been developing country demands for a New International Economic Order (NIEO) more geared to their needs and development aspirations. In 1980 and 1981 a major preoccupation of the UN General Assembly was the proposal to hold global negotiations on international economic development issues. Agreement is outstanding, however, on the agenda and procedures for the negotiations. Nonetheless, North/South issues were considered in 1981 at a series of important summit meetings. It was a major subject at the Commonwealth Heads of Government Meeting which Australia hosted in September-October 1981. Later in Cancun, Mexico, twenty-one heads of government met in October 1981 solely to consider North/South issues. Australia considers that it is in the interests of global security and stability and of the economic self-interest of all groups of states to achieve progress in the North/South dialogue and to address the economic development problems of developing states.

Australia also continues to attach great importance to its traditional relations with other developed countries, which continue to be Australia's principal trading partners. Membership of the OECD enables Australia to take part in consultations on a wide range of policy issues and on issues of international concern with countries experiencing similar social and economic circumstances. The Organisation's role in developing its members' policies on relations with developing countries, including the North/South dialogue, also makes it an important element in Australia's foreign policy.

Despite the importance of Australia's relations with its traditional trading partners, considerable concern has been expressed in recent years at the growing imbalance of trading opportunities which has unduly restricted the access of important Australian agricultural products to European Community markets. Australia has also been concerned about the effect of EC export subsidies on the returns from Australia's commodity exports to third world countries. Policies are being pursued to help resolve these problems.

North/South relations

Australia seeks to play a constructive role in the dialogue on international economic development issues between the developed ('the North') and developing countries ('the South'). Australia's approach to North/South issues is based on the belief that not only are there compelling humanitarian reasons for finding solutions to the many problems facing the world economy and the developing countries in particular, but also that the degree of interdependence in the world economy makes progress imperative for international stability and economic growth. Australia's approach is also influenced by the predominance of developing countries in the region and by the fact that Australia shares a number of economic interests with the developing countries e.g. it is a leading producer and exporter of a wide range of primary products and an importer of capital and technology.

Australia has taken a forward position on a number of North/South issues. It has encouraged changes to the international economic system sensitive to the views of developing countries, but which also would serve to promote orderly development, political stability and the full participation by all countries in an open international trade and payments system. Australia believes that the round of global negotiations on North/South issues which has been proposed in the UN General Assembly could make a positive contribution to those goals. As indicated above North/South issues were major items for discussion at the Commonwealth Heads of Government Meeting, which Australia hosted in Melbourne in September-October 1981 and which gave birth to the Melbourne declaration and a communique which gave prominence to North/South matters.

Law of the Sea

Australia participated in all sessions of the Law of the Sea Conference, the largest and potentially the most important conference in the history of the United Nations, involving major strategic, economic, transport, scientific and environmental issues. A Convention was adopted on 30 April 1982 and opened for signature in December 1982. The text includes articles on the system of exploration and exploitation of the deep seabed beyond the limits of national jurisdiction; extension of the territorial sea to 12 nautical miles; establishment of coastal state sovereign rights in the living and non-living resources of an 'exclusive economic zone' of 200 nautical miles; recognition of coastal state sovereign rights over the exploration and exploitation of the natural resources of the continental shelf, defined in terms of the natural prolongation of the land-mass; protection and preservation of the marine environment; marine scientific research; and the settlement of disputes. Rights of freedom of navigation and passage through straits and archipelagos which are important to trading nations such as Australia are also recognized in the text. A preparatory commission to prepare for the establishment of the International Seabed Authority and its various organs will be convened when 50 States have signed or acceded to the Convention.

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 well as one on Macquarie Island).

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. Australia hosted the first Antarctic Treaty Consultative Meeting in Canberra in 1961. Such meetings are held about every two years in one of the Consultative Party States, and in 1983 Australia will be host to the twelfth meeting.

In 1980, at a conference in Canberra, a Convention for the Conservation of Antarctic Marine Living Resources was concluded. The first meetings of the Commission and the Scientific Committee established by the Convention were held in Hobart in May-June 1982. The headquarters of the Commission began operating in Hobart in August. Australia will also participate in meetings, the first of which was held in Wellington, New Zealand, in June 1982, to negotiate a regime to regulate exploration for and exploitation of Antarctic minerals.

Treaties

The texts of bilateral and multilateral treaties to which Australia becomes a party are printed in the Australian Treaty Series when they enter into force. The most recent consolidation of the Australian Treaty List was published as Treaty Series 1971, No. 1. Australia's current position with regard to individual treaties may be ascertained by referring to the 1971 list in conjunction with Cumulative Supplement No. 3 (Treaty Series 1975, No. 1), annual volumes on treaty action in the Treaty Series, and

annual volumes on International Treaties and Conventions to which Australia has not yet become a party, in the series 'Select Documents on International Affairs'. These publications are available from Australian Government Publishing Service bookshops in State capital cities.

Cultural relations

The Department of Foreign Affairs administers a program of cultural exchanges with other countries in furtherance of the Government's foreign policy objectives. The program includes exchanges in the performing and visual arts, sport, film and literature as well as academic exchanges. The Department co-operates and consults with appropriate Australian organisations.

Australia has cultural agreements with France, Greece, India, Indonesia, Iran, Italy, Japan, Republic of Korea, Malaysia, the Philippines, Romania, Singapore, Thailand, Yugoslavia and China. (The activities under an agreement with the USSR have, however, been suspended since its invasion of Afghanistan.)

Australian Aid Program—1982–83

Australia's development assistance program is directed towards promoting the economic and social advancement of developing countries, particularly in Asia and the Pacific. It aims to meet the expressed needs of these countries and is directed towards key activities in their economies, such as rural development. All of Australia's aid is given on grant terms and a significant proportion is untied.

About 80 countries receive assistance, but Australia's efforts are aimed principally at assisting its nearest neighbours—Papua New Guinea (PNG), the South Pacific region and member countries of the Association of South-East Asian Nations (ASEAN).

In 1982–83, Australia expects to spend about \$737 million on official development assistance, an increase of about \$80 million or 12 per cent more than in 1981–82. Of this amount \$554 million (75 per cent) will be provided as bilateral aid given directly to the governments of developing countries. The major elements of the bilateral program are budgetary support for PNG, project aid (equipment, goods and expertise), the education of Third World students and trainees, food aid and assistance through non-government organisations.

In addition, \$173 million has been allocated to multilateral agencies. Support provided to these bodies has been increased by \$35 million over 1981–82.

Papua New Guinea

About 36 per cent of Australia's bilateral aid goes to PNG because of a special relationship with the country based on long historical association.

This year Papua New Guinea will receive \$264 million in assistance. The bulk of this amount (\$253 million) will be in the form of an untied grant for budgetary support. This amount represents the second payment under a five-year aid agreement negotiated between the Australian and Papua New Guinea Governments in September 1980. As with the first five-year aid agreement which ended in 1980–81, the purpose of this long-term aid arrangement is to provide PNG with a practicable framework in which to plan its development.

In addition to the budget support grant, Australia meets the cost of termination payments and retirement benefits due to former employees and provides training for Papua New Guineans. Since 1981–82 this training has been incorporated into the PNG/Australia Technical Co-operation Program. This program also includes a jointly funded technical assistance program which will provide services and related equipment to increase the technical capacity and capability of Papua New Guinea.

Bilateral projects

Most of Australia's bilateral aid to countries other than PNG is for specific development activities undertaken by the developing countries. These range from large-scale regional development programs to simple facilities in villages. At 1 July 1982, Australia was involved in 348 projects in about 35 countries. The total value of its contribution is some \$570 million. Generally, Australia meets the foreign exchange costs of a project, but it also pays, in an increasing number of cases, some of the local costs associated with projects.

South-East Asia receives the bulk of Australia's bilateral project aid. Many of the 82 projects in the region involve infrastructure development work, agricultural improvements through crop and live-stock research as well as practical extension work. In recent years Australia has become increasingly involved in large-scale, integrated rural development programs intended to bring about the balanced growth of whole regions, particularly in Indonesia, the Philippines and Thailand.

The basis of our program to ASEAN is an open-ended commitment of \$250 million. This commitment was first established in 1977 and has been periodically renewed. In addition, expenditure on research projects and other activities under the ASEAN-Australia Economic Co-operation Program will amount to \$12 million in 1982–83.

Most of the ASEAN countries have now reached a stage of development where they are also looking to other forms of assistance to capitalise on their progress to date. As one response, Australia has introduced a scheme specifically for ASEAN known as the Development Import Finance Facility. The idea of the scheme is to reduce the cost to ASEAN governments of importing capital goods and services from Australia for development purposes. By offering a grant to support such transactions the Australian Government aims to enable recipient countries to purchase needed capital goods and services on better terms than are available under existing concessional finance. A separate allocation of \$2.2 million has been set aside to provide grants in support of ASEANs' requirements for the import of developmental products and services on concessional terms.

Australia's current three-year commitment of \$120 million to the South Pacific (over the period 1980-81 to 1982-83) will be replaced by a five-year indicative planning figure of \$300 million commencing from 1983-84. Most of the expenditure associated with this commitment is in the form of bilateral project aid for Fiji, Tonga, Western Samoa, Solomon Islands, Vanuatu, Kiribati, Tuvalu, Cook Islands and Niue.

At 1 July 1982, Australia was undertaking 153 projects in the South Pacific. The large number of projects reflects the small-scale nature of island economies. These projects cover a wide range of activities and include assistance with transport, rural development, water and sewerage schemes, telecommunications and upgrading health facilities.

To keep pace with the changing requirements of the region, new forms of aid have been introduced over recent years, for example, one particular form of assistance which will be given increasing prominence in 1982-83 is the funding of joint ventures in the region. \$1.75 million has been earmarked to provide grants for the purchase of island equity in joint ventures with Australian companies. The South Pacific countries should benefit from this through income and employment creation.

South Asian countries receive significant amounts of project aid mainly to help rural development. At 1 July 1982 Australia was involved in 39 aid projects in South Asia, many of which are assisting rural development.

While the Asian and Pacific regions have traditionally been major recipients of project assistance, the level of assistance to African countries and Indian Ocean States has increased in recent years for compelling humanitarian and political reasons. Africa contains two-thirds of the world's poorest nations, many of them classified as least-developed. Projects, food aid and emergency relief are the most important elements in Australia's aid program to Africa. Apart from normal project activities, the expanded program will include staffing assistance schemes, provision of development import grants and provision of assistance to regional programs being developed in southern Africa. These activities will be in addition to the commitment of \$20 million to Zimbabwe (for expenditure by the end of 1984) which was announced in March 1981. The increase in assistance to this region is particularly appropriate at a time when the international community is focusing on the particular needs of the least developed countries which are predominantly African. In total some 27 projects worth \$22 million were in existence at the beginning of 1981-82.

Training

During 1982-83 within a budget of \$26 million, Australia will sponsor about 3,500 people to study in Australia and Third World countries. The training program is designed to assist people from Asia, Africa and the Pacific and Indian Ocean regions to develop the skills needed for social and economic development.

Australia's training program seeks to encourage recipient governments to relate their requests for training to their national development priorities. The aim is a matching of the Australian expertise with the requirements of recipient governments, whose role is to decide who should be nominated for scholarships and to indicate the level of training required and the field of study.

Within Australia the training includes individual training awards to regular Australian courses and special group courses known as Australian Development Assistance Courses, some of which are run in the International Training Institute in Sydney. Courses include studies in agriculture, health, engineering, education and management.

It is proposed to increase English language training both in Australia and in selected recipient countries. One benefit of this will be increased opportunities for academically promising candidates without good English. Further emphasis on training senior administrators in developing countries is also proposed.

Funding for the Australian Universities International Development Program (formerly the Australian Asian Universities Co-operation Scheme) will account for approximately \$2.8 million. The primary focus of the program is on agriculture, food production and population studies. Assistance is given in teaching, research and a variety of short courses.

Food aid and food security

There is an increasing gap between food demand and supply in many developing countries. This has been aggravated by population pressure and the progressive destruction of agricultural land. Australia is responding to this problem in two ways: by addressing the short-term problem of food shortages with food aid; and by helping developing countries to supply more of their own food requirements in the long term.

In 1982-83, some \$112 million will be utilised in providing food aid.

The Government is committed under the Food Aid Convention (FAC) to provide a minimum of 400,000 tonnes of foodgrain annually. While retaining a substantial bilateral food aid program, the Government announced last year that Australia would in future draw to a greater extent on the capacities and skills of the World Food Program (WFP) in distributing and monitoring the food aid program. In 1982-83, 30 per cent of the FAC commitment will be channelled through the WFP and by 1984-85 this will be increased to 50 per cent. It is expected that this will increase the effectiveness of the program because of the WFP's skill in using food aid in association with projects which develop rural infrastructure and stimulate agricultural production. In addition Australia will contribute \$10 million to the WFP's cash and commodities program for projects utilising other foodstuffs.

Australian bilateral foodgrain is provided to food-deficit countries taking into account such factors as food consumption requirements, GNP per capita, calorie consumption, infant mortality rates and life expectancy levels, international reserves, import capacity, crop outlook and increasingly, emergency needs. With these factors taken into account, Australia has found that an increasing portion of the program is being provided to meet particularly severe food problems facing African countries.

There is a growing emphasis in the program on meeting emergency needs brought about by unfavourable climatic conditions, refugee flows and other factors. In addition to food supplied from the FAC commitment, Australia also meets these emergency needs from a special 50,000 tonne allocation to the International Emergency Food Reserve.

Apart from foodgrain, an allocation of \$4.6 million will be set aside to provide non-grain foods such as high protein biscuits for use in feeding projects for vulnerable groups and for emergencies.

In 1982-83, funds available for use in other food security schemes will be increased to \$4.5 million. Australia attaches importance to measures intended to improve food production, marketing and distribution. A significant portion of this amount will be used to support food security programs developed by international bodies such as the Food and Agriculture Organisation.

A further major initiative in the food security sector has been the establishment in 1982 of the Australian Centre for International Agricultural Research (ACIAR).

Australian Centre for International Agricultural Research (ACIAR). The establishment of ACIAR was announced in 1981 and in 1982 the Centre will enter into its first contracts with Australian agricultural institutions to undertake research work into agricultural problems facing developing countries. A trust fund for ACIAR has been established with the Government agreeing to an initial three-year commitment of \$25 million. In 1982-83 \$3.8 million was allocated to the Centre.

Non-Government Organisations (NGOs)

The Australian Government gives financial assistance to a number of Australian Non-Government Organisations (NGOs) for their development assistance activities. Support for these organisations this year will amount to approximately \$5.8 million.

The principal avenue of Government/NGO co-operation is a Project Subsidy Scheme under which eligible NGOs are assisted to undertake a variety of small scale projects at 'grass roots' level in developing countries. In 1982-83 some \$4.7 million will be provided for this purpose. Within this amount funds will be set aside for use in South Pacific projects. In 1981 when the needs of disabled persons were being emphasised, projects of particular relevance to the disabled were also given prominence.

Some \$1.1 million is also provided for schemes utilising the skills of Australian Volunteers. In addition to the long running Australian Volunteers Abroad scheme, a further scheme known as the Australian Executive Service Overseas Program was introduced in 1981. Volunteers who may be either active or retired business executives will be placed with business and community organisations in developing countries for periods of up to six months. The Confederation of Australian Industry is managing the scheme during the trial period.

A number of international NGOs will also be supported again in 1982-83 such as the International Committee of the Red Cross. In total, support for these activities will amount to approximately \$1.1 million. Funding was also provided to a new NGO—the Australian Disaster Response Organisation (AODRO) which was formed to develop an Australian response, including the provision of qualified volunteers to assist in disasters occurring in developing countries.

Multilateral aid

Australia contributes to several international organisations and financial institutions concerned with aid to developing countries. They include the World Bank Group, Asian Development Bank, United Nations Development Program and other UN agencies, International Fund for Agricultural Development, Commonwealth Fund for Technical Co-operation, Economic and Social Commission for Asia and the Pacific (ESCAP), South Pacific Bureau for Economic Co-operation (SPEC), South Pacific Commission (SPC) and various international science, technology and research centres.

Support for these bodies provides Australia with an opportunity to participate in major development projects which are beyond the resources of individual donors.

Contributions in 1982-83 to international financial institutions are estimated at \$68 million. Included in this amount is \$43.1 million which will be provided to the International Development Association, the soft-lending affiliate of the World Bank, which directs its work towards assisting the poorest countries. Other major contributions in 1982-83 involve expenditure of some \$7.7 million to the Asian Development Fund, \$12.6 million for the International Bank for Reconstruction and Development and \$1.9 million for the International Finance Corporation.

Payments to UN, regional and international agencies in 1982-83 are estimated at \$106 million (including \$38 million to the WFP). In 1982-83, there is provision for significant increases in our pledges to the major UN bodies active in development. This reflects the Government's appreciation of the special role which these bodies can play in providing international assistance. The five major bodies which will receive additional assistance are the UN Development Program, UN Children's Fund, the UN High Commissioner for Refugees, the UN Fund for Population Activities and the UN Relief and Works Agency. In total, these five bodies will receive over \$29 million in 1982-83.

With regard to Commonwealth-related concerns, a \$4.5 million contribution to the Commonwealth Fund for Technical Co-operation is provided for to meet priority technical assistance needs of developing Commonwealth countries. Over \$6 million is included this year to meet Commonwealth commitments.

Continued support of over \$10 million is to be given to regional organisations such as ESCAP, SPEC and SPC. In 1982-83 support will be increased for other regional and international programs developed in the South Pacific. Regional co-operative efforts in the transportation sector will receive particular priority. In total \$6.9 million has been allocated for South Pacific regional activities. One new program will involve Australian participation in a geoscientific research program in the region. This seabed research program will be jointly undertaken by New Zealand, the United States and Australia.

In 1982-83 \$6.2 million will be provided for the international science, technology and research programs including support of a number of international agricultural research institutions within the Consultative Group on International Agricultural Research (CGIAR). A further \$1.2 million has been allocated for institutional and program support and fellowship grants to training institutes and research centres such as the Asian and Pacific Development Centre.

Refugees and relief

It appears that massive refugee flows have become a long-term part of international affairs. The 10 million men, women and children who live as refugees and displaced persons throughout the world are the victims of political tension or instability, social upheaval and related economic hardships and continuing infringements of human rights. The refugee problem is an international question of grave humanitarian and political discussions which has become a major foreign policy concern.

Refugee issues will continue to be a significant element in Australian foreign policy considerations and important in our relations with countries affected by refugee movements. Australia is well-known for its long-standing practice of responding with compassion to refugee problems around the globe. This is shown both in resettlement and assistance for refugees and through timely and generous contributions to NGOs active in refugee relief. Since 1978, Australia has provided some \$114 million in humanitarian assistance to refugees and displaced persons. In 1982-83 approximately \$18.2 million will be available (in addition to food aid) to provide for emergency relief. Australia is currently the fourth largest contributor to the budget of the United Nations High Commissioner for Refugees (UNHCR).

Consular

The Department of Foreign Affairs is responsible to the Minister for the protection of Australian citizens and their interests overseas. Consular services to the Australian public are available from Australian diplomatic and consular posts throughout the world.

As at 30 November 1982, Australia maintained the following diplomatic and consular missions overseas. Full details of these missions are available from the Department of Foreign Affairs, Canberra, A.C.T. 2600.

NOTE. In certain cases the Head of Mission accredited to one country is also accredited to another country. Where this is the case the name of the country in which the Head of Mission is located is shown in brackets. Except where indicated the missions are located in capital cities.

Australian missions overseas

Embassies

Afghanistan (in Pakistan); Algeria; Argentina; Austria; Bahrain; Belgium; Bolivia (in Chile); Brazil; Bulgaria (in Yugoslavia); Burma; Chile; China; Colombia (in Venezuela); Costa Rica (in Mexico); Czechoslovakia (in Poland); Denmark; Ecuador (in Venezuela); Egypt; Ethiopia (in Kenya); Finland (in Sweden); France; Gabon (in Nigeria); German Democratic Republic; Germany, Federal Republic of; Greece; Guatemala (in Mexico); Hungary (in Austria); Indonesia; Iran; Iraq; Ireland; Israel; Italy; Ivory Coast (in Ghana); Japan; Jordan; Korea, Republic of; Kuwait; Laos; Lebanon; Libya; Luxembourg (in Belgium); Madagascar (in Tanzania); Maldives, Republic of (in Sri Lanka); Mexico; Mongolia (in U.S.S.R.); Morocco (in France); Nepal (in India); Netherlands; Norway (in Sweden); Oman (in Jeddah); Pakistan; Panama (in Mexico); Paraguay (in Argentina); Peru; Philippines; Poland; Portugal; Qatar (in Saudi Arabia); Romania (in Yugoslavia); Saudi Arabia; Senegal (in Ghana); South Africa; Spain; Sudan (in Egypt); Sweden; Switzerland; Syria; Thailand; Tunisia (in Algeria); Turkey; Union of Soviet Socialist Republics; United States of America; Venezuela; Vietnam, Socialist Republic of; Yugoslavia.

High Commissions

Bahamas (in Jamaica); Bangladesh; Barbados (in Jamaica); Botswana (in Zimbabwe); Britain; Canada; Cyprus; Fiji; Ghana; Grenada (in Jamaica); Guyana (in Jamaica); India; Jamaica; Kenya; Kiribati; Lesotho (in South Africa); Malaysia; Malta; Mauritius (in Tanzania); Nauru; New Zealand; Nigeria; Papua New Guinea; Seychelles (in Kenya); Singapore; Solomon Islands; Sri Lanka; Swaziland (in South Africa); Tanzania; Tonga; Trinidad and Tobago (in Jamaica); Tuvalu (in Fiji); Uganda (in Kenya); Vanuatu; Western Samoa; Zambia; Zimbabwe.

Commissions

Hong Kong.

Other

Mission to—European Communities (Brussels); United Nations (New York); United Nations (Geneva); United Nations Educational, Scientific and Cultural Organisation (Paris); Organisation for Economic Co-operation and Development (Paris); United Nations Industrial Development Organisation (Vienna); Australian Delegation to Multilateral Trade Negotiations (Geneva).

Consulate-General in—New York, Chicago, San Francisco, Los Angeles, Houston and Honolulu; Osaka; Auckland; Milan; Toronto and Vancouver; Rio de Janeiro; Bombay; Bahrain; and Abu Dhabi.

Consulate in—Edinburgh and Manchester; Geneva; Noumea; Bali and Capetown.

Specialist officers of the Department of Trade and Resources (formerly the Department of Overseas Trade), other Australian Government Departments and the Defence Services stationed abroad are attached to Australian diplomatic or consular missions. Senior attached officers are in some cases accredited to the missions with diplomatic or consular ranks approved by the Minister for Foreign Affairs.

Passports

The Department of Foreign Affairs is responsible for Australian passport matters. Australian passports are normally valid for five years. Proof of citizenship must be produced. It is the responsibility of the passport holder to obtain any necessary visas. More than one million Australians travel abroad each year. The Department issued 531,000 new passports in 1981.

