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**JSCFADT Inquiry into Australia's Relationship with ASEAN
Question on notice**

Mr Danby (Chair): There have been some recent tensions regarding the takeover of an island, which island was it? And which countries were involved? (page 3, proof Hansard 22 September)

Response

There are overlapping claims zones in a number of the seas of Southeast Asia, and these have led to several territorial disputes over islands.

The most recent dispute between two ASEAN countries to be taken before the International Court of Justice was over Pedra Branca, Middle Rocks and the South Ledge in the mouth of the Straits of Singapore. In May 2008, the Court awarded sovereignty of Pedra Branca to Singapore, sovereignty of Middle Rocks to Malaysia, and found that the South Ledge belongs to the State in the territorial waters in which it is located (but declined to rule on the demarcation of these waters). Both countries have accepted the Court's ruling.

Sub Sub-DEBAT

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| Submission No:..... | <i>29</i> |
| Date Received: | <i>17/10/08</i> |
| Secretary: | |

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Questions taken on notice

Ms Parke: What similarities and differences exist between ASEAN and the EU, and between ASEAN and the African Union? (page 4, proof Hansard 22 September)

Response:

ASEAN, the European Union and the African Union have different aims, roles and structures, reflecting their unique historical background and evolution. Detailed information about each organisation can be found on their websites:

ASEAN: <http://www.aseansec.org/>

European Union: <http://europa.eu/>

African Union: <http://www.africa-union.org/>

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Ms Parke: How is the ASEAN Secretariat structured? How many staff does the ASEAN Secretariat have? How is the ASEAN Secretariat funded? (page 18, proof Hansard 22 September)

Response:

The ASEAN Secretariat's operating budget is estimated to be approximately USD 12 million per annum. All ASEAN member states contribute equal amounts to the operating budget.

The ASEAN Secretariat has approximately 230 staff, including the ASEAN Secretary-General, two Deputy Secretaries-General, 57 openly recruited staff, and 170 locally recruited staff. Openly recruited staff are senior, non-political appointees from ASEAN member countries. Locally recruited staff are Indonesian nationals, they are non-political appointees and occupy technical officer positions or below. Locally recruited staff include both professional and non-professional positions. The ASEAN Secretariat's organisational chart is not publicly available.

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Ms Annette Ellis: I understand that to access the TAFTA tariff rates, winemakers must liaise with state chambers of commerce to obtain certificates of origin, as well as complying with Australian Wine and Brandy Corporation's (AWBC) rigorous export approval processes. The AWBC would like to be able to issue the certificates of origin, and proposed this formally to DFAT in 2007 – what is the outcome of DFAT's examination of this proposal? (page 21, proof Hansard 22 September)

Response

Certificates of origin (COO) are required by some governments to demonstrate the origin of imported goods. "Preferential" COO can be required when trading goods under a FTA. This is because whether goods attract the preferential treatment provided under an FTA depends on whether they meet the rules of origin agreed by the Parties to the FTA. In some FTAs, COO are required by customs authorities in the importing country as evidence that the goods do meet the relevant rule of origin. This is the case with our FTAs with Thailand, Singapore and Chile. In the case of our FTAs with Thailand and Singapore, COO must be issued by an authorised body, while our FTA with Chile permits exporters to complete a COO, similar to the self-certification arrangements provided for in our other FTAs.

The Australian Chamber of Commerce and Industry (ACCI) and the Australian Industry Group (AiG) are specifically identified in our FTAs with Thailand and Singapore as having the authority to issue COO to Australian exporters. The Agreements provide scope for additional bodies to be authorised to issue COO, subject to agreement between the Parties.

The AWBC has raised with the Department of Foreign Affairs and Trade (DFAT) its interest in being given authority to issue COO, including in a letter dated 21 December 2007. The Department advised the AWBC, in a letter dated 13 March 2008, that it supported in-principle the AWBC's request to be given authority to issue COO but that the proposal raised some broader issues relating to the authorisation process that would need to be addressed before it could provide AWBC with a definitive response. It advised that the Department was working through these broader issues but that they would take some time.

Subsequent to this exchange, a number of other bodies have also indicated their interest in being given authority to issue COO, including in submissions to the Independent Review of Export Policies and Programs that was undertaken by Mr David Mortimer AO and released on 22 September 2008. The Mortimer Review subsequently recommended that the Government "authorise a broader range of organisations to issue certificates of origin to exporters". The Government is due to provide its response to the Mortimer Review in November 2008.

Mr Crean has previously signalled his in-principle support for this objective and has asked DFAT to work through associated issues with other Government agencies, with a view to providing for the authorisation of certificates of origin by additional bodies.

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DFAT is continuing to work through issues associated with broadening the number of bodies authorised to issue COO. It is looking to establish new arrangements that will not only be suitable for existing FTAs with Thailand and Singapore, but also be acceptable to future FTA partners that prefer COO rather than a self-certification regime. DFAT is consulting relevant agencies in developing a framework that will strengthen the relationship between the Government and authorised bodies and ensure the overall integrity of the system is maintained. It has notified ACCI and AiG that we are reviewing existing COO arrangements.

The Department is endeavouring to move as quickly as possible in implementing this new regime but it is also conscious of the need to ensure that the new regime is developed in a way that will instil confidence in existing and prospective FTA partners so that they will accept a larger number of authorised bodies. In many cases, it is the governments of Australia's FTA partners that issue COO so it is important for Australia to reassure them of the integrity of its devolved system. In the case of Thailand and Singapore, Australia will require their agreement prior to authorising additional bodies to issue COO, consistent with our FTA commitments.