

Foreign Affairs

Introduction

- 1.1 The annual reports of the Foreign Affairs and Trade portfolio agencies stand referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade for any inquiry the Committee may wish to make in accordance with a schedule tabled in the House by the Speaker. Early in this Parliament, the Committee reviewed the 2000-2001 annual reports from the Department of Defence, DFAT, AusAID and Austrade. It held two public hearings as part of this review, one convened by the Defence Sub-Committee and the other by the Foreign Affairs Sub-Committee.
- 1.2 The reviews were wide ranging and gave the Sub-Committees the opportunity to survey policy, operational and management issues; to seek status reports on key issues of interest and to follow-up issues canvassed in earlier committee reports.
- 1.3 For the review of its 2001-02 annual reports, the Committee decided to focus on the performance of agencies in delivering outcomes rather than focussing on subject matters of interest. The Committee also decided that the reviews should concentrate on a limited number of issues rather than the broad sweep approach of the previous year.

- 1.4 The Sub-Committees elected to develop separate programs of review. For its review, the Foreign Affairs Sub-Committee selected three items from the DFAT Annual Report and one from AusAID's Annual Report. The topics were:
- services to business;
 - consular/passport services;
 - support for policing in East Timor; and,
 - the Virtual Colombo Plan initiative.
- 1.5 The Sub-Committee also decided to examine the annual report of the Australia-Indonesia Institute with a view to achieving a broad understanding of the scope of the Institute's work.
- 1.6 A half-day public hearing was held in Canberra on Monday 3 February 2003 with officers from DFAT and AusAID and the Director of the Australia-Indonesia Institute in attendance.
- 1.7 This report provides a brief account of the issues examined during this hearing. The report also refers to answers to questions on notice which have been received from DFAT and AUSAID as submissions to the review.

General

- 1.8 Prior to examining the issues that were identified for this review, the Chair acknowledged the difficulty of applying rigid evaluation techniques to the area of international relations and the implications of crises such as the Bali bombings for effective evaluation. DFAT pointed out its capacity to apply hard and fast measures in some areas of its performance, crises notwithstanding, but also noted that 'one of the features of international relations these days is that you tend to be a little bit more reactive to developments outside of your control'.¹

1 Transcript of evidence, 3 February 2003, pp2-3 (Mr Varghese)

Services to Business (Output 1.3, Sub-Output 1.3.3, DFAT)

- 1.9 DFAT provides services to other agencies in Australia and overseas (including Parliament, State representatives, business and other organisations). Services to business include making arrangements for high-level consultative meetings, providing support for individual enterprises and facilitating this development.
- 1.10 Matters discussed/raised by the Sub-Committee included: the relationship between the trade division in DFAT and Austrade; clarification concerning statistics on the number of Australian businesses supported; level of use of the Department's website and services available to business on the website; and trade between Australia and China.

The relationship between the trade division in DFAT and Austrade

- 1.11 DFAT noted the success of the decision made in the late eighties to integrate the foreign affairs department and the trade department and outlined the respective responsibilities of the two agencies describing DFAT as taking advisory and representational roles and Austrade as performing a more promotional role. In response to the Sub-Committee's interest in the agencies' capacity to respond to crisis situations, it affirmed the capacity of each area of DFAT and Austrade to readjust after significant developments, as demonstrated after the Asian financial crisis.²

Clarification concerning statistics on the number of Australian businesses supported

- 1.12 The Sub-Committee sought an explanation for the drop in the number of requests from Australian companies for advice on market conditions, etc, from 15 000 in 2000-01 to 9 000 in 2001-02. DFAT suggested that the difference could be accounted for by how the statistics were gathered rather than by an actual drop in numbers.³

2 Transcript of evidence, 3 February 2003, pp3-4

3 Transcript of evidence, 3 February 2003, pp4-5

Use of the Department's website by businesses

- 1.13 Most of DFAT's services to businesses are offered through the Department's main website which delivers on average 450 000 page views per week. As explained by DFAT, there were limitations to gathering information about the identity of visitors to the website or what they do while visiting the site.
- 1.14 In response to the query as to whether there have been any changes in the order of country names on the Department's website most visited, DFAT indicated that the order of country names most visited had not changed significantly over the last six months, that order being: Australia, Israel, Thailand, Indonesia, China, Malaysia, Mexico, USA, Singapore, United Kingdom, India, Japan, Italy, Vietnam and Ireland.
- 1.15 Further details about the nature of services offered to businesses through the website are available in the written material provided by DFAT after the public hearing.⁴

Trade between Australia and China

- 1.16 China is a big market for Australia with total merchandising trade totalling \$19 billion. DFAT described Australia as having 'quite a well-established' trade promotion and trade development strategy with China. It also explained that while there was a trade deficit with China, this to some extent could be explained by the tendency for China to be displacing many of the other exporters for processed, manufactured goods that would have been coming in from other countries.
- 1.17 In DFAT's view, given developments such as the gas deal, the deficit would not balloon out of control. On the broader issue of deficits and surpluses, moreover, DFAT advised that it that it was generally more interested in a balance of trade on a global level rather than with individual deficits or surpluses.⁵

4 Submission No.1, Answer to Question No.2

5 Transcript of evidence, 3 February 2003, pp7-8

Consular and passport services (Output 2.1, DFAT)

- 1.18 DFAT provides 24-hour consular and passport services to Australians travelling overseas and to their families in Australia through the network of overseas missions and honorary consulates, the Consular Operations Centre and consular cooperation arrangements with other countries. Australian travellers are kept informed about international developments, including potential trouble spots, and about the extent to which the Australian Government can assist them.
- 1.19 DFAT operates a registration service for Australian travellers at its missions overseas. Under the authority of the *Passports Act 1938*, DFAT provides secure travel documents to eligible Australian citizens, through passport offices in state and territory capitals and more than 100 diplomatic and consular missions overseas.
- 1.20 DFAT's Annual Report 2001-02 described the 11 September 2001 terrorist attacks in the US as having had far-reaching consequences for DFAT's work in delivering consular and passport services. The Sub-Committee acknowledges this impact and commends staff for their dedication at the time of the crisis and since. Although the Bali bombings occurred outside the period of this review, the Committee considers it appropriate to also acknowledge the undoubted impact of this crisis on staff and to express appreciation to all those involved in responding to that situation.
- 1.21 Matters discussed/raised by the Sub-Committee included: travel advisories; Australians arrested overseas and related matters; lost, stolen and fraudulent use of passports; and services to State and Territory governments for overseas visits programs.

Travel advisories

- 1.22 Given recent events, it is not surprising that the issue of travel advisories received considerable attention.
- 1.23 DFAT produces approximately 137 country-specific pieces of travel advice and a small number of issue-specific pieces of travel advice, all of which are available on its website. Information is also disseminated through a fax back facility or in answer to phone queries. DFAT is also working closely with the travel industry, particularly travel agents, as a means of disseminating advice. The

Sub-Committee agrees that the travel industry is 'a critical link in the dissemination chain' and encourages the Department to pursue this approach further.

- 1.24 The Sub-Committee also canvassed the possibility of linking the issuing of international airline tickets to the provision of travel advice. It notes DFAT's response that it is looking at that possibility and urges DFAT to make a more concerted effort to progress this concept.⁶
- 1.25 Travel advisories are based on a number of different sources including intelligence reports (in particular threat assessments), and advice from overseas posts. The Sub-Committee canvassed whether there was a possibility of developing a capacity for the public to interrogate the character of travel warnings. DFAT outlined some of the difficulties involved in developing a facility whereby people would be able to interrogate the travel advisories, and cited the limitations on the references it could make to intelligence reporting as an example. It explained that its efforts were directed more at improving the explanatory materials so that people were better able to understand and interpret the travel advice.⁷
- 1.26 Other issues addressed included:
- the means by which DFAT draws changes in threat assessments to the attention of Australian nationals living in places such as Indonesia and East Timor; opportunities for Australian nationals to have input into the advisories; and limitations to how much information DFAT could provide in such situations;⁸
 - the importance of managing the whole travel advisory process in a way that builds the confidence of the community in that travel advice;⁹ and
 - the sources of information which are considered by the Minister when deciding whether or not to close an embassy as a result of a threat assessment;¹⁰

6 Transcript of evidence, 3 February 2003, pp9-10

7 Transcript of evidence, 3 February 2003, pp11-12

8 Transcript of evidence, 3 February 2003, pp12-14

9 Transcript of evidence, 3 February 2003, p14

10 Transcript of evidence, 3 February 2003, p13

Australians arrested overseas and related matters

- 1.27 DFAT advised that it is providing consular assistance to 98 Australians facing charges overseas and outlined the nature of the charges. It was unable to provide comparative data with previous years. The Sub-Committee welcomes introduction of the Consular Management Information System (CMIS) in 2002 and looks forward to being provided with comparative data in future.¹¹
- 1.28 DFAT described its role in the International Prisoner Transfer Scheme as that of providing information to prisoners overseas about the scheme and facilitating their applications as part of the scheme.¹² It also provided specific information of the status of the application under the International Prisoner Transfer Scheme of a particular prisoner.¹³

Lost and stolen passports

- 1.29 Approximately 30 000 passports are lost each year, two thirds of which are lost in Australia. Of those lost overseas, less than ten percent end up being fraudulently used. The most common fraudulent use is for the purpose of illegal immigration.
- 1.30 DFAT cancels passports on the system when it is aware that they have been lost or stolen. The Sub-Committee was interested to learn that DFAT is in the process of examining ways of doing this electronically. It requests to be advised on the outcomes of consultations that DFAT is having with countries in the South-East Asian region about sharing information on this matter.¹⁴
- 1.31 The United States has passed legislation requiring all visa waivering countries – of which Australia is one – to have biometric identifiers placed in new passports by October 2004. Those countries that do not comply will no longer be able to enjoy visa-free entry to the United States. The Sub-Committee is pleased that the exercise appears relatively inexpensive with preliminary figures suggesting that the cost would be in the order of \$20 per passport. It also welcomes the advice that Australia is a world leader in research and development into facial recognition as a biometric identifier.¹⁵

11 Submission No.1, Answer to Question No.1

12 Transcript of evidence, 3 February 2003, pp12-13

13 Submission No.1, Answer to Questions No.6

14 Transcript of evidence, 3 February 2003, pp14-16

15 Transcript of evidence, 3 February 2003, p15

Services to State and Territory governments for overseas visits programs

- 1.32 In 2001-02 DFAT supported 549 overseas visits by representatives of State or Territory governments and State and Territory parliamentarians, a significant increase on the number for the previous year.¹⁶ The Sub-Committee was interested to learn that the two countries significantly more often visited were the United States and China.
- 1.33 The Sub-Committee was surprised and disappointed that DFAT was unable to indicate how many of these delegations nominated the pursuit of trade and development opportunities or investment interests as their purpose. DFAT advised that it did not have access to this information which it described as being the responsibility of the State Governments. Given the degree of support provided by DFAT to these delegations, the Sub-Committee considers that it should be able to obtain this information. The Sub-Committee suggests that DFAT, if it has not already done so, approaches the State and Territory Governments for the answer to the Sub-Committee's question.

Support for policing in East Timor (Output 1.1, DFAT and AusAID)

- 1.34 DFAT described its main support for policing in East Timor as being through its contribution to the UN police contingent.¹⁷ Other support provided by the Australian Federal Police includes the facilitation of East Timor's membership of Interpol and its provision of forensic training to the East Timor Police Service. Further support has been provided through AusAID's provision of English language training and the deployment of a technical adviser to help build an East Timor Police Service development program. The Defence Department has provided training of East Timorese border police in patrolling techniques.¹⁸

16 The number for the previous year was 332

17 Transcript of evidence, 3 February 2003, p18

18 Transcript of evidence, 3 February 2003, p 18

Interim strategy

- 1.35 In response to the Sub-Committee's interest in the attention that would be given to policing and law enforcement in the review of AusAID's interim country program strategy, AusAID advised that the review was in its early stages and that it was now beginning to undertake the forward-looking component of that review.¹⁹ Policing would be a central focus of its planning. AusAID advised that its intention was to have completed the strategy process by the end of the year.²⁰
- 1.36 The Sub-Committee also asked AusAID about ways in which non-government organisations could contribute to the interim strategy and 'how their proposals and concepts might be able to help in the building process and be taken into account'. AusAID advised that it was in the process of drafting an issues paper to form the basis of consultation with interested stakeholders in both Australia and East Timor.

Joint UN donors assessment mission

- 1.37 AusAID stressed that its assessment and future planning will be based on several joint exercises undertaken between donors and government. One of these is the joint UN donors assessment mission to which Australia, in terms of policing, had played a very central role, including the coordinating of the work of the mission and the drafting of the report.
- 1.38 AusAID expected that the recommendation of the joint assessment mission combined with the outcomes of the technical assistance exercise it was now supporting would provide 'a very strong basis for Australia's future planning and also a strong basis for coordination among donors.'²¹
- 1.39 The Sub-Committee queried whether the assessment would include an evaluation of the police training system, particularly in relation to events in Dili in early December 2002. DFAT advised that the primary purpose of the joint assessment mission was to look at the institutional requirements for the setting up of an effective East Timor Police Force. While the specific events in Dili in December 2002 may

19 Transcript of evidence, 3 February 2003, p 19

20 Transcript of evidence, 3 February 2003, p 24

21 Transcript of evidence, 3 February 2003, p 20

not have been a focus of the mission, the team would have examined fundamentals including the quality of training and would have identified some of the factors that may have been elements in the events in East Timor.²²

Exchange program between AFP and ETPS

- 1.40 The Sub-Committee canvassed the possibility of capacity for exchange between Australian police forces and the East Timor Police Service. DFAT advised that it was not aware of any consideration having been given to such an initiative and identified a number of obstacles to such a move.

What needs to be considered are, as we have said, the fairly low skills base we are starting from, the language issues that there would be and also the sense that one of the key issues for the police service is to build up an identity as the East Timor Police Service. The recruitment has taken place from many quarters in East Timor. It is important to build up the culture of being an integrated police service, and I am not sure that at this stage of the process exchanges would provide much in that regard.²³

- 1.41 Despite DFAT's reservations, the Sub-Committee considers that an exchange program could be of substantial value. It suggests that DFAT liaise with the Australian Federal Police and investigate whether any consideration has been given to such an idea. In the event that it has not, the Sub-Committee suggests that an assessment is made of the value of the establishment of an exchange program. We look forward to being advised on the results of such an assessment.

Relationship between the East Timor Police Service and the Defence Force

- 1.42 The Sub-Committee sought clarification on the relationship between the East Timor police and the military and was advised that the East Timor Police Service and the Defence Force are separate entities with the East Timor Police Force under the command and control of the United Nations.²⁴

22 Transcript of evidence, 3 February 2003, pp 21-22

23 Transcript of evidence, 3 February 2003, pp 20-22

24 Transcript of evidence, 3 February 2003, p 22

- 1.43 The Sub-Committee also explored issues concerning the responsibilities of Australian peacekeeping forces along the border. DFAT advised that responsibility for internal and external control rested with the UN and the East Timor Government. DFAT confirmed the porous nature of the border where the Australian battalion in the peacekeeping forces is located, and acknowledged the difficulty of monitoring all movement across the border.²⁵

Virtual Colombo Plan (Outcome 1, AusAID)

- 1.44 The Australian Government and the World Bank launched the 'Virtual Colombo Plan' (VCP) in August 2001, with an Australian commitment of \$200 million over five years. The VCP is designed to improve education and access to knowledge in developing countries through distance education and support for policy development using information technology.

DFAT outlined the range of projects initiated under the VCP during 2001-02. In questions, the Sub-Committee focussed on the World Bank's Development Gateway Foundation, the Global Distance Learning Network Centre, and the University of the South Pacific.

The World Bank's Development Gateway Foundation

- 1.45 Australia is a member of the World Bank's Development Gateway Foundation. DFAT advised that an Australian sits on the board of the Foundation. Australia is the first OECD country to launch its own local development gateway.²⁶

Global Distance Learning Network Centre

- 1.46 Australia has been involved with the World Bank in the establishment of a number of global learning centres that are part of the Global Distance Learning Network including one in Ningxia, China, and another within the World Bank's office in Dili, East Timor. DFAT advised that the ANU had joined the network and confirmed that it was open to all universities to do so.²⁷

25 Transcript of evidence, 3 February 2003, p 23

26 Transcript of evidence, 3 February 2003, p 25

27 Transcript of evidence, 3 February 2003, pp 25-26

The University of the South Pacific

- 1.47 The Sub-Committee explored AusAID's efforts to improve the capacity of the University of the South Pacific to deliver distance education activities by strengthening its regional centres, its online library services and its personnel.
- 1.48 AusAID described progress made towards improving the capacity of the University of the South Pacific (USP) to deliver distance education centres as having been substantial. Development of its online library services has proceeded well. A number of journals and data bases are now available online to students at its various campuses. Other projects to which Australia has contributed include an expansion of bandwidth and the development of capacity for students to lodge assignments electronically. Training has been provided for technicians who maintain the network and for staff who develop the distance education courses.
- 1.49 AusAID also advised that Australia has committed a further comprehensive 3 year \$1.5 million dollar distance education reform project which commenced in July 2002. The project involves re-vamping of the roles of the regional centres in delivery of distance education, training of staff in distance education and development of a range of new distance education courses.²⁸
- 1.50 The Sub-Committee acknowledged the potential dilemmas in determining funding priorities but queried whether the University of the South Pacific was more important than getting basic education to the general population in outlying islands. AusAID assured the Sub-Committee that the primary focus of the Virtual Colombo Plan was to provide basic education with much of it aiming to develop intermediaries such as teachers and nurses to be better able to teach within their own countries.²⁹

28 Submission No. 2, Answers from AusAID to Questions on Notice

29 Transcript of evidence, 3 February 2003, p 28-29

Australia Indonesia Institute (AII)

- 1.51 The Australia-Indonesia Institute was established in 1989 with the aim of developing relationships between Australia and Indonesia through promoting greater mutual understanding and expanding areas of contact and exchange. Given this aim, the work of the AII is highly relevant to the Sub-Committee's current inquiry into Australia's relationship with Indonesia. The Sub-Committee took the opportunity of this annual report review to learn more about the work of this organisation.
- 1.52 The Sub-Committee concurs with DFAT's description of Australia's relationship with Indonesia as one of its most important bilateral relationships.
- 1.53 The Sub-Committee explored the impact that the Bali bombing has had on the work of the AII and on whether, particularly in the light of that event, the AII was aware of any coordinated response to building the Australian Indonesian relationship. DFAT pointed to the work of the Australian Indonesian Ministerial Forum that draws together much of the work that is done by Australian and Indonesian government agencies as well as the private sector.³⁰
- 1.54 Pursuing the issue of the impact of the Bali bombing on the Institute's work further, the Sub-Committee queried whether the AII had had any ground-up review of its priorities in the light of the new environment. The AII assured the Sub-Committee that it was highly conscious of the difficult environment in which it was working. It cited a program that it had established to encourage visits to Australia by prominent Muslim leaders as an illustration of how it was looking at its programs to see how they could be adjusted to help in the new environment. The Sub-Committee has since met with an Indonesian Interfaith Delegation whose visit in February 2003 was part of this program.

30 Transcript of evidence, 3 February 2003, p 33

- 1.55 The Sub-Committee also explored the issue of misunderstandings in Indonesia about Australia's role in the independence of East Timor and whether it was matter that the Institute had thought it could do something to address. The AII concurred with the view that there remained a lot of misunderstanding in Indonesia about Australia's role in the independence of East Timor and added that it was a matter that needed to be worked on in building the relationship with Indonesia. It identified its own efforts to address the matter as being part of its advocacy program and indicated that the issue had been addressed at the Australia Indonesia Young Leaders Dialogue held in Bogor in 2002. The AII noted, that it endeavoured to balance such efforts with those aimed at moving the relationship forward beyond the rift that occurred over East Timor.³¹
- 1.56 The Sub-Committee notes the AII's approach. It stresses, nonetheless, the importance of correcting the misunderstanding in Indonesia and urges the AII to take whatever appropriate action it can to create opportunities for frank and mature dialogue with Indonesia on this issue.
- 1.57 The Sub-Committee also discussed with DFAT the success of the Australia Indonesia Young Leaders Dialogue in more general terms. DFAT advised that the AII was looking at ways of disseminating the reports it had received relating to the conference, that it had put some recommendations to the Minister and that participants would receive some feedback prior to the second dialogue.³²
- 1.58 In discussions with the AII about the extent of initiatives currently underway to build the relationship between Australia and Indonesia, the point was made that there was considerable activity although there was also a lack of general awareness about this activity. The suggestion was made that an audit of the activity directed at building the relationship would be a positive contribution to discussions about the relationship. While not a comprehensive audit, the Sub-Committee's current inquiry into Australia's relationship with Indonesia will serve a similar purpose by bringing together an account of the wealth of initiatives that have been described in the considerable body of evidence received.

31 Transcript of evidence, 3 February 2003, pp 34 -35

32 Transcript of evidence, 3 February 2003, pp 36 -37

In Conclusion

1.59 Although more narrowly focussed than its Annual Report Review for 2000-2001, the Sub-Committee has explored in this 2001-02 review a wide range of issues, a number of which have been brought into the foreground by recent developments in the environment in international relations in the region and globally. The information gathered through this exercise has again been placed on the public record, by means of this account and the transcript of evidence of the public hearing and answers to questions on notice³³, as a contribution to parliamentary scrutiny of the operations and performance of government agencies.

³³ both the transcript of evidence of the public hearing and answers to questions on notice are available on the Committee internet site.