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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 regional involvement.

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

While links with the United States, Britain and Europe remain important factors in Australian foreign policy in terms of cultural tradition, security, strategic interests and trade, the specific focus of policy has shifted in the past 25 years to the Asia-Pacific region.

Australia is located in a region which includes the politically, economically and strategically significant countries of North Asia, South-East Asia, South Asia, the Indian Ocean and 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 cooperative 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 cooperation in the development process. Australia gives special attention to its relations with China, Japan, the member countries of ASEAN (the Association of South East Asian Nations), New Zealand, Papua New Guinea and the other South Pacific states.

International issues including economic cooperation, disarmament, trade access, human rights, refugees, and new concepts of national interest have assumed importance together with an increasing recognition of the growing interdependence of the world community. This is reflected in economic issues, disarmament and arms control and human rights becoming priorities in Australia's foreign policy. Australia recognises the importance and growing complexity of economic issues, particularly the need to maintain the recovery of world trade and economic development and the major problem of world debt 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 time to come. Australia places a high priority on its participation in the resolution of these global issues in the United Nations 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 1945–46, 1956–57, 1973–74 and in 1985–86. The Security Council has primary responsibility for the maintenance of international peace and security. In 1975, a long period of Australian membership of the Trusteeship Council came to an end with the independence of Papua New Guinea. Australia was a long-standing member of the Special Committee on Decolonisation until its withdrawal in January 1985 following UN recognition of the Cocos (Keeling) Islands' decision to integrate with Australia.

Australia 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), the Food and Agriculture Organisation (FAO), the World Food Program (WFP), and the UN Development Program (UNDP). Australia also participates in regional consideration of social and economic issues in the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations' regional body. Australia is a member of the Commission on the Status of Women. It was re-elected for a further four year term on the Commission on Narcotic Drugs in June 1985. It is on the Executive Board of the UN Children's Emergency Fund (UNICEF), the Governing Council of the UN Environment Program (UNEP) and is a long-standing member of the Governing Body of the International Labour Organisation. Australia is an active member of the UN Education, Scientific and Cultural Organisation (UNESCO) 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 a major contributor to UN peacekeeping operations since these began. Australia contributes its assessed share of the costs of UN budgets (1.57 per cent), and similar percentages to all other UN bodies of which it is a member. In addition it makes voluntary contributions as well as providing personnel and equipment for peacekeeping forces. At present Australia provides personnel for the UN Forces in Cyprus, the UN Truce Supervision Organisation, the UN Iran/Iraq Military Observer Group and the UN Transition Assistance Group in Namibia.

Australia is 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. Though no longer a member of the UN Commission on Human Rights, Australia continues to play an active role at Commission Sessions, and fully participates in the work of other UN bodies dealing with the implementation of International human rights conventions.

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 which brings together about a quarter of the world's population in 49 countries. Australia, through its participation in the broad range of Commonwealth activities, seeks to foster the Commonwealth as an instrument for peace and understanding, and for political, social and economic advancement. The last Commonwealth Heads of Government Meeting (CHOGM) was held in Kuala Lumpur, Malaysia in October.

South-East Asia

Australia maintains wide-ranging relations with the countries of ASEAN (Indonesia, Malaysia, the Philippines, Thailand, Singapore and Brunei), both bilaterally and as a group. These relationships include political, economic and trade consultations, commercial, cultural and defence ties and wide-ranging personal contacts. There are regular Ministerial visits in both directions.

Australia maintained its regular dialogue with ASEAN. The Foreign Affairs and Trade Minister attended the Post Ministerial Conference following the annual ASEAN Ministerial Meeting in Brunei in July 1989. Agreement was reached on a number of mutually beneficial development projects under the ASEAN Australian Economic Cooperation Program (AAECP), including a three year Trade and Investment Promotion program.

Indonesia is Australia's closest regional neighbour and straddles major sea and air routes. Australia is committed to the maintenance of sound and productive relations with Indonesia at all levels. Accordingly, Australia has pursued an active relationship with Indonesia including in the areas of trade, investment, science, defence and culture. Australian aid to Indonesia is expected to continue at levels of around \$70 million per year. Efforts are currently underway to add further substances to the relationship through building on concrete areas of mutual interest. These include cooperation on international economic issues as well as the development of a more substantial bilateral trade and commercial relationship, cooperation on the exploration and development of resources in the Timor Gap and the establishment of an Australia-Indonesia Institute.

Australia and Thailand share a range of political, strategic and economic interests. Thailand's impressive progress towards industrialisation and its success in international markets, indicate that it will become more important to Australia as a trading and investment partner. Cooperation in multilateral trade matters through the Cairns Group is also an important aspect of the relationship. Australia's relationship with Thailand is given added substance through development assistance activities, defence cooperation, tourism and cooperation in narcotics control.

Malaysia and Australia have a long history of close and constructive relations, covering the full range of political, commercial and social links. Education links are particularly strong and have contributed significantly to continuing personal contacts between people, business, academic and government circles. Cooperation in defence is long-standing. The relationship has adapted well to the political and economic changes within the region.

Australia has a tradition of close interest in and association with Singapore. Relations are broadly based, encompassing the whole range of bilateral areas including trade and investment, defence, education, civil aviation, tourism and cultural relations. The investment links that Australia and Singapore share have contributed to the frequency of exchanges between political leaders and officials of the two countries.

The Philippines is important to Australia because of its strategic location and close cooperation on a range of matters of mutual interest. Australia has a substantial development assistance program with the Philippines, and there are important linkages through trade, migration, tourism and defence cooperation.

Relations between Brunei and Australia are developing steadily, especially in the fields of trade, defence and education. There is also a growing dialogue on regional trade and strategic issues.

Australia is continuing to develop its relationship with Myanmar but trade and other contacts still remain at relatively low levels.

Australia is concerned by the destabilising effects on the South-East Asian region posed by the situation in Cambodia. Australia's policy has been to promote dialogue among the parties to the conflict in order to achieve a comprehensive political settlement.

Australia is also developing a more broad based relationship with Vietnam through increased trade, visits and cultural exchanges. Bilateral aid remains suspended pending resolution of the Cambodian conflict but humanitarian aid is given directly through multilateral and non-government organisations. Australia is also continuing to develop its relationship with Laos and is providing a small program of development assistance, including a commitment to build a bridge across the Mekong.

Japan

Japan remains Australia's largest trading partner, with total trade in 1988-89 of approximately \$20 billion. At the tenth Australia Japan Ministerial Committee meeting in January 1989, both sides agreed to style the relationship as a constructive partnership. This concept will provide impetus to our dialogue with Japan on regional and international political and economic issues, and to our combined efforts to further diversify the bilateral relationship.

China

Until June, Australia had enjoyed a close relationship with China. The Third Joint Ministerial Economic Commission meeting had been held in Canberra in April and Joint Working Groups on specific areas of economic cooperation were held throughout the year. Bilateral trade exceeded \$2 billion. The Australia China Council also continued its active role in developing the bilateral relationship by sponsoring a broad range of activities. The violent repression of the pro-democracy movement in June and subsequent developments in China caused the Australian Government to conduct a major review of the bilateral relationship with China. As a result, it was decided to downgrade the relationship by suspending high level exchanges and curbing some bilateral activities. A further reassessment is due to take place.

Hong Kong

With two-way trade of \$2.2 billion, Hong Kong is Australia's second largest Asian market and third largest export market. Hong Kong is also an important source of migration, tourism and investment, as well as a major target for export of education services. The visit early in the year by the Minister for Foreign Affairs and Trade and the Minister for Immigration, Local Government and Ethnic Affairs reflect Hong Kong's importance to Australia.

Taiwan

While Australia has no official links with Taiwan, there is a growing commercial relationship. Two-way trade is valued at \$3.2 billion, in Taiwan's favour. Taiwan is now Australia's seventh largest export market.

Republic of Korea

Korea's relative importance to Australia has grown quickly in recent years reflecting a rapidly increasing level of bilateral trade. Korea was Australia's fourth largest export market in the 1989 fiscal year. Total bilateral trade now stands at \$3.4 billion per annum. Significant expansion of cultural and political links has also occurred in the last few years. High level visits have included President Roh's visit in November 1988 and a reciprocal visit by Prime Minister Hawke in January 1989.

South Pacific

Australia is a member of the South Pacific Forum, the Forum Secretariat (formerly SPEC—the South Pacific Bureau for Economic Cooperation), the Forum Fisheries Agency (FFA), the South Pacific Commission (SPC) and the South Pacific Applied Geoscience Commission (SOPAC). Australia actively participates in meetings of these organisations and provides significant financial support to them and to other regional and international programs providing assistance to the South Pacific region. To assist in the preservation and development of indigenous Pacific cultures, Australia has established the South Pacific Cultures Fund. 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). The Prime Minister, Mr Hawke, represented Australia at the 20th South Pacific Forum held in Tarawa, Kiribati, in July 1989. Australia is a party to the South Pacific Nuclear Free Zone Treaty (the Treaty of Rarotonga) and has signed the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (SPREP).

Relations between Australia and New Zealand reflect their shared history, similarities in political and social structure and the importance of the economic links. While Australia and New Zealand still have some differences of view in the defence policy area, specifically in relation to ANZUS, other aspects of the relationship have continued to expand. This has been exemplified in the 1988 Review of the Closer Economic Relations Trade Agreement (ANZCERTA) which provides for the accelerated movement towards a single trans-Tasman market through achieving free trade in goods by mid 1990, the extension of CER into trade in services and increased harmonisation of the commercial environment. The encouragement of political and cultural exchanges through the Australia New Zealand Foundation reflects another dimension in the close relationship. Australia and New Zealand also often work closely in their approaches to the international political and economic environment.

As the largest of the South Pacific Island States, Papua New Guinea (PNG) has played an influential and leading role in the region since independence in 1975. Australia and PNG have a close and warm relationship which encompasses a broad range of government and non-government activities. Papua New Guinea is the major recipient of Australian aid. One of the most significant changes in the bilateral relationship occurred in December 1987, with the signing by Prime Ministers of the Joint Declaration of Principles (JDP) guiding relations between the two countries. The JDP aims at changing the bilateral relationship from the post-colonial phase to one of reciprocity and recognition of mutual benefits. In working towards these aims both governments are seeking to ensure that each element of the relationship whether defence cooperation, trade, investment or development cooperation is seen as integral to the relationship as a whole. Within the JDP framework, a Ministerial Forum is held; the first took place at Wewak, 31 October–1 November 1988. A new development cooperation treaty is being negotiated.

The Americas

Australia has a long-standing relationship with the United States which extends across the whole range of national life. Government-to-government relations are one part of a larger and more extensive interaction between the two societies with interlinked culture and language. Relations between the countries are warm and cooperative, with a high degree of official consultation and generally close personal relations between the leaders. The affinity is underpinned by substantial economic and commercial relations although perspectives can and do differ on aspects of trade policy.

Australia's defence links with the United States under ANZUS serve the vital interests of both countries by contributing to regional security and the maintenance of global balance essential to world peace.

Canada is a country comparable with Australia in terms of institutions and traditions, geographical size, and international outlook. This has allowed a close degree of cooperation and interchange of ideas between the two countries. Australia takes an increasing interest in developments in Latin America and the Caribbean.

Europe

Australia seeks to maintain 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 with these countries, and are reinforced by similar approaches to international issues and a shared commitment to democratic values and human rights. Economic ties between Australia and the major Western European economies are likely to be significantly strengthened with the increase of European investment in Australia and the increase in the export of Australian energy resources to Europe.

The European Community (EC) is an important trading partner and a major source of investment funds and technological expertise, as well as a significant importer of Australian raw materials. This natural complementary relationship has however been tempered by tensions caused by trading difficulties in the agricultural sector. Australia nonetheless remains committed to the strengthening of a positive relationship with the EC on the principle of enlightened self-interest.

Following the Government's decision in May 1983 to normalise relations with the USSR, activities have been restored or initiated across a broad range, contributing to the objective of a pragmatic and constructive relationship. Australia is studying closely the progress of perestroika in the USSR. Progress has been made in broadening our trade relations with the USSR. In conjunction with a visit by the Prime Minister to Moscow in December 1987, four new bilateral agreements, covering trade, various fields of science, and sport, were signed.

Important changes are being implemented in Eastern Europe and Australia has an interest in encouraging improvements in East-West relations. Eastern Europe has significant potential for Australian exports, particularly commodity exports, although there have been chronic debt problems emerging in some Eastern European countries in recent years. The presence in Australia of large ethnic groups, many of which have family in Eastern Europe, has raised the question of freedom of emigration from those countries.

The Middle East

Australia has substantial trading interests in the area and long-standing friendly relations with the Arab nations, Iran and Israel. Australia supports efforts to bring about negotiations of differences in the region, e.g. in such areas of conflict as the Arab-Israeli dispute and the problems facing Lebanon. Australia supported the Camp David accords and the peace treaty between Israel and Egypt, seeing them as a first step towards a just, lasting and comprehensive settlement of the Arab-Israeli dispute. Australia supports all efforts to negotiate the dispute, and believes a settlement should be based on UN 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 on recognition of the central importance of the Palestinian issue, including the right of self-determination for the Palestinian people and, if they so choose, the right to independence and the possibility of their own independent State. The Government recognises, however that any such arrangement will depend on decisions involving people of the immediate region. Australia has maintained a strict policy of neutrality in the Iran-Iraq war, and welcomes the achievement (under UN auspices) of a ceasefire between Iran and Iraq. Australia has responded positively to a request from the United Nations to contribute to the United Nations Iran-Iraq Military Observer Group. Fifteen Australian officers have been assigned to the group and are serving in Iran.

Africa

Australia maintains a broad range of contacts with independent black African States, and is closely concerned with developmental and humanitarian issues affecting Africa. Its strong and continuing opposition to racial discrimination and the apartheid system is reflected by its adherence to the Commonwealth statement on Apartheid in Sport (the Gleneagles Declaration), its adoption of all measures against South Africa agreed by Commonwealth Heads of Government at Nassau (1985) and London (1986) and its active role in encouraging peaceful change in South Africa, including through the Commonwealth Eminent Persons Group and most recently its financial sanctions initiative agreed to by Commonwealth Heads of Government at Kuala Lumpur (1989). Australia is ready to join concerted international efforts to bring further pressure to bear on the South African Government to abolish apartheid, which it regards as an inhuman practice and the root cause of confrontation and violence in southern Africa. Australia maintains correct but cool diplomatic relations with South Africa. Australia also supports international action to bring Namibia to independence by the negotiated settlement in accordance with United Nations

Security Council Resolution 435 and has provided military and civil support to the United Nations Transition Assistance Group, which is supervising the independence process in Namibia.

Australian aid to Africa is focussed on Eastern and Southern Africa. This includes assistance given through the Southern African Development Coordination Conference as well as humanitarian assistance for refugees from apartheid in South Africa and Namibia. Food aid constitutes the dominant share of Australian aid to Africa because of growing food deficits and the continuing famine crisis in Ethiopia and Mozambique.

Indian Ocean

On 17 January 1984, the Minister for Foreign Affairs, Mr Hayden, announced that the Government had approved guidelines for a comprehensive and integrated policy approach to Indian Ocean issues. Under the guidelines Australia will: act in accordance with its status as an independent but aligned Indian Ocean Littoral State; continue to play an active role in the United Nations Ad Hoc Committee on the Indian Ocean; maintain the goal of the resumption of United States-USSR talks on arms limitations in the region; and support other arms limitations initiatives where these accord with Australia's assessment of its own interests and those of the region as a whole. Australia will also seek to give greater attention to the development of relations with Indian Ocean island States, and, to a lesser extent, East African States. Australia maintains a modest aid program to the smaller Indian Ocean countries.

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 early 1985, the New Zealand Government implemented a policy not to permit 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.

Nuclear issues

Australia's strong commitment to effective 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.

Australia is a member of the International Atomic Energy Agency (IAEA) and provides political and financial support to the IAEA partly to ensure the continued effectiveness of the international nuclear safeguards system. Australia's active participation in the IAEA, 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.

The stringent nuclear safeguard 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 Australia-obligated nuclear material for any military or explosive purpose, and the

acceptance of IAEA safeguards in order to verify that undertaking. Australia has concluded twelve bilateral nuclear safeguards agreements covering twenty-one countries.

Australia is also a member of the Nuclear Energy Agency (NEA) of the Organisation for Economic Co-operation and Development (OECD). Australia values the NEA as an essentially technical forum for international consultation on nuclear issues.

Disarmament and arms control

Australia is energetically promoting arms control and disarmament objectives at the United Nations and the Conference on Disarmament in Geneva. Australia attaches particular priority to the earliest possible conclusion of a treaty banning all nuclear testing by all States in all environments for all time (a Comprehensive Test Ban) and is working to uphold and strengthen the Nuclear Non-Proliferation Treaty. Although not a party to any negotiations on reductions of nuclear weapons between the United States and the USSR, Australia continues to encourage genuine dialogue and a readiness to find accommodation with the aim of stable mutual deterrence. It has called for early agreement on arms reductions and related outer space issues in the current Geneva negotiations. Australia seeks a balanced, mutual and verifiable freeze on the production, testing and deployment of nuclear weapons, which would be followed by deep reductions in nuclear weapons stockpiles. Australia was at the forefront of efforts within the Pacific region which resulted in the endorsement and opening for signature of a South Pacific Nuclear Free Zone Treaty during the meeting of the South Pacific Forum in Rarotonga, Cook Islands in August 1985. Australia also accords priority to a number of non-nuclear disarmament questions. It is committed to supporting the conclusion of a fully effective and verifiable chemical warfare convention that would outlaw the use of chemicals as weapons and in September 1989 hosted the Government Industry Conference against Chemical Weapons which obtained the commitment of the international chemical industry to cooperate in the conclusion and eventual implementation of a chemical weapons convention. Australia is concerned at the implications for strategic stability of the research into ballistic missile defences being conducted by both superpowers and is pressing for international agreements to prevent an arms race in outer space. Australia has acceded to the following disarmament and arms control agreements: the Partial Test Ban Treaty, the Geneva Protocol (on the Prohibition of the Use in War of Asphyxiating Poisonous or Other Gases and of Bacteriological Weapons), the Outer Space Treaty, the Sea-Bed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, the Environmental Modification Convention, the Antarctic Treaty, and the Inhumane Weapons Convention. Australia was the first signatory to the South Pacific Nuclear Free Zone Treaty on 6 August (Hiroshima Day) 1985.

Trade relations

Economic factors have assumed primary importance in international relations. This is largely due to the growing economic interdependence between nations and the need for global cooperation 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 recession of the world economy in the 1970s and early 1980s led to the growth world-wide 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 trends towards increased protectionism and to encourage freer trade through active participation in forums such as the General Agreement on Tariffs and Trade (GATT). GATT is the principal multilateral institution for the pursuit of the further liberalisation of world trade. Australia has consistently supported a reduction in barriers to trade and the concept of an open and multilateral trading system, and is

playing an active role in the Uruguay Round of Multilateral Trade Negotiations taking place under GATT auspices, and scheduled to end in December 1990.

In particular, Australia initiated the formation of the 14 member Cairns Group of Fair Traders in Agriculture, which has established itself as an effective proponent of reform in international agricultural trade.

Australia also has a strong commitment to the freedom of international capital flows. Because it is 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.

The last two decades have seen the economies of the Asia-Pacific region (in this case taken as the Western Pacific Region plus North America) emerge as the fastest growing in the world. The region accounts for over half of the world's economic output and more than one-third of world trade. While the region's growth prospects are favourable they are subject to some uncertainty, partly reflecting regional developments and partly broader trends in the international economy. It was against this background of dynamic regional growth that the Prime Minister launched the Australian initiative for Asia-Pacific Economic Cooperation in Seoul in January 1989.

Australia has a major stake in regional economic developments. The extent of Australia's economic integration with the region will largely determine Australia's economic future. The region already accounts for some 70 per cent of our merchandise exports and 65 per cent of Australian merchandise imports. Australia's major objective in greater regional economic cooperation is thus to assist in improving the prospects for sustained regional growth and development. This would include ensuring that the interest of the region's economies in an open multilateral trading system is reflected in the outcomes of multilateral trade negotiations and a range of international economic forums. Reflecting these goals there are three basic objectives underlying the Australian proposal as set out by the Prime Minister in Seoul:

- to improve the prospects of success for multilateral trade liberalisation in the Uruguay Round negotiations and beyond;
- to discuss openly obstacles to trade and investment in the region and ways to liberalise trade in a non-discriminatory way; and
- to identify specific areas for cooperation such as investment, technology transfer and infrastructure development, where complementarities exist.

Regional response to the Australian initiative has been positive. Ministers from the six ASEAN countries, Japan, the Republic of Korea, New Zealand, the United States and Canada as well as Australia attended an initial Ministerial-level meeting in Canberra on 6-7 November 1989. The meeting represented a valuable opportunity for Ministers to discuss a number of common economic and trade issues, as well as to identify specific areas of possible cooperation and to address how the process could be carried forward in an on-going manner.

Because of its characteristics and location, Australia is vitally dependent on its aviation, shipping and communication links with the rest of the world. Civil aviation has assumed particular prominence in Australia's relations with a large number of countries. Australia's international airline, Qantas, has a well-established network linking Australia with Asia, Oceania, North America, Europe and Africa. Shipping is also of major importance and the maintenance of Australia's interests in the shipping and aviation fields requires a conducive atmosphere in both bilateral and multilateral negotiations.

Australia attaches great importance to its traditional relations with other developed countries, which continue to be Australia's principal trading partners. Membership of the OECD has enabled 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. Of particular relevance to Australia's regional trade and economic relations, the OECD has been developing closer contact with the Dynamic Asian Economies (DAEs — South Korea, Taiwan, Hong Kong and Singapore). At the 1989 Ministerial Council Meeting, Australia was active in persuading member countries to accept the need for urgent agricultural reform. Macro-economic and structural policy outcomes, combined with trade and agricultural commitments made at the meeting gave a positive impetus to these issues at the Paris Summit in July 1989. The OECD meeting outcome also helped maintain the momentum in the Uruguay Round process. The Organisation's work on relations with developing countries is also relevant to Australian interests and on the environment, the OECD recognises the importance of integrating environment and economic decision-making and provides a forum for the discussion of the means of contributing to sustainable development.

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. The UN Convention on the Law of the Sea opened for signature on 10 December 1982 and Australia signed that day.

It had attracted 158 other signatures by the time it closed for signature two years later. The Convention will enter into force twelve months after it receives 60 ratifications or accessions. 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 recognised. A preparatory commission for the establishment of the International Seabed Authority and its various organs has been meeting biannually since 1983. Australia has been an active participant in its work.

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 (ATCM) in Canberra in 1961. Such meetings are held about every two years in one of the Consultative Party States. Australia was last the host in 1983 for the twelfth meeting. The fifteenth ATCM was held in Paris from 9 to 20 October 1989. There are now 39 Governments which are parties to the Antarctic Treaty. Of these 25 are the Consultative Parties entitled to participate fully in Consultative Meetings.

Hobart is host to the Commission for the Conservation of Antarctic Marine Living Resources established by a Convention adopted in Canberra in 1980. The Commission and its Scientific Committee meet annually. The Commission is the only international organisation based in Australia.

On 22 May 1989 the Australian Government announced that it will not sign the Convention on the Regulation of Antarctic Mineral Resource Activities adopted at Wellington on 2 June 1988. Instead it is pursuing the negotiation of a comprehensive environmental protection regime within the framework of the Antarctic Treaty. Australia is also seeking to extend and strengthen the present moratorium on minerals activity in Antarctica. On 18 August the Australian and French Prime Ministers announced that Australia and France would pursue their initiative jointly. The fifteenth ATCM agreed to a Special Consultative Meeting in 1990 on the environment at which the Australian-French proposal will be fully considered.

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 Australian Treaty List is 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. 5 (Treaty Series 1986, No. 34), 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 Commonwealth Government Bookshops in State capital cities.

Cultural relations

The Department of Foreign Affairs and Trade administers a program of cultural relations overseas. This program supports Australian foreign policy and economic objectives through cultural activities and exchanges. These include tours overseas of all types of performing and visual arts, promotion of Australian literature and literary studies, promotion of general Australian studies, cultural assistance, visitor exchange, book gifts, and sporting gifts and exchanges. Formal priorities have been established for the program, with major emphasis on South-East Asia, the South Pacific, North and East Asia, South Asia and Indian Ocean countries. There are also continuing programs in the United States of America and in the USSR.

The Department collaborates closely with other departments, institutions and agencies in the development of its program. The Department seeks to build up programs which will increase understanding and comprehension overseas of Australian society and culture, and thus help foster a favourable environment for the promotion of foreign policy goals. At the same time it seeks to promote professional opportunities for Australian practitioners in all cultural and sporting fields.

The Department also provides secretariats for the Australia China Council, the Australia Japan Foundation, the Australia New Zealand Foundation and for the Australia Indonesia Institute, which the Government established in 1989. The secretariats form part of the Cultural Relations Branch.

Australian Foreign Aid Program

The objective of the Australian Aid program is to promote the economic and social advancement of the peoples of developing countries, in response to Australia's humanitarian concerns as well as Australia's foreign policy and commercial interests. In pursuing this objective the aid program focuses on the surrounding Asia-Pacific region. To maximise development impact the program consists of a range of activities targeted on assisting the poor and promoting economic growth in developing countries.

In 1989–90 Australia will provide around \$1,163 million as official development assistance. While this represents a decline of around 8 per cent in real terms on last financial year, the level of aid has been distorted by a decision to reschedule payments to the World Bank and Asian Development Bank from 1989–90 to 1988–89. If the rescheduling is taken into account, aid in 1989–90 would have increased by 7 per cent in real terms.

The Australian Aid program is divided into three divisions: Country Programs; Global Programs and Corporate Services. The implementation of most of Australia's aid is carried out on a country program basis. These programs are designed to promote development in recipient countries by assisting governments and regional organisations to plan and implement programs and activities designed to improve economic and social conditions. In 1989–90, \$733 million will be provided through Country Programs.

Through Global Programs Australia contributes to development activities not planned on a country-by-country basis. Activities supported include emergency relief, assistance for refugees, agricultural research, the promotion of aid and development issues in the Australian community as well as contributions by Australia to international development organisations. In 1989–90, \$355 million has been allocated to Global Programs for coordinated Australian and international efforts to assist development in Third World countries.

The aid program is administered by the Australian International Development Assistance Bureau (AIDAB). Corporate services, which represents the costs of administering the aid program, will total around \$30 million in 1989–90. In addition, a further \$45 million will be spent by other government departments on aid activities.

Country Programs

The Australian Government currently provides aid directly to a total of over 90 countries. However, in line with Australia's geopolitical and economic interests, emphasis is placed on providing support to nearby countries in the South Pacific and South East Asia regions.

The planning and delivery of most aid to countries other than budget support to Papua New Guinea, is now programmed on a country basis. Country Programs draw together all the instruments of aid delivery available to a particular country. In consultation with recipients, a strategy is formulated to identify areas of focus and a program of activities is developed accordingly. The aim is to provide forms of aid that best match recipient countries' needs with Australia's comparative advantage.

In financial terms the three most important forms of aid are project aid, education and training, and food aid.

Projects supported by Australia range from large-scale, long-term, integrated regional development programs to small-scale village level projects. Most projects involve assistance to develop the recipient's physical capital (e.g. bridge construction in Indonesia), and the provision of technical cooperation to enhance local expertise (e.g. forestry assistance in Nepal and curriculum development in Solomon Islands).

Australia's education and training program is designed to assist recipient countries to develop the human skills needed for their economic and social advancement. Recipient governments are encouraged to identify education requirements and staffing needs which relate to their national development priorities in areas where Australia can offer relevant expertise and which complement other Australian aid activities. The majority of education and training activities occur within Australia, though some assistance is provided in developing countries themselves. In 1988–89 the estimate of contributions towards the education of developing country students is \$80 million.

MAJOR RECIPIENTS OF AUSTRALIAN AID 1988-89

<i>Country</i>	<i>\$ million</i>
Papua New Guinea	313.7
Indonesia	84.0
Malaysia	48.2
Bangladesh	33.9
Philippines	33.0
China	30.4
Thailand	30.0
Fiji	26.6
Vietnam	19.8
Vanuatu	18.1
Mozambique	16.5
Egypt	15.3
Solomon Islands	14.3
Pakistan	11.8
Tonga	9.6
Western Samoa	8.6
India	8.4
Hong Kong	7.5
Zimbabwe	7.2
Ghana	6.9
Laos	6.9

Australia is one of the world's largest providers of food assistance to developing countries. Three-quarters of Australia's food aid is provided to assist in the achievement of long term development goals. About half of developmental food aid is provided on a direct government-to-government basis when it is assessed as the most effective way to fill a particular need in a recipient country and as complementing the other forms of assistance being provided. The remaining developmental food aid is channelled through the World Food Programme (WFP), a UN organisation, for use in association with projects to develop rural facilities and to alleviate poverty among rural people. Australia also provides about one-fifth of its food aid for emergency relief and refugee programs. In 1989-90, Australia will provide approximately \$41 million through Country Programs, \$44 million through WFP and \$27 million of emergency aid.

Papua New Guinea and South Pacific

Papua New Guinea (PNG) continues to be Australia's largest aid recipient with an allocation of \$304 million in 1989-90, about 27 per cent of the Australian aid program. Most of this assistance will be provided as a grant to the PNG Budget. The Australian and PNG Governments have agreed that the overall level of Australian aid should reduce progressively and that there should be a gradual shift from budget support to assistance for individual activities. Under the current program budget support will be maintained at its present level of \$275 million until 1992-93 and drop to \$260 million in 1993-94. Over the same time programmed activities will be expanded from \$20 million to \$35 million.

The Australian aid program in the South Pacific will in 1989-90 assist Fiji, Solomon Islands, Western Samoa, Vanuatu, Tonga, Kiribati, Tuvalu, Cook Islands and Niue.

In 1988-89 Australia introduced a new rolling three year program for the South Pacific to assist planning for both Australia and recipients by providing a degree of financial predictability. Each recipient is advised annually of the level of aid proposed for the next financial year and also on the national levels for following years (emergency and other non-programmable aid will be additional). Australia also supports the regional organisations active in the Pacific. In addition assistance is given through the multi-country program where activities are viable when organised regionally. The major focus of the multi-country

activities will be on health. In 1989-90 Australia will allocate to the South Pacific (excluding PNG) \$85.3 million.

South-East Asia

Australia provides a broad range of forms of assistance to the region, including project aid, training assistance for students, joint-financing and technical assistance supporting over 60 projects in South-East Asia. A total of \$138 million has been allocated in 1989-90 for the region.

Indonesia, with an allocation of \$48 million, is the largest recipient of project aid. Other major recipients of bilateral aid under the South-East Asia program are the Philippines (\$28 million), Thailand (\$22 million), and Laos (\$7 million).

Support is also provided for regional organisations and programs, e.g. the ASEAN-Australia Economic Co-operation Program (AAECP) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

Other regions

Australian assistance to other regions of the world is concentrated on specific economic and social sectors in which Australia has particular expertise. Aid to these countries through Country Programs will total \$124.7 million in 1989-90.

The largest allocation for a group of countries is that for Southern Africa, where \$49.1 million is programmed. Recipients are the nine member states of SADCC, the Southern Africa Development Coordination Conference (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe), and the SADCC organisation itself. The major focus of the program is the promotion of food security through assistance to agriculture, transport and communications. The increase will also enable an expansion of the Special Assistance Program for South Africans and Namibians (SAPSAN) and continuation of village level aid through non-government organisations.

Other recipients benefitting from programmed Australian aid in 1989-90 are China (\$21.1 million), the Indian Ocean island states (\$9.6 million), South Asia (\$22.7 million), North Africa/Middle East (\$13.8 million) and other sub-Saharan Africa (\$7.7 million). Food aid is a major component of all these programs.

International development organisations and programs

As a responsible member of the international aid community, Australia accepts its obligations to support a range of key international financial and development institutions. These organisations can provide aid on a scale and in sectors beyond the capacity of a single donor. Australia's active participation in these agencies enables it to have a policy influence on each institution's activities, and to utilize their expertise in formulating Australia's own aid strategies and programs. It also allows Australia to provide assistance in areas which are outside its sphere of technical expertise, comparative advantage or access.

In 1989-90 Australia will make voluntary contributions to international organisations of about \$158.5 million. They will include about \$69 million to a number of key development agencies of the UN system such as UNDP, UNICEF, and WFP. International financial institutions such as the World Bank and the Asian Development Bank have been allocated \$65 million. Commonwealth programs and a number of specialist international non-government agencies, and development and research institutions will also be supported in their development activities.

Emergencies and refugees

Australia provides assistance in cash and kind for refugees and victims of emergencies and natural disasters in developing countries to help alleviate suffering, as well as to promote equitable and longer term solutions to refugee problems. The channelling of the

emergency aid is through a variety of agencies depending on the location and nature of each emergency. In 1989-90, \$55.2 million will be provided for Australian responses to emergency, disaster and refugee situations. Assistance may include food aid, temporary shelter materials, medical supplies and accountable cash grants. Australia also supports the general programs of a number of organisations by making contributions to their core budgets. These include the UN High Commissioner for Refugees (UNHCR), the UN Relief and Works Agency (UNRWA) and the International Committee of the Red Cross (ICRC). Australia also provides assistance for disaster preparedness and mitigation measures, especially in the South-Pacific.

Community and commercial programs

The Australian public has consistently demonstrated its concern about poverty in the developing world. The Government provides funds to subsidise the development projects and relief activities of non-government organisations. These agencies provide development and emergency aid from funds raised directly in the community, on a much larger scale than the subsidies they receive from the Government. They undertake a range of development projects, development education and volunteer programs. A total of \$14 million has been allocated to voluntary agencies in 1989-90.

The direct participation of the academic and research community in the aid program is also encouraged and \$28 million has been allocated to these activities.

In line with the stated government policy, the promotion of Australia's political/strategic and commercial interests respectively are among the primary objectives of the aid program. AIDAB promotes Australian commercial interests within this policy framework through business liaison activities.

Australia's mixed credit scheme, the Development Import Finance Facility (DIFF), provides opportunities for Australian business to supply developmentally important goods and services. Mixed credits combine grant aid funds with commercial export credits to provide 'soft finance'.

Consular services and passports

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

In 1989 the service was expanded in two ways through arrangements with Canada and the inauguration of a two year pilot program for Honorary Consuls.

The Australia Canada Consular Sharing Agreement signed in 1986, was extended to a larger range of countries. The agreement enables Australian citizens to obtain consular assistance from Canadian diplomatic and consular posts in certain countries where Australia has no representation. The countries where Canada now provides consular services to Australians are Norway, Tunisia, Peru, Ivory Coast, Ghana, Ethiopia, Guinea, Tanzania, Senegal, Zaire, Gabon, Morocco and Cameroon.

The appointments of Honorary Consuls, the first appointed by the Australian Government, have so far been made at the following locations: Lae, Manague, Barcelona, Bogata and Sao Paulo.

In 1988 770,265 passports were issued and about 70 per cent of all applications were lodged through Australia Post. The passport telephone enquiry service provides country and city residents with equal cost telephone access. The service also responds to callers when there is an emergency overseas which might involve Australians. The service answers about 640,000 calls a year.

To maintain security in the passport processing system, adult applicants must attend an interview before they may obtain a passport valid for ten years. Applicants who are unable to attend an interview may be issued with a temporary passport valid for twelve months.

Australian Representation Overseas

As at 30 June 1989, 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).

<i>Country</i>	<i>Post</i>	<i>Country</i>	<i>Post</i>
Algeria	Algiers	Mauritius	Port Louis
Argentina	Buenos Aires	Mexico	Mexico City
Austria	Vienna	Myanmar (Burma)	Yangon
Bangladesh	Dhaka	Nauru	Nauru
Belgium	Brussels	Nepal	Kathmandu
Brazil	Brasilia	Netherlands	The Hague
Brunei	Brunei	New Zealand	Wellington
Canada	Ottawa	Nigeria	Lagos
Chile	Santiago	Pakistan	Islamabad
China	Beijing	Papua New Guinea	Port Moresby
	Shanghai*	Philippines	Manila
Cyprus	Nicosia	Poland	Warsaw
Denmark	Copenhagen	Portugal	Lisbon
Egypt	Cairo	Saudi Arabia	Riyadh
Federal Republic of Germany	Bonn	Singapore	Singapore
Fiji	Suva	Solomon Islands	Honiara
France	Paris	South Africa	Pretoria
	Noumea*	Spain	Madrid
Greece	Athens	Sri Lanka	Colombo
Hong Kong	Hong Kong*	Sweden	Stockholm
Hungary	Budapest	Switzerland	Berne
India	New Delhi	Syria	Damascus
	Bombay*	Thailand	Bangkok
Indonesia	Jakarta	Tonga	Nuku'alofa
	Bali***	Turkey	Ankara
Iran	Tehran	United Kingdom	London
Iraq	Baghdad	United States	Washington
Ireland	Dublin		Chicago*
Israel	Tel Aviv		Honolulu*
Italy	Rome		Houston*
Jamaica	Kingston		Los Angeles*
Japan	Tokyo		New York—CG*
Jordan	Amman	USSR	San Francisco*
Kenya	Nairobi	Vanuatu	Moscow
Kiribati	Tarawa	Vatican	Port Vila
Korea, Republic of	Seoul	Venezuela	Holy See**
Laos	Vientiane	Vietnam	Caracas
Malaysia	Kuala Lumpur	Western Samoa	Hanoi
Malta	Malta	Yugoslavia	Apia
		Zambia	Belgrade
		Zimbabwe	Lusaka
			Harare

Australia also maintained five separate permanent missions in:

New York—UN
 Geneva—UN
 Geneva—Disarmament
 Geneva—GATT
 Paris—OECD

The Australian Trade Commission maintained trade missions with diplomatic or consular status in the following cities:

Auckland, Frankfurt, Jeddah, Milan, Osaka, Toronto and Vancouver.

The Department of Immigration, Local Government and Ethnic Affairs maintained offices with consular status in Manchester and Edinburgh.

* Consulate-General
 ** Charge d'affaires
 *** Consulate