



Government Response

to

*The Report of
the Joint Standing Committee
on Foreign Affairs, Defence and Trade*

on

Hong Kong: The Transfer of Sovereignty

CONTENTS

Page

Chapter Three - One Country, Two Systems

Recommendation 1	1
Recommendation 2	2
Recommendation 3	2
Recommendation 4	3
Recommendation 5	3
Recommendation 6	4

Chapter Four - Issues Raised by the Transfer

Recommendation 7	5
Recommendation 8	5
Recommendation 9	5
Recommendation 10	6
Recommendation 11	6
Recommendation 12	7
Recommendation 13	8
Recommendation 14	8
Recommendation 15	9
Recommendation 16	10
Recommendation 17	11

Chapter Five - The Hong Kong Economy

Recommendation 18	12
Recommendation 19	12
Recommendation 20	13
Recommendation 21	14
Recommendation 22	15

Chapter Six - Australian Interests

Recommendation 23	16
Recommendation 24	16
Recommendation 25	16
Recommendation 26	17

GOVERNMENT RESPONSE TO THE JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE REPORT

Hong Kong: The Transfer of Sovereignty

Chapter Three - One Country, Two Systems

Recommendation 1

The Australian Government urge the Government of the HKSAR not to implement the decision of the Preparatory Committee to dissolve the three tiers of representative government elected throughout 1994-95, the Municipal Councils, the District Boards and the Legislative Council.

Response

The Government's policy approach to Hong Kong is based on the adherence by China to the commitments made in the 1984 Sino-British Joint Declaration and China's own 1990 Basic Law for the Hong Kong Special Administrative Region (HKSAR) in which China has undertaken to give Hong Kong a "high degree of autonomy" in all matters except foreign and defence affairs.

Australia has a large stake in Hong Kong's continued stability and prosperity. Central to such stability and prosperity are those elements of Hong Kong's way of life that have underpinned its success: the rule of law; the free flow of information, labour and capital; and the rights and freedoms enjoyed by the people of Hong Kong.

The Government considers the development of democratic political institutions as provided under the Joint Declaration and the Basic Law to be important factors in Hong Kong's continued success as an international business centre, which is important to Australia's substantial interests there and to the region.

The Government considers it regrettable that Britain and China were not able to agree that the Legislative Council elected in 1995 serve out its full four-year term, and that China thought it necessary to establish a Provisional Legislature. The Government has on numerous occasions in contacts with senior Chinese, Hong Kong and British leaders, expressed its concern about that outcome.

The Government has urged that China provide an elected legislature for Hong Kong as soon as possible after the transfer of sovereignty consistent with its obligations under the Joint Declaration and the Basic Law.

The position of the Government was reiterated by the Minister for Foreign Affairs, Mr Downer, to HKSAR Chief Executive, Tung Chee Hwa, when he visited Hong Kong on 29 June 1997, and again on 14 October 1997. Mr Tung told Mr Downer that Legislative Council elections would be held on 24 May 1998 and that those elections would be free, fair and democratic.

Municipal Councils and District Boards were replaced by provisional bodies on 1 July 1997. The provisional bodies are comprised of all pre-handover members of the Municipal Council and District Boards and an additional 25 percent who were appointed effective 1 July 1997. The Government understands that the provisional bodies will be replaced by elected bodies no later than 31 December 1999.

Recommendation 2

The Australian Government urge the Government of the HKSAR:

- a. to present for public comment, at the earliest possible date, an electoral law, based on the widest possible franchise, for a properly constituted, elected legislative council; and*
- b. hold elections according to that law, as soon as possible after 1 July 1997.*

Response

(a) & (b) The Government has consistently urged Chinese and Hong Kong leaders to hold Legislative Council elections, consistent with the undertakings made in the Joint Declaration and the Basic Law to provide an elected Legislative Council for Hong Kong, as soon as possible after the establishment of the HKSAR. The Government welcomes the early announcement of procedures for Legislative Council elections by the HKSAR Chief Executive, Mr Tung Chee Hwa.

The position of the Government is that elections in Hong Kong should be, and be seen to be, fair, open and free. This view was put to HKSAR Chief Executive, Tung Chee Hwa, by the Minister for Foreign Affairs, Mr Downer, during their meetings in Hong Kong on 29 June and 14 October 1997. Mr Tung told Mr Downer that Legislative Council elections will be held on 24 May 1998.

On 8 July, the Hong Kong Government announced Chief Executive Tung Chee Hwa's, decision on new electoral arrangements for the 1998 Legislative Council elections. In announcing the decision, the Secretary for Constitutional Affairs, Nicholas Ng, said the key consideration of the government had been to have an "open and fair election, to achieve a balanced participation of all groups and individuals, and to constitute a credible legislature". He also said the government "anticipate that the first Legislative Council election will be held in the second quarter of next year". A public consultation period on the proposed new electoral arrangements was held 23-31 July 1997.

The Provisional Legislative Council passed the Legislative Council Bill on 28 September 1997.

Recommendation 3

Australian ministers and officials, through representations to the Chief Executive of the HKSAR, urge the continuation of Hong Kong's open way of life, the maintenance of the Bill of Rights and the rapid introduction of a fully and freely elected legislature.

Response

In discussions with senior Chinese and Hong Kong officials, including the Chief Executive, the Government has consistently emphasised that Australia's interests would be best served by the continuation of Hong Kong's stability and prosperity. We have underlined that central to such stability and prosperity are those elements of Hong Kong's way of life that have underpinned its success: the rule of law; the free flow of information, labour and capital; and the rights and freedoms enjoyed by the people of Hong Kong. The Government has

consistently said it would be concerned if the human rights of the Hong Kong people were curtailed.

The Government notes that the Basic Law provides for an elected Legislative Council for Hong Kong and that the "ultimate aim is the election of all members of the Legislative Council through universal suffrage" (Article 68). The Government has urged Chinese and Hong Kong leaders to hold elections consistent with the Joint Declaration and the Basic Law as soon as possible after 1 July 1997 and for those elections to be free, fair and open.

Recommendation 4

The Australian Government maintain direct links between Australian authorities and the HKSAR Civil Service to promote its continued independence as guaranteed under the principle of 'one country, two systems' and defined in the Joint Declaration and the Basic Law.

Response

The Public Service and Merit Protection Commission, along with other agencies in the Australian Public Service, has strong links with senior officials of the Hong Kong Civil Service. There has been ongoing dialogue on public sector reform issues since the early 1990s and this relationship has been enhanced through regular correspondence, the placement of a senior Australian Public Service officer in the Hong Kong Civil Service Branch and regular visits of Hong Kong officials to Australia. The Department of Foreign Affairs and Trade is participating in an exchange of officials with the Hong Kong Trade and Industry Department.

These exchanges of visits and information enhance our capacities to provide efficient and effective services to our citizens.

The Commission supports the recommendation that the Government maintain direct links between Australian authorities and the HKSAR Civil Service and particularly supports the intention of the Basic Law to continue selection to the public service on the basis of merit.

Recommendation 5

The Attorney-General:

- a. having in mind concerns expressed to the Committee by Justice Dowd on behalf of the International Commission of Jurists, investigate the means by which serving judges in Australia might be included in the lists for panels of judges to serve in Hong Kong;*
- b. write to the Courts in Australia asking them to consider favourably their response to a request from the Hong Kong Judicial Commission to participate in panels for the Court of Final Appeal, should that occur; and*
- c. urge the legal profession in Australia to maintain its links with the legal profession in Hong Kong after 1 July 1997 through as many formal and informal channels as possible, including the exchange of judges.*

Response

- (a) The Government agrees with the recommendation, but notes that serving Justices of the High Court of Australia consider it would be inappropriate to accept appointment as a member of the panel of foreign judges for the Court of Final Appeal in Hong Kong.
- (b) The Government supports the recommendation. The Attorney-General will write to the Chief Justices of the federal Courts and State and Territory Attorneys-General asking that favourable consideration be given to any request to participate in Hong Kong panels.
- (c) The Government supports the recommendation and will bring it to the attention of the Law Council of Australia.

Recommendation 6

The Australian Government urge the Government of the HKSAR to:

- a. adhere to the promise of judicial independence in the fullest sense as defined in Articles 2 and 85 of the Basic Law;*
- b. amend section 4 (2) of the Court of Final Appeal Ordinance in order to confine the meaning of 'an act of state' to defence and foreign affairs; and*
- c. provide clarification on how Articles 19 (limitation of HKSAR judicial power over acts of state such as foreign and defence affairs) and 158 (the power of interpretation of the Standing Committee of the National People's Congress) might work in practice.*

Response

(a) The Government has, on numerous occasions, underlined the importance to Hong Kong's continued stability and prosperity of the independence of the judiciary. The continued independence of the judiciary will be important in sustaining business confidence in Hong Kong which is important to Australia's significant interests there.

The Government will continue to monitor this important area carefully and express its views, as appropriate.

(b) & (c) The Government has, over a period of time, expressed its views to Hong Kong and Chinese leaders that clarity and predictability in the legal framework applying to Hong Kong will be important to Hong Kong's continued stability and prosperity. The issue of interpretation and definitions of Articles of the Basic Law are questions that must be resolved by China and Hong Kong consistent with undertakings made in the Joint Declaration and the Basic Law.

Chapter Four - Issues Raised by the Transfer

Recommendation 7

The Australian Government urge:

- a. the Government of the PRC to ratify the International Covenant on Civil and Political Rights (ICCPR); and*
- b. the Government of the HKSAR and the Government of the People's Republic of China to continue to meet the reporting obligations of the former under Article 40 of the ICCPR.*

Recommendation 8

The Australian Government support, in the appropriate UN forums, the continued consideration of the application of the ICCPR in Hong Kong through either reports from the HKSAR or, in the absence of such reports, from relevant non government organisations.

Response

The Government uses appropriate bilateral and multilateral forums to promote the goal of universal ratification of major human rights instruments. The Government welcomes the fact that China has ratified a number of key human rights instruments, and that the Chinese Government has indicated that it will ratify the International Covenant on Economic, Social and Cultural Rights by the end of 1997. The Government will take appropriate opportunities, including in its bilateral human rights dialogue with China, to encourage the Chinese Government to ratify the International Covenant on Civil and Political Rights.

The Government's general policy approach to Hong Kong is based on China's adherence to commitments made under the Joint Declaration and the Basic Law, in which China has undertaken that "The provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international labour conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the HKSAR".

The Government has supported, and will continue to support, the effective functioning of the United Nations' human rights treaty body system. However, responsibility for providing reports under the ICCPR and the ICESCR rests with states which have accepted such obligations, and matters relating to the fulfilment or otherwise of those obligations are for the treaty bodies themselves to resolve in consultation with the relevant state parties.

Recommendation 9

The Australian Government express to the Government of the HKSAR its concerns about proposed changes to the Bill of Rights Ordinance, the Boundary and Election Commission Ordinance, the Electoral Provisions Ordinance, the Societies Ordinance and the Public Order Ordinance.

Response

The Government has registered its strong interest in the continuation of the rights and freedoms of the people of Hong Kong, and development of democratic institutions as

provided for in the Joint Declaration and the Basic Law. The Government will continue to monitor developments in this area and, as appropriate, express any concerns that may arise. The Government will use appropriate avenues to discuss matters relating to freedom of expression, assembly and association, and freedom of the press with relevant authorities in the HKSAR and, as part of its bilateral human rights dialogue, with the Chinese Government.

The Government has consistently urged Chinese and Hong Kong leaders to hold Legislative Council elections, consistent with the undertakings made in the Joint Declaration and the Basic Law to provide an elected Legislative Council for Hong Kong, as soon as possible after the establishment of the HKSAR. The Government welcomes the early announcement of procedures for Legislative Council elections by the HKSAR Chief Executive, Mr Tung Chee Hwa.

The position of the Government is that elections in Hong Kong should be, and be seen to be, fair, open and free. This view was put to HKSAR Chief Executive, Tung Chee Hwa, by the Minister for Foreign Affairs, Mr Downer, during their meeting in Hong Kong on 29 June 1997.

Recommendation 10

The Australian Government urge the Government of the HKSAR to establish a Human Rights Commission and offer the technical assistance of the Australian Human Rights and Equal Opportunity Commission to that end.

Response

The Government encourages the development of national human rights institutions as an effective and practical means of promoting human rights observance and the rule of law. Should it be agreed that a Human Rights Commission be established in Hong Kong, the Government would be prepared to offer the technical assistance of the Australian Human Rights and Equal Opportunity Commission to that end.

Recommendation 11

The Australian Government:

- a. promote with the Government of the HKSAR the value of retaining freedom of expression and association;*
- b. express its concern over the vague and broad nature of Article 23 (regarding subversion); and*
- c. monitor, and as necessary, make timely representations to the HKSAR administration if freedoms of the press, speech or assembly are at risk of being eroded.*

Response

(a) The Government has registered its strong interest in the continuation of the rights and freedoms of the people of Hong Kong, and development of democratic institutions as provided for in the Joint Declaration and the Basic Law. The Government will continue to monitor developments in this area and, as appropriate, express any concerns that may arise. The Government will use appropriate avenues to discuss matters relating to freedom of

expression, assembly and association, and freedom of the press with relevant authorities in the HKSAR and, as part of its bilateral human rights dialogue, with the Chinese Government.

(b) The Government would be most concerned about any diminution of the civil liberties and freedoms enjoyed by the people of Hong Kong. The rights and freedoms enjoyed by the people of Hong Kong are central to Hong Kong's continued stability and prosperity. The Government has consistently put this view to senior Chinese and Hong Kong leaders.

(c) The continuation of the rights and freedoms enjoyed by the people of Hong Kong provide one of the underpinnings of Hong Kong's stability and prosperity. In meetings with senior Chinese and Hong Kong leaders, the Government has sought, and has received, assurances that there will be a continuation of civil liberties in Hong Kong, including freedom of speech, freedom of expression, assembly and a free media.

The Government will, as appropriate, continue to raise Hong Kong-related issues including in the context of the human rights dialogue with China. In a speech, 'Australia and China: A Partnership in Growth' delivered in Sydney on 21 April 1997, the Minister for Foreign Affairs, Mr Downer said "The human rights dialogue with China will provide us with a mechanism through which we can facilitate dialogue on a range of issues, including those related to the Hong Kong handover".

Recommendation 12

The Australian Government encourage the Australian Council of Trade Unions, through its international branch to:

- a. maintain contacts with unions in Hong Kong to monitor the continuing rights of association of workers in Hong Kong; and*
- b. make representations to the International Labour Organisation where it is perceived that these rights are being eroded.*

Response

(a) The Government considers that it is not necessary or appropriate to encourage the ACTU to maintain contact with unions in Hong Kong to monitor the continuing rights of association of workers in Hong Kong. As this is an internal matter relating to the allocation of its resources, it is up to the ACTU to make its own decisions in this regard.

(b) There are two mechanisms available to industrial associations of workers (and employers) to make representations to the International Labour Organisation (ILO). Under Article 24 of the ILO Constitution, associations may make representations concerning any member which has failed to secure the effective observance of the Convention to which it is party. In addition, complaints concerning alleged breaches of the principles of freedom of association may be made to the ILO's Governing Body (GB) Committee on Freedom of Association (the Committee). Under this special procedure, governments or organisations of workers and of employers can submit complaints concerning violations of trade union rights by governments (irrespective of whether they are Members of the ILO, or Members of the United Nations without being Members of the ILO). The procedure can be applied even when the Conventions on freedom of association and collective bargaining have not been ratified.

The ACTU is aware of the mechanisms available to make representations to the ILO. As such, the Government does not consider encouragement in this area necessary.

For information, the ILO received advice from the Government of the People's Republic of China that international labour standards prevailing in Hong Kong will be applied after the transfer of sovereignty. These include the following fundamental or core labour standards: ILO Convention No. 29, *Forced Labour, 1930*; Convention No 105, *Abolition of Forced Labour, 1957*; Convention No 87, *Freedom of Association and Protection of the Right to Organise, 1948*; and Convention No 98, *Right to Organise and Collective Bargaining, 1949*.

Recommendation 13

The Australian Government, within its dialogue with the Government of the People's Republic of China on human rights matters, seek clarification of the role of, criteria for and procedures under which the People's Liberation Army will give assistance to the HKSAR for the maintenance of public order or for disaster relief under Article 14 of the Basic Law.

Response

Under the provisions of the Joint Declaration, China has responsibility for the defence of the HKSAR.

Article 14 of the Basic Law stipulates that the HKSAR will be responsible for the maintenance of public order, and that "The Government of the Hong Kong Special Administrative Region may, when necessary, ask the Central People's Government for assistance from the garrison in the maintenance of public order and in disaster relief". It is, therefore, for the Government of the HKSAR to decide when this assistance might be appropriate.

Recommendation 14

The Australian Government seek clarification from the Governments of the HKSAR and the PRC on the question of right of abode, in particular on how the declaration of foreign nationality is to be implemented, and subsequently advise affected Australians of their position.

Response

Australian officials in Hong Kong and Beijing have, over a period of time, had extensive consultations with the Chinese and Hong Kong authorities about nationality and right of abode issues. Our interests in the declaration of foreign nationality, and the potential implications for Australian citizens, were raised in consular policy consultations with China in Beijing in February 1997 and Canberra in August 1997.

Eligibility for right of abode in Hong Kong is detailed in Article 24 of the Basic Law for the HKSAR. The Government has also sought clarification from the Chinese and Hong Kong authorities on the application of right of abode eligibility criteria, because of the large number of Australians this could potentially affect. Although application of residency criteria in Hong Kong is one for the Chinese and Hong Kong authorities, in discussions with the Chinese and Hong Kong authorities, the Government urged these authorities to apply the criteria in a flexible manner and to provide early clarification so that Australians could make decisions about their future with confidence.

The Hong Kong Government issued guidelines on nationality and right of abode on 15 April 1997. The Hong Kong Government issued further guidelines on the foreign nationality declaration in late June 1997.

On 16 April 1997, the Department of Foreign Affairs and Trade issued a consular travel advice which alerted Australian citizens to the potential implications for them of the declaration of foreign nationality.

The Government is monitoring closely the implementation of nationality and right of abode provisions, and continues close consultation with Chinese and Hong Kong authorities on these matters.

Recommendation 15

The Australian Government:

- a. monitor the situation of the dissidents and other individuals at risk and as appropriate make representations on their behalf to the Government of the HKSAR; and*
- b. give special consideration to applications from known dissidents should any apply for asylum.*

Response

(a) The Government has a generous record in respect of such individuals. For example, Australia has responded generously to the situation of PRC nationals in the aftermath of the Tiananmen Square events of 1989. The Government has registered its strong interest in the continuation of the rights and freedoms of the people of Hong Kong, and development of democratic institutions as provided for in the Joint Declaration and the Basic Law. The Government will continue to monitor developments in this area and, as appropriate, express any concerns that may arise. The Government will use appropriate avenues to discuss matters relating to freedom of expression, assembly and association, and freedom of the press with relevant authorities in the HKSAR and as part of its bilateral human rights dialogue with the Chinese Government.

With respect to individual cases, the Government will make representations where appropriate.

(b) The Government does not comment on specific cases of this nature.

Recommendation 16*The Australian Government:*

- a. encourage the Government of Vietnam to devote additional resources to providing clearances for the Vietnamese who remain in Hong Kong;*
- b. urge the administration of the HKSAR to regularise the status of asylum seekers who remain;*
- c. give consideration to assisting those in the residual population who have links to Australia through the provision of humanitarian resettlement if the position of those people in Hong Kong deteriorates to the point where their rights are being violated; and*
- d. support a role for UNHCR in monitoring the residual screened out population.*

Response

(a) The Government understands that the large majority of those whom Vietnam is willing to clear have already been cleared. It is understood that about 500 of the remaining 900 failed asylum seekers have been cleared for return, but cannot do so because of illness, imprisonment or pending court appearances, or their links to others in those categories. It is understood that Vietnam will continue to accept cleared persons who return. The other 400 have been refused clearance without a reason being given or because they hold papers of another country.

The Government has been working closely with the Government of Vietnam in the context of the UNHCR's role in resettlement of Vietnamese asylum seekers.

(b) The Government is working closely with the HKSAR in the context of UNHCR resettlement activities. The Government will support any solution which both serves the interests of failed asylum seekers and meets the priorities of UNHCR.

(c) It is not known how many within the residual failed asylum seeker population have links with Australia. A small number have, in recent years, resettled in Australia direct from Hong Kong under non-humanitarian preferential family arrangements. The issue of possible resettlement on humanitarian grounds in the event of human rights violations occurring would require very careful consideration. Australia's current Humanitarian Program policy settings focus on refugee resettlement (with a lesser emphasis placed on the non-refugee Program components of Special Humanitarian and Special Assistance Categories) whereas the failed asylum seekers were found, under the Comprehensive Plan of Action (CPA) process, not to be refugees.

(d) The Government supports UNHCR's continuing interest in the screened out asylum seeker population. However, the nature of any future monitoring would be a matter for UNHCR and the HKSAR authorities to determine.

Recommendation 17*The Australian Government:*

- a. urge the Government of the United Kingdom to accept responsibility for the residual screened-in refugees and determine resettlement places for them prior to the transfer;*
- b. urge the Government of the HKSAR to assume responsibility for some of the residual refugees;*
- c. urge UNHCR to play an active role in monitoring the welfare of these people should they remain in the territory; and*
- d. reconsider any cases who have links to Australia that have been previously rejected for resettlement.*

Response

(a) The Government, through the Sino-British Joint Liaison Group process (which will continue to 1 January 2000), and through UNHCR, is urging for a solution to this issue.

The Government will support any solution which both serves the interests of the refugees and meets the priorities of the HKSAR authorities.

(b) & (c) The Government is working with UNHCR and believes that UNHCR is making every effort to resolve the residual refugee problem. The Government supports a continuing role for UNHCR in monitoring the refugees' welfare. As with the failed asylum seekers, however, the nature of such monitoring would be a matter for UNHCR and the HKSAR authorities to decide.

(d) Under Comprehensive Plan of Action (CPA) arrangements, Australia accepted some 18,000 Vietnamese refugees, of whom some 3,800 were resettled from Hong Kong. UNHCR continues to refer small numbers for Australian resettlement from Hong Kong, and around 40 cases are under consideration. We have made it clear to UNHCR that our contribution to CPA resettlement has been significant and that, while we are still considering referrals from the residual caseload, we will not accept criminals and drug addicts.

Chapter Five - The Hong Kong Economy

Recommendation 18

The Australian Government include in its annual report on Hong Kong to the Parliament (recommendation 24) comment on the continued effective operation of the ICAC.

Response

Not agreed. See recommendation 24.

Australian law enforcement has had a close working relationship with the ICAC over many years and expect that this will continue with the ICAC in the future.

Recommendation 19

The Australian Government continue to support, both multilaterally and bilaterally, the accession of the People's Republic of China to the World Trade Organisation (WTO) as a means to encourage the development of a consistent, transparent framework of rules and procedures for trade and commercial activity within the sovereign territory of China.

Response

The Government strongly supports China's early accession to the World Trade Organization (WTO) on the basis of clear commitments by China to WTO rules and an appropriate level of market access opening for both goods and services. The Government believes that participation in the WTO would be an important element in China continuing with the market reforms which were commenced in 1978, and an important step in China's integration with the world trading system and the region.

Australia participates fully in the multilateral negotiations which take place in the WTO Working Party established for the purpose of negotiating the terms and conditions for China's accession to the WTO. Australia has also taken all appropriate opportunities to pursue these negotiations bilaterally. The Government will continue to negotiate with China at both levels, with the aim of working towards an acceptable outcome, which meets Australia's interests.

Recommendation 20*The Australian Government:*

- a. maintain the presence in Hong Kong of its broadcast and broadband media, Australian Television and Radio Australia - in short wave and via satellite with services in Mandarin and Cantonese, as an available source of independent news, analysis and information on political, social and economic developments in the region; and*
- b. encourage private media concerns, including newsprint, radio and television broadcasters, to maintain their presence in Hong Kong as a means of encouraging continued international scrutiny of China's implementation of and adherence to the provisions and requirements of the Basic Law.*

Response

(a)

Radio Australia

Following the recent review of the ABC's role and functions, the Government considered future funding requirements for Radio Australia in the 1997/98 Budget. The Government has announced it will contribute \$7.2m to fund a Radio Australia service to the Pacific Island nations and Papua New Guinea. Funding will be provided to cover the costs of English language and Tok Pisin programming and delivery of the service via short wave transmission. In relation to the funding which is provided to the ABC for these language services, the Government expects that it will be used to deliver a service featuring at least the current level of regionally targeted programming, and that a strong emphasis on news and current affairs will be maintained.

In addition, the ABC will contribute approximately \$1.6 million to provide Indonesian, Mandarin, Khmer, and Vietnamese foreign language programming. Editorial control over Radio Australia content will be retained by the ABC.

Radio Australia will continue to provide high quality audio signals to Asia and the Pacific via satellite. Shortwave services will continue to be broadcast from the Shepparton and Brandon shortwave transmission facilities. The Government announced in the 1997/98 Budget that Radio Australia services would no longer be broadcast from the Cox Peninsula transmission facility in the Northern Territory after 30 June 1997 and that the National Transmission Authority (NTA) would investigate whether alternative users could be found for the site.

Australia Television

Future structural arrangements for ATV are a matter for the ABC consistent with its status as a wholly-owned ABC subsidiary. In the context of the 1996/97 Budget, the Government requested the ABC to consider tendering the operation of ATV to the private sector. On 10 July 1997 the ABC announced that it had reached an agreement with the Seven Network under which it will purchase the ordinary shares in Australia Television International Pty Ltd, the ABC subsidiary company through which ATV has been operated for the last four and a half years.

The ABC will take up a preference shareholding and have two seats on the Board of the restructured company. The Seven Network will meet all operating costs associated with

running the service and has guaranteed to maintain a quality Australian content-based service of 16 hours a day minimum for at least the next four and a half years. The Seven Network is to contract the ABC to provide the same news and current affairs and general programming currently provided to ATV. The ABC-produced ATV news bulletin will be a centrepiece of the news service, with the ABC retaining its editorial control. News production, presentation and transmission of ATV will continue from the ABC premises in Darwin. The continuing association with the ABC means that ATV will inevitably continue to project Australian values and perspectives in the region.

The Government has continued to support ATV, providing \$3 million to the ABC in 1997/98 and 1998/99 for the production of regional news and current affairs programming to be provided free of charge to ATV.

(b) The Government would be concerned about any diminution of freedoms in Hong Kong. The Government has raised this concern with the authorities in Beijing and Hong Kong.

Decisions by private media companies to establish a presence in Hong Kong and to maintain that presence are made on a commercial basis by those companies. The Government is not involved in such commercial decisions.

Recommendation 21

The Australian Government:

- a. maintain direct links with the Government of the HKSAR to reinforce the status of the territory as largely autonomous, with executive, legislative and independent judicial authority as provided for under the Basic Law;*
- b. support, multilaterally and bilaterally, the continuing participation of the HKSAR as a separate entity in international trade agreements such as the WTO and APEC, further reinforcing its status as a largely autonomous territory.*

Response

(a) The Government supports the "high degree of autonomy" in all matters except foreign and defence affairs, promised to the HKSAR in the Joint Declaration and the Basic Law. The Government will continue to work with the HKSAR on matters for which it has autonomy.

(b) In accordance with the Joint Declaration, Hong Kong retains the status of a separate customs territory and continues to be a WTO Member, using the name of "Hong Kong, China". It is a member of APEC as a regional economy.

The Government looks forward to maintaining the strong and productive relationship that Australia has enjoyed with Hong Kong through our joint membership of the GATT and more recently the WTO; and APEC.

Recommendation 22

On the establishment of an elected legislature in Hong Kong, the Joint Standing Committee on Foreign Affairs, Defence and Trade seek to establish links with a counterpart committee in that legislature.

Response

This is a matter for the Parliament.

Chapter Six - Australian Interests

Recommendation 23

In the light of the importance of the education and training market in Hong Kong to Australia, the Australian Government urge the Government of the HKSAR to maintain its current visa arrangements for students from Hong Kong wishing to study in Australia.

Response

The Government is not aware of any proposed changes by the Government of the HKSAR to arrangements for students to study in Australia. However, we will monitor carefully changes to these arrangements.

Recommendation 24

On an annual basis, for at least the next five years, the Australian Government provide a report to the Parliament, having in mind the terms of the Joint Declaration and the Basic Law, on the political, economic and human rights developments in the HKSAR.

Response

Not agreed. The Government will continue to take an active and close interest in developments in Hong Kong and will always be prepared to answer questions from the Parliament on Hong Kong.

Recommendation 25

The Australian Government encourage the Government of the United Kingdom and the Government of the People's Republic of China to observe their treaty obligations in respect of Hong Kong under the Joint Declaration for the stipulated period of 50 years.

Response

The Government's policy approach is based on China adhering to the undertakings it has made under the Joint Declaration and the Basic Law. We have been in close consultation with both China and the United Kingdom in the lead-up to the resumption of sovereignty, and will continue to consult closely in the future.

The Joint Declaration states that the basic policies of the People's Republic of China contained in the Joint Declaration, and the elaboration of them in Annex I of the Joint Declaration, will be stipulated in a Basic Law of the HKSAR, and that they will remain unchanged for 50 years. The Government looks to the parties to meet their Joint Declaration undertakings.

Recommendation 26

The Australian Government encourage the Government of the People's Republic of China to ratify the two major human rights covenants, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Response

The Government uses appropriate bilateral and multilateral forums to promote the goal of universal ratification of major human rights instruments. The Government welcomes the fact that China has ratified a number of key human rights instruments, and that the Chinese Government has indicated that it will ratify the International Covenant on Economic, Social and Cultural Rights by the end of 1997. The Government will take appropriate opportunities, including in its bilateral human rights dialogue with China, to encourage the Chinese Government to ratify the International Covenant on Civil and Political Rights.