



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

FROM EMPIRE TO PARTNERSHIP:
REPORT ON A SEMINAR ON THE COMMONWEALTH OF NATIONS

JUNE 1998

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"From Empire to Partnership" : Report on a Seminar on the Commonwealth of Nations

Introduction

The Government welcomes the opportunity to comment on the Report by the Joint Standing Committee on Foreign Affairs, Defence and Trade on a Seminar on the Commonwealth of Nations. Support for the Commonwealth continues to be an important element of Australian foreign policy. In earlier days the Commonwealth was seen primarily by Australia as an adjunct to our close relations with Britain. Its chief value to Australia now lies in the opportunity it provides to pursue and promote foreign policy objectives in a multilateral forum, which brings together a broadly representative cross-section of the world's English speaking countries particularly from Africa, the Caribbean, the Pacific and Asia.

As the Prime Minister, Mr Howard, said in his statement to Parliament on 19 November 1997, following the Commonwealth Heads of Government Meeting in Edinburgh, 'the Commonwealth also complements our key bilateral relationships and our focus on regional forums such as APEC and the South Pacific Forum. It is the major avenue for our engagement with many Commonwealth countries beyond our immediate region. As the third largest financial contributor to the Commonwealth, Australia has a positive role in promoting the economic and social development of those countries'.

The active role taken by Australia at CHOGM - particularly the Prime Minister's initiative in establishing an International Trade and Investment Facility to assist developing countries benefit from globalisation - reflects the government's commitment to the Commonwealth as a valuable international network.

That said, Australia has long emphasised the importance of the Commonwealth focusing its activities on areas in which it has genuine comparative advantage and responding to the changing needs of its members as efficiently and effectively as possible. Australia believes the Commonwealth has an important role to play in the promotion of fundamental political values among its members including, in particular, democratisation, good governance and institution building. Australia's interest in the Commonwealth is also influenced by its relevance to our wider foreign and trade policy interests.

The report makes a useful contribution to discussions on the relevance of the Commonwealth and Australia's role within it. The many suggestions and recommendations from the Report will be particularly helpful as Australia works to build on the outcomes from the 1997 Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh and prepares to host CHOGM in the year 2001 to coincide with our Centenary of Federation celebrations.

Recommendation 1

That the Australian Government, in consultation with Commonwealth organisations and educational institutions, assist in the establishment of a Commonwealth resources centre.

The Government agrees that there would be value in improving understanding of the Commonwealth within Australia.

The question of how the Commonwealth is projected internationally, and within Commonwealth countries in particular, has been given close attention by both member governments and the Commonwealth Secretariat in recent years. As noted in the Committee's report, a review of the Commonwealth Secretariat's information programs, was undertaken in 1996-97 by Mr Derek Ingram, a journalist and writer on Commonwealth affairs, at the instigation of the Steering Committee of Senior Officials, of which Australia is an active member. In undertaking the review, Mr Ingram visited Australia in 1996 where he consulted with the Department of Foreign Affairs and Trade, other Departments, as well as a range of journalists, academics and non-governmental organisations.

Mr Ingram produced an extensive range of recommendations. His review, and the response of the Secretariat, were considered at the Edinburgh CHOGM in October by the Committee of the Whole, the meeting of senior officials from all member countries which reports to Heads of Government on matters of Commonwealth Functional Cooperation. The Committee, whose report was endorsed by Heads of Government, welcomed Mr Ingram's report as an important contribution to examining ways in which the Commonwealth's image could be sharpened. It emphasised the need for Commonwealth member countries and the Secretariat to project the Commonwealth's role and activities within member states and to the wider world in a more effective manner, including through the school system.

The Committee of the Whole broadly endorsed the approach contained in the responses to the review's recommendations by the Secretariat, as well as the Commonwealth Foundation and the Commonwealth of Learning - the two other inter-governmental Commonwealth organisations. Observing that the Secretariat, the Foundation and the Commonwealth of Learning had begun implementing some of the recommendations addressed to them and would report periodically on the progress of implementation, the Committee noted that the biennial Senior Officials Meeting - which meets in the years in between CHOGMs to discuss implementation of CHOGM mandates and the arrangements and issues for the next CHOGM meeting - would discuss the recommendations directed to member governments at their next meeting in late 1998. The Committee encouraged governments to develop individual country programs.

The Australian Government will take note of the Committee of the Whole's response to the Ingram Review recommendations and consider how best to respond, with a view to making a positive report to the Senior Officials Meeting this year. The Government interprets the CHOGM proposal for individual country programs to refer to the need to address the key recommendations constructively, but not necessarily to establish elaborate or resource-intensive mechanisms of any kind. Some of the recommendations directed at both member governments and the Secretariat resonate with the comments by the Joint Standing Committee Report.

The Government looks for appropriate opportunities to raise the profile of the Commonwealth and will continue to do so.

- The Prime Minister's offer to host the 2001 CHOGM, as a way of making the Commonwealth a part of events celebrating Australia's Centenary of Federation, was readily accepted by other Heads of Government at the recent Edinburgh CHOGM. As one of the largest inter-governmental events hosted by Australia, the meeting will provide a key opportunity to underline the importance the Government attaches to the Commonwealth and to promote the Commonwealth within Australia.
- As the decision to award CHOGM to Australia was taken four years prior to the event rather than the normal two, this will give Australia additional time to prepare for the event and involve a range of organisations in those preparations. The Government will ensure that strategies to promote the Commonwealth are an integral part of planning for the 2001 CHOGM.

As to the specific recommendation made by the Committee regarding the establishment of a resources centre, it is highly unlikely, given existing budgetary constraints, that Government funds will be available for the establishment of a Commonwealth resources centre either within the Department of Foreign Affairs and Trade or within an existing Commonwealth organisation in Australia.

The Government, therefore, considers that initially more needs to be done to promote the location and availability of already-existing information and resources. At a time when those interested in Commonwealth issues are keen to project an image of a modern Commonwealth of continuing relevance it is appropriate that the Commonwealth Secretariat in London, the Foreign and Commonwealth Office in the United Kingdom and the Australian Government maintain home pages on the Internet which provide relevant information on the Commonwealth. The Australian Government's home page, for example, contains a background paper on the history of the Commonwealth and Australia's role in it (including in the development agencies), as well as speeches by the Prime Minister and the Foreign Minister on Commonwealth issues.

The Government understands that some of the information contained on the Commonwealth Secretariat's home page is not as up-to-date as it could be and will work with the Secretariat to ensure that its information sources are appropriately maintained. In particular, the Government will encourage the Secretariat to make better use of information technology. It will also encourage the Secretariat's public information area to tailor specific information on the Commonwealth for distribution by national organisations, including the Australian Government, the Royal Commonwealth Society and the Commonwealth Journalists Association.

Recommendation 2

That the Australian Government consult with the Commonwealth Secretariat, in the first instance, on the identity and possible tasks for a group of eminent persons who can publicise the work of the Commonwealth

The Government considers the idea of a group of eminent persons to be interesting, however, such an idea would need to be supported by the Commonwealth Secretariat and should not carry resource implications.

The Government would like to see the Secretariat investigate the idea of designated appointed eminent Commonwealth representatives in member countries and to put forward proposals (to identify individuals and tasks) should they see fit. The Government would take into consideration any proposal put forward by the Secretariat but would not be in a position to provide additional resources to fund salaries or other costs which may arise from the establishment of a group of eminent persons.

Paragraph 1.45 (Commonwealth Studies)

That Australia should participate in the establishment of an Association for Commonwealth Studies, and that the Government should examine other recommendations of the Symons report of relevance to Australia.

The Government agrees with the suggestion that Australia should participate in the establishment of an Association for Commonwealth Studies and will participate in its establishment in whatever capacity it is able. The development of civics and citizenship education which includes knowledge of matters such as the development of liberal and democratic ideas, institutions and legal frameworks in Britain as they influenced Australian developments is a priority for the government.

It also notes the Malaysian Government's proposal to establish a Commonwealth University in Malaysia, to be built in Tapa, north of Kuala Lumpur. While the university would have a broad curriculum, the Malaysian government has expressed some interest in developing Commonwealth studies within the curriculum offered. That may provide additional opportunities for Australian universities to become involved in promoting Commonwealth studies internationally.

Section Two - Commonwealth Networks

Recommendation 3

That the Prime Minister report on the outcome of the CHOGM meeting, with a view to highlighting the benefits for Australia from such meetings, with a view to highlighting the benefits for Australia from such meetings.

The Prime Minister reported to Parliament on the outcome of the Edinburgh CHOGM on 19 November 1997, focusing on the outcomes achieved and the benefits to Australia of involvement in the Commonwealth. Mr Downer has also delivered speeches on "The Edinburgh CHOGM : The Outcomes and Implications for Australia" to the ACT Branch of the Royal Commonwealth Society on 27 November 1997 and on "The Commonwealth : Promoting Trade, Investment and Development" to the NSW Branch of the Royal Commonwealth Society on 15 December 1997. Copies of these speeches are attached at Annex A.

Recommendation 4

That the Departments of Foreign Affairs and Trade, and Prime Minister and Cabinet examine the question of reinstating a Commonwealth Heads of Government Regional Meeting, and determine if there is regional support for its reintroduction.

The Government has considered the question of reinstating the Commonwealth Heads of Government Regional Meeting. It does not consider there would be broad support from regional governments. Since a CHOGRM was last held in 1984, there has been a significant growth in the range of international meetings, including at the regional level, to which Prime Ministers and ministers in member governments must devote their time.

With the opportunities available to meet other regional Commonwealth Heads of Government both bilaterally and in forums such as APEC and the South Pacific Forum, the need for an additional Commonwealth meeting at the regional level outside CHOGRM is not convincing. While Commonwealth links are a useful support in furthering our links with key members of groups such as APEC and ASEAN, it is unlikely there would be agreement on the need for Commonwealth members to meet in a separate institutional framework or that there would be an agenda that would sustain such a body, particularly when weighed against the considerable resources that would be required to support it.

Para 2.13 Attendance at Commonwealth meetings

That the Australian Government maintain its representation at Commonwealth meetings at Ministerial level

The Government takes note of the Committee's encouragement to maintain Australia's representation at Ministerial level meetings. This Government believes it is important to engage in Commonwealth Ministerial Meetings at an appropriate level, particularly when those meetings address issues of importance to Australia, and where there is a clear advantage in the Commonwealth having a role.

For example, Australia has almost always been represented at the biennial Commonwealth Law Ministers Meetings by Attorneys-General or Ministers of Justice. The fact that nearly all Commonwealth jurisdictions, like Australia, have common law systems make the association a very useful forum for furthering international cooperation on legal issues and furthering Australian interests in this area.

Australia was represented at the last Commonwealth Health Ministers' Meeting in South Africa in 1995 by the then Minister for Family Services, Ms Rosemary Crowley. And although Australia's delegation to the Commonwealth Education Ministers' meeting in Botswana in 1997 was small and was not at ministerial level, overall Australia's profile was high through significant involvement by Australians in both the CCEM and the parallel convention. In recent years, other priorities have prevented the Treasurer from attending

commonwealth Finance Ministers' (CFM) meetings. Nevertheless, the Treasurer has expressed a willingness to attend future CFM meetings if the timing and other priorities permit him to do so.

Commonwealth Ministerial meetings cover a broad range of functional areas and some governments accord a higher priority to particular meetings than others. For example, only one other minister apart from Senator Hill, the Chairman, attended the Commonwealth Consultative Group on the Environment, held in the wings of the UNGASS conference in New York last June. Senator Hill's attendance was important in securing an outcome that protected Australia's interests in the negotiations leading up to the Kyoto Climate Change Conference. On other occasions, the nature of the meeting and the pressure of domestic priorities may be such that it will be necessary for Australia to be represented by a senior official rather than a Minister.

Recommendation 5

That the Australian Government, as part of its aid program, set aside a defined number of scholarships for students from Commonwealth countries to assist with tertiary and post-graduate education in Australia.

The Government believes the linkages developed by foreign students studying in Australia are valuable and notes the Committee's recommendation that specific assistance should be given to students from Commonwealth countries in the form of a defined number of scholarships.

The Government does not accept that a defined number of scholarships needs to be set aside for Commonwealth countries. In early 1998 there were 1,778 students from Commonwealth developing countries undertaking post-secondary courses in Australia under the auspices of the aid program. In addition, 431 students from Papua New Guinea are studying in Australian secondary schools with aid-funded scholarships. Of the post-secondary scholarships, just 19 are designated as Commonwealth Scholarship and Fellowship Plan (CSFP). To specify future student numbers from developing countries would work against the need to keep the aid program flexible in the face of changing needs.

Students from developed Commonwealth countries participate in education and research through the larger non-defined awards schemes such as the Overseas Postgraduate Research Scholarships Scheme (OPRS) and the Australian Research Council Fellowships which allocate around 400 new awards a year. From 1 January 1998 Australia will not be offering further CSFP awards to developed Commonwealth countries. The New Zealand Government has similarly ceased to fund CSFP awards to Australia from 1997 and the Canadian Government has reduced the tenure of the CSFP awards it now offers. As the Committee has been informed, the CSFP awards offered to Australians by the UK have also fallen in numbers in recent years, with only 6 being offered in 1996.

Recommendation 6

That the Australian branches of the Commonwealth Parliamentary Association encourage it to continue as a forum promoting democratic values, the rule of law and freedom of the press.

The Government is not in a position to comment on behalf of the Commonwealth Parliamentary Association and the Committee will need to seek separate advice from the CPA on this recommendation.

Recommendation 7

That the Australian Government continue to support the Commonwealth Games Association, as a means of fostering closer contact throughout the Commonwealth, and encouraging all member states to meet in friendly competition.

Australia makes a significant contribution to development through sport across the Commonwealth. Australia is the Commonwealth's largest sports donor, seeing the social, health and economic benefits for young people of participation in sport and the import role of sport in strengthening Commonwealth ties.

The Australian Government has undertaken a range of initiatives in Commonwealth countries, aimed at developing people through sport, rather than developing sports people. These programs complement the Government's support of elite athlete competition within the Commonwealth and promotion of opportunities to develop athletes to compete at the Commonwealth Games, thereby holding its stature as a world class event.

On 27 October 1997, the Prime Minister announced the extension of existing successful programs assisting the development of sport in the Commonwealth. Australia will continue to fund the Protea sport program in South Africa, which was due to wind up in 1998, and work with South Africa to extend it to other parts of Commonwealth Africa, with funding of \$1.8 million. Protea Sport is based on Australia's highly successful Aussie Sport program for which the Australian Sports Commission has won awards from UNESCO and the International Olympic Committee. South African authorities recognise that getting children to play sport in the townships is an important contributor to reducing violence and anti-social behaviour.

The Government will also extend support for junior sports development in the Caribbean, with funding of \$1.35 million. Australia already has a \$3 million sports development program for the South Pacific, aimed at ensuring those countries have every opportunity to participate in the Sydney 2000 Olympics and to strengthen sports infrastructure in the region. Subject to a review, this program will be extended until 2006.

As well as financial support, Australia is providing support to the CHOGM Sub-Committee on Cooperation Through Sport, which has been considering a cooperative Commonwealth-wide approach to the development of sport. The Executive Director of the

Australian Sports Commission chairs a working group of this Sub-Committee, charged with developing and implementing a Commonwealth-wide strategy on sports development and ensuring greater integration of donor efforts.

Recommendation 8

That the Australian Government continue its support of Commonwealth NGOs in their work in the less developed Commonwealth member countries.

Assistance for Commonwealth NGOs is provided through an annual core contribution to the Commonwealth Foundation. The Foundation is an intergovernmental organisation with a mandate to support the work of the non-governmental sector in the Commonwealth. Foundation programs and grants benefit NGOs, professional associations and cultural bodies.

Australia provides the third highest level of funding to the Foundation with a contribution of \$500,000 (in 1997/98). The Government plans to continue this support.

Section 3 - Aid, Trade and Investment

Recommendation 9

That the Australian Minister for Trade together with his regional Commonwealth counterparts consider establishing regular meetings of regional Commonwealth Trade Ministers.

The Government agrees that there is scope for the Commonwealth to strengthen its role in developing consensus on global trade issues and in assisting its less developed members and small states adjust to and benefit from the challenges of globalisation. But it is not convinced meetings of regional trade ministers should be the focal point of such activity. The Commonwealth's key advantage lies in its cross-regional character, bridging regional groupings. The examples cited in the Report - such as the use of Commonwealth networks in developing trade and business links outside countries' own regions - argue for using the Commonwealth in developing transregional strategies, rather than as a vehicle for enhancing economic cooperation in the Asia-Pacific region alone, where there are already a variety of institutional mechanisms and networks that Australia can utilise.

The selection of a special theme for the Edinburgh CHOGM on 'Trade, Investment and Sustainable Development: the Path to Commonwealth Prosperity' reflected both the importance of these issues for development and a recognition that the association's shared legal, administrative and business systems provide a firm basis for promoting transregional economic cooperation. One major outcome was the adoption of the Edinburgh Economic Declaration which set out for the first time a common approach to international economic issues. The Declaration emphasises a commitment to market principles and openness to international trade and investment, as well as the need to ensure that all countries are able to take advantage of the attendant benefits. It also sets out several specific areas for practical action by member governments and the Secretariat in relation to trade, investment and development issues and enhancing commercial interaction.

One of the main steps agreed at the Edinburgh CHOGM was the establishment of a Trade and Investment Access Facility, as proposed by the Prime Minister, including a \$1.5 million Australian contribution over three years. Britain, Canada and New Zealand also pledged financial support for the Facility. The Facility, which commenced operation on 1 January 1998, is a fund administered by the Commonwealth Secretariat aimed at assisting developing countries adjust to, and take advantage of, the opportunities of globalisation. It will provide technical assistance to help countries identify and manage the potential economic and social impacts of trade and investment liberalisation, including by identifying new sources of revenue and market opportunities. It will also fund the provision of advice and training to help put in place appropriate legal and regulatory frameworks to promote trade and investment flows, and enhance countries' capacity to participate in WTO negotiations and meet the requirements of WTO and other international agreements. The Facility will be reviewed after three years' operation.

Another major innovation at the 1997 CHOGM was the holding of the inaugural Commonwealth Business Forum immediately prior to CHOGM, in London. The Business Forum brought together government and business representatives from across the Commonwealth. The Prime Minister delivered a speech to the Forum on the "Post-Uruguay Round: Removing the Obstacles to Trade and Investment". Australia's official delegates were Mr Maurice Newman, Chairman of the Sydney Stock Exchange, and Mr Don Kenyon, Australia's Ambassador to the European Union and formerly Ambassador to the WTO.

Heads of Government welcomed the recommendations forwarded to them by the Business Forum, including the proposal that it should continue to meet every two years prior to CHOGM, in order to act as a link between the private and public sectors in Commonwealth countries. In addition, they agreed to set up a Commonwealth Business Council, headed by Lord Cairns of the UK and Cyril Ramaphosa of South Africa (respectively Chairman and Vice-Chairman of the Business Forum) and composed of a small group of private sector leaders.

The Business Forum's report identified a number of priority activities such as the promotion of greater private sector involvement in infrastructure development; consideration of additional investment and export insurance capacity; and promotion of best practice in corporate and public-sector governance. Heads of Government agreed a number of related measures including: further analysis by the Secretariat of the scope and possible mechanisms for improving trade among Commonwealth countries (it is likely that this study will canvass the potential for Commonwealth countries to assist each other in improving market access); initiating an action programme to remove administrative obstacles to trade by simplifying customs procedures and eliminating bureaucratic and technical hurdles; and examination of the growing importance of electronic commerce and the developmental implications of the use of cyberspace for commercial and financial transactions.

The Commonwealth Business Forum mechanism agreed in Edinburgh provides, in the Government's view, the best way forward to increase intra-Commonwealth consultation among trade ministers, their ministries and the private sector.

Section 4 - The Commonwealth, Good Governance and Human Rights

Recommendation 10

That the Australian Government raise with other Commonwealth members the strengthening of the role and resources of the Human Rights Unit within the Secretariat, to enable it to take a wider approach to the promotion and protection of human rights.

The Government agrees with the Committee's view that promotion of human rights and democratic norms should be an important aspect of the Secretariat's work. It is a natural area of comparative advantage for the Commonwealth, given the principles enshrined in the Harare Declaration, as well as members' shared legal and political systems. Observance of the Harare principles has increasingly become a condition of membership, particularly since the decision in 1995 to suspend Nigeria in response to serious violations of the Harare principles, and the establishment of the Commonwealth Ministerial Action Group (CMAG) to recommend pan-Commonwealth responses in dealing with Nigeria and similar situations in other countries.

The Edinburgh CHOGM decided that CMAG should continue its work as a standing ministerial mechanism. It clarified that CMAG's remit should extend beyond those countries of initial focus (Nigeria, Sierra Leone and The Gambia) to any member country deemed to be in serious or persistent violation of the Harare principles. Furthermore, in considering what criteria should apply in assessing new applicants for Commonwealth membership, Heads of Government agreed that future applicants should comply with Commonwealth values and principles as set out in the Harare Declaration.

In that sense, the Commonwealth has accepted the importance of human rights-based normative rules for the organisation, and developed mechanisms of compliance. As a result, the Secretariat itself has taken on a broader human rights agenda, through servicing CMAG and providing advice to member states. Aside from CMAG, the Secretariat has also taken a more active role over the last decade in the broad area of promoting the fundamental political values of the Commonwealth - democracy, rule of law, just and honest government, and fundamental human rights. A key element has been the observance of elections by Commonwealth Observer Groups, which the Secretariat has sought to integrate with the provision of legal and electoral experts.

The Secretariat has also supported such activity as strengthening the domestic human rights machinery of members, establishment of Ombudsmen's offices, workshops on such areas as criminal justice, administrative law and combating corruption, and implementation of international human rights conventions. As noted in the Committee's Report, the Secretary-General has deployed his good offices in conflict prevention and resolution, to support efforts to maintain stability and democratic government.

While the Human Rights Unit of the Secretariat has an important role to play, responsibility for efforts to promote good governance and Commonwealth political values is spread across the Political Affairs Division and the Legal and Constitutional Affairs Division, of which the Human Rights Unit is only one part. Australia has consistently supported allocating a greater share of resources to Secretariat programs in these areas, and the range of activities undertaken by the Secretariat has expanded significantly over the last decade. Australia will continue to urge that these programs be given priority. This will not necessarily mean

increased resources for the Human Rights Unit in particular, insofar as promotion of good governance is the responsibility of a much larger part of the Secretariat, but Australia will seek to ensure that the Unit is appropriately funded and that it seeks to enhance the effectiveness of its program delivery.

At the same time, there are limitations on the extent to which member governments are prepared to see a substantial increase in human rights-related work by the Secretariat at the expense of programs which are more directly aimed at promoting economic development. In that context, Australia will seek to promote an approach that takes a broad view of good governance by acknowledging its importance in economic development. For example, promotion of best practice principles for public accountability and transparency of government finances, of the kind adopted by the South Pacific Forum Leaders in September 1997, are a vital element in promoting economic development of developing countries. The Commonwealth Secretariat's program assisting public sector reform in member countries make a valuable contribution to creating the right enabling environments for growth and investment, as well as the strengthening of 'just and honest government'.

In this context, as a forum combining both developed and developing countries of diverse economic profiles, the Commonwealth is well placed to promote greater consensus about the need for a more integrated approach to human rights, stressing the interdependence of political and economic rights rather than the priority of one over the other. The Government will encourage efforts by the Commonwealth to promote such a consensus.

ANNEX A



Speech by the

**Minister for Foreign Affairs
The Hon. Alexander Downer MP**

to the

ACT Branch of the Royal Commonwealth Society

The Edinburgh CHOGM:

The Outcomes and Implications for Australia

Canberra, 27 November 1997

**The Edinburgh CHOGM:
The Outcomes and Implications for Australia**

**Speech by the Hon Alexander Downer, MP, Minister for Foreign Affairs, to the ACT
Branch of the Commonwealth Society, Canberra, 27 November 1997.**

Introduction

Your Excellencies, Hugh Craft

It is a great pleasure to be here to address the ACT Branch of the Commonwealth Society, and to speak in a familiar location - the Australian Institute of International Affairs.

The Commonwealth continues to play an influential and positive role in world affairs.

It is worth remembering that the Commonwealth's membership represents an enormous slice of the world's population. Its member countries account for one quarter of the world's population, and range in population from only a few thousand to over 900 million. Commonwealth countries are located in almost every region of the world, including the Asia Pacific, Africa, the Caribbean and the Mediterranean.

The special strength of the Commonwealth lies in the combination of the diversity of its members with their shared inheritance in language, culture and the rule of law.

I have just returned from an important APEC meeting in Vancouver, and it is true that the Commonwealth is not at the centre of Australia's foreign and trade policy priorities in the way that the Asia Pacific is.

But it is also fair to say that the Commonwealth's important contribution to international life, and the enduring place that it holds in Australia's global priorities, has been undervalued.

Sir Robert Menzies said in 1961 that the Commonwealth meant much for "sanity and tolerance in a grievously troubled world", and he praised its ability to make "constant and notable contributions" to world peace and prosperity. Almost forty years later, the world has changed in many remarkable ways, but the words of Menzies continue to ring true.

There was no better demonstration of this than the Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh last month. From Australia's point of view, the meeting was very successful and helped advance our regional and global interests in practical ways.

I was particularly pleased, as I know Prime Minister Howard was, that Australia's offer to host CHOGM in 2001 - the year of Australia's Centenary of Federation - was warmly endorsed by the Edinburgh meeting.

I want to outline briefly today the major outcomes of the Edinburgh CHOGM and their implications for Australia, including the Government's perspective on the Commonwealth's continuing relevance in contemporary international affairs.

Part One: Promoting Shared Prosperity: Trade and Investment Liberalisation

For Australia, the Commonwealth is significant because through our work on the Commonwealth's Secretariat, and through Commonwealth Heads of Government Meetings, we are able to show leadership and strengthen relations with many developing and developed countries.

The Commonwealth's greatest strength over the years has been its capacity to respond flexibly to new circumstances and meet the changing needs of its members. The special theme of this year's meeting in Edinburgh - "Trade, Investment and Development : The Road to Prosperity" - reflects the crucial importance of these issues to all Commonwealth nations as we prepare to enter the 21st century.

One of the most influential trends facing Commonwealth and non-Commonwealth nations alike is globalisation. Globalisation is here to stay. It is offering huge opportunities for economies that are internationally competitive, just as it challenges economies which are not. It blurs the division between foreign and domestic policies, and it increases competitive pressures in markets.

Globalisation is helping break down barriers to trade and investment, and is underpinned by extraordinary technological change bringing the world closer together. It makes us all neighbours. But not all countries have benefited to the same degree. Developed members of the international trading system, and of the Commonwealth, have a responsibility to help developing members respond and adapt to globalisation.

I am pleased to say that many developing countries are already on the move. The nations of the South Pacific, for example - including many Commonwealth members - are improving their capacity to take advantage of opportunities in the new global trading arena. They have made a strong commitment to liberalising trade and investment, promoting the role of private sector development, and improving public accountability and transparency.

The right response to globalisation is more liberalisation, not less. The Economic Declaration which emerged from Edinburgh - entitled "Promoting Shared Prosperity" - is important because it helps member countries come to grips with the influence of global economic forces and the vital part that trade, investment and development play in harnessing this world-wide economic dynamism for the common good.

The Economic Declaration is a worthy counterpart to the historic Harare Declaration on the Commonwealth's political values. It welcomes the progress that has been made in recent years in dismantling trade barriers and establishing a rules-based international trading system, but it also recognises that significant barriers to trade in goods and services remain, and that the benefits of the expansion of world trade are still unevenly shared.

Through the Declaration, Commonwealth members resolved to strengthen the multilateral trading system within the framework of the World Trade Organisation (WTO), and support the full implementation of the Uruguay Round commitments. Commonwealth members resolved to maintain the momentum towards freer trade through multilateral negotiations, as outlined in the built-in agenda and other issues under discussion in the WTO, including progress on agriculture and financial and other services. This is an objective with major implications for future jobs and economic growth in Australia, and the Australian Government endorsed it unreservedly.

Prime Minister Howard's initiative for the creation of an international Trade and Investment Access Facility was warmly welcomed by Commonwealth members. This facility will help Commonwealth countries identify and manage the potential economic and social impacts of trade and investment liberalisation, and respond creatively to the challenges of globalisation.

We hope that other governments might also find the facility a useful channel for funding activities to achieve the shared goal of freer and more open trade and investment. Australia will contribute \$1.5 million to the facility over three years. Canada, Britain and New Zealand also indicated their willingness to provide financial contributions.

Among the Economic Declaration's other significant decisions, Commonwealth members agreed to examine the growing importance of electronic commerce in trade and the developmental

implications of the use of cyberspace for commercial and financial transactions. This has immediate relevance for Australia because we are ranked 8th in the world as a network society 'plugged in' to the high-tech world - a little known ranking that puts Australia ahead of both Germany (13th overall) and Japan (16th overall). According to my Department, the global value of goods and services transacted on the Internet will grow from its current value of less than \$US 5 billion per year to between \$US 100 billion and \$US 150 billion by the year 2000.

I should also mention that the first ever Commonwealth Business Forum was held prior to the Edinburgh CHOGM. This successful meeting of senior representatives from business and government provided valuable input and direction for the CHOGM discussions. I am pleased to say that the forum will meet again in future CHOGM years and be institutionalised through the creation of a Commonwealth Business Council. Prime Minister Howard addressed the Forum on globalisation and the post-Uruguay Round.

The creation of the Council is important from Australia's point of view not just because of the new dimension it gives to CHOGM discussions but because it builds the same type of government-business cooperation that the Australian Government is fostering across the board in its foreign and trade policies - whether, for example, through the Australia-Indonesia Development Area concluded earlier this year, or through stronger linkages between the ASEAN Free Trade Area and Australia and New Zealand.

Part Two: Economic Growth and the Environment

One of the major aims of the Commonwealth Business Council will be to encourage private sector involvement in promoting trade and investment. This underlines the fact that trade and investment liberalisation is the engine of economic growth, and that growth holds the key to addressing many of the environmental challenges of the late 20th century.

This is not to say that economic growth by itself is the total answer. But it does mean that, as incomes rise, both the means and the will to address environmental concerns increase.

That is why proposals to tackle climate change which have the effect of dislocating or restricting trade, distorting international investment flows, lowering growth and reducing living standards will not work. The results will be worse again if they discriminate against particular countries. In that respect, the Australian Government believes the CHOGM Economic Declaration addressed the issue of climate change in a constructive and positive way.

Importantly, the Declaration recognised the importance of differentiation in international negotiations on environmental issues by stating that the cost of protecting the environment should be "borne in accordance with shared and differentiated responsibilities".

Apart from this there were a further two aspects of the Declaration which we saw as particularly important.

First, the Declaration recognised the need for the outcome of the forthcoming Kyoto meeting in Japan to involve realistic and achievable goals.

And second, the Declaration said that not only the OECD countries but all countries have a role to play in reducing greenhouse gas emissions.

That is why I believe the Edinburgh outcome on climate change was a very satisfactory one. It is completely consistent with the arguments the Government has been promoting vigorously in Australia and abroad. The Edinburgh CHOGM sent a clear message that the Kyoto outcome needs

to be workable and provide a framework for a global solution to what we all recognise is a global problem.

Part Three: Promoting Democratisation and Good Governance

Beyond the issue of climate change, the Commonwealth's members share a commitment to several fundamental principles. The Commonwealth's anchoring values - its commitment to promoting democracy, human decency and rights and economic liberalism - are at the core of what the institution is about.

The Commonwealth has focused in recent times on the development of good governance amongst its membership, within a framework of fundamental human rights. Members have been working together to strengthen democratic institutions and the rule of law, and working towards best practice in all aspects of administrative, judicial and regulatory matters.

The decisions taken at the Edinburgh CHOGM sustain this long tradition of support for institution-building and good governance.

Commonwealth Heads of Government agreed to maintain Nigeria's suspension from the Commonwealth until it completes its scheduled return to civilian democratic government by 1 October 1998. Heads of Government also authorised the Commonwealth Ministerial Action Group (CMAG) to recommend Commonwealth-wide implementation of measures if, in its view, these would serve to encourage greater integrity of the process of transition and respect for human rights in Nigeria.

Heads of Government agreed that if, following 1 October 1998, the Nigerian regime had not completed a credible programme for the restoration of democracy and to the observance of the Harare Principles, they would consider further measures, including Nigeria's expulsion from the Commonwealth.

The Edinburgh CHOGM also endorsed the decision of CMAG to suspend representatives of Sierra Leone's military junta from participation in Commonwealth meetings, and welcomed UN Security Council sanctions against the regime.

Heads of Government adopted three criteria for assessing applications for membership of the Commonwealth - traditional historical ties; observance of the Harare Principles of democratic government and rule of law; and acceptance of Commonwealth practices and conventions. It was particularly pleasing to see Fiji represented at Edinburgh after its readmission to the Commonwealth in September this year.

I want to emphasise that the Commonwealth's commitment to democratic reform and institution-building is something that Australia supports strongly because it goes to the heart of our own practical commitment to improving human rights and building national institutions in the Asia Pacific.

I should also mention that Australia was particularly pleased with the balanced, comprehensive reference in the Communique to the landmines issue, which invites countries to consider signing the Ottawa Treaty while referring to complementary work in the Conference on Disarmament and other fora.

This was clear recognition of the importance of the landmines issue to developed and developing countries alike. The Prime Minister announced on 17 November that I will travel to Ottawa in early December to sign the Ottawa Treaty on Australia's behalf. This will mean that Australia will forever forswear the use of anti-personnel landmines and destroy its stockpile, consistent with the provisions of the Treaty.

I am very proud of the leading role that Australia continues to play in international efforts to find a comprehensive and lasting solution to the grave humanitarian and economic crisis which the misuse of landmines has inflicted on many countries, including in our region. This has been backed up by a practical \$19 million commitment to demining in the last 20 months which will help make a real difference to villagers in Laos, Cambodia, Afghanistan and other countries.

In addition to its formal sessions and activities, the Commonwealth - like APEC and other key international fora - provides an opportunity for leaders to develop personal contacts and mutual understanding on a more informal basis. In Edinburgh, among a wide range of formal and informal exchanges, Prime Minister Howard had constructive bilateral meetings with the Prime Ministers of Britain, Canada, Malaysia and Singapore, and PNG Deputy Prime Minister Haiveta.

Finally, Prime Minister Howard announced in Edinburgh that Australia is extending its existing successful programmes which assist the development of sport in the Commonwealth. The Commonwealth has an excellent record in sport at the elite level and, equally importantly, as part of its work of community development. As a strong sporting nation, Australia is well placed to help broaden sports development so that the Commonwealth Games remains a competition of genuinely international stature and wide interest.

Conclusion: The Commonwealth's Continuing Relevance

I do not want to conclude my remarks today without returning to where I began - the significance of Australia's hosting of CHOGM in 2001.

This will be an exciting and important international event for all Australians. It will underline the seriousness of Australia's commitment to the work of the Commonwealth and the organisation's continuing relevance in the modern world.

In the lead-up period to 2001, non-government groups that support the work of the Commonwealth will have an important role to play in helping build renewed interest and momentum across Australia for CHOGM. The Australian Government looks forward to working with Royal Commonwealth Societies, including the ACT branch, in this shared endeavour.

It is clear from everything I have said to today that the Australian Government's involvement in the Commonwealth mirrors the practical and innovative approach we take to our engagement with the Asia Pacific - it is a tightly focused contribution that seeks to advance our national interests and fundamental values in clear ways.

No-one should doubt the continuing relevance of the Commonwealth or the enduring quality of its contribution to international life. It is not the out-dated relic of colonial times that some of its ill-informed critics make it out to be. Rather, the Commonwealth is helping its members come to grips with some of the most challenging economic, political and social trends of the 1990s.

As the Edinburgh CHOGM demonstrated, the Commonwealth is a remarkably supple and forward-looking body which finds strength in the diversity of its membership and is encouraging countries to shape their own political and economic futures into the new millennium.

The Commonwealth is a unique body with a very proud history, and it has an important future in which all Australians can share, and from which all Australians can benefit.



Speech by the

**Minister for Foreign Affairs
The Hon. Alexander Downer MP**

to the

NSW Branch of the Royal Commonwealth Society

*The Commonwealth: Promoting Trade, Investment
and Development*

Sydney, 15 December 1997

The Commonwealth: Promoting Trade, Investment and Development

Speech by the Hon Alexander Downer, MP, Minister for Foreign Affairs, to the NSW Branch of the Royal Commonwealth Society, Sydney, 15 December 1997.

Introduction

It is a great pleasure to be in Sydney and to have the opportunity to address the NSW Branch of the Commonwealth Society, particularly in this "Year of the Commonwealth".

The NSW Branch is part of an extraordinary network of associated organisations in all the member countries of the Commonwealth - a vast network of personal and professional links that are the lifeblood of the Commonwealth.

I am convinced that the Commonwealth continues to play an influential and positive role in world affairs. It is worth remembering that the Commonwealth's membership represent an enormous slice of the world's population.

Commonwealth countries are located in almost every region of the world, including the Asia Pacific, Africa, the Caribbean and the Mediterranean.

The special strength of the Commonwealth lies in the combination of the diversity of its members with their shared inheritance in language, culture and the rule of law.

I have just returned from a visit to North America, China and Hong Kong, and it is true that the Commonwealth is not at the centre of Australia's foreign and trade policy priorities in the way that the Asia Pacific is.

But it is also fair to say that the Commonwealth's important contribution to international life, and the enduring place it holds in Australia's global priorities, has been undervalued.

From Australia's point of view, the Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh in October was very successful and helped advance our regional and global interests in practical ways.

I was particularly pleased, as I know Prime Minister Howard was, that Australia's offer to host CHOGM in 2001 - the year of Australia's Centenary of Federation - was warmly endorsed by the Edinburgh meeting.

Today, I want to focus my remarks on the major outcomes from the Edinburgh meeting - with a special emphasis on the trade and investment aspects - and give you the Government's perspective on the Commonwealth's continuing relevance in contemporary international affairs.

Part One: Promoting Shared Prosperity - Trade and Investment Liberalisation

For Australia, the Commonwealth is significant because through our work on the Commonwealth's Secretariat - and through Commonwealth Heads of Government Meetings - we are able to show leadership and strengthen relations with many developing and developed countries.

The Commonwealth complements our key bilateral relationships and our focus on regional forums such as APEC and the South Pacific Forum. It is also the principal avenue for our engagement with many Commonwealth countries beyond our immediate region. As the third largest financial contributor to the Commonwealth, Australia has a positive role in promoting the economic and social development of those countries.

And it is not just Australia that finds enduring value in the Commonwealth.

Forty-three of the fifty-one member states that attended the CHOGM meeting in Edinburgh were represented by their head of government or head of state. This demonstrates clearly that the Commonwealth's greatest strength over the years has been its capacity to respond flexibly to new circumstances and meet the changing needs of its members.

For the first time, CHOGM focused its discussions on a theme - "Trade, Investment and Development : The Road to Prosperity". This reflects the central importance of these issues to all Commonwealth nations as we prepare to enter the 21st century.

One of the most influential trends facing Commonwealth and non-Commonwealth nations alike is globalisation. In my address to the National Press Club in Canberra two weeks ago, I emphasised that globalisation is here to stay and is a force for good in the world.

Globalisation is offering huge opportunities for economies that are internationally competitive, just as it challenges economies which are not. It blurs the division between foreign and domestic policies, and it increases competitive pressures in markets.

Globalisation is helping break down barriers to trade and investment, and is underpinned by extraordinary technological change bringing the world closer together. It is making us all neighbours.

But not all countries have benefited to the same degree. Developed members of the international trading system, and of the Commonwealth, have a responsibility to help developing members respond and adapt to globalisation.

I am pleased to say that many developing countries are already on the move. The nations of the South Pacific, for example - including many Commonwealth members - are improving their capacity to take advantage of opportunities in the new global trading arena. They have made a strong commitment to liberalising trade and investment, promoting the role of private sector development, and improving public accountability and transparency.

The right response to globalisation is more liberalisation, not less. That was the strong message sent by the APEC meeting in Vancouver last month which underlined the Asia Pacific's undiminished resolve to stay the course on liberalisation and economic reform.

Similarly, the Economic Declaration which emerged from Edinburgh - entitled "Promoting Shared Prosperity" - is important because it helps member countries come to grips with the influence of global economic forces and the vital part that trade, investment and development play in harnessing this world-wide economic dynamism for the common good.

The Economic Declaration reflects the pleasing degree of common ground reached between developed and developing members on the need for continuing trade liberalisation, the importance of encouraging investment flows - especially through sound macroeconomic policies and financial systems, strong regulatory frameworks and good governance.

The Economic Declaration is a worthy counterpart to the historic 1991 Harare Declaration on the Commonwealth's political values. It welcomes the progress that has been made in recent years in dismantling trade barriers and establishing a rules-based international trading system. But it also recognises that significant barriers to trade in goods and services remain, and that benefits from the expansion of world trade are still unevenly shared.

Through the Economic Declaration, Commonwealth members resolved to strengthen the multilateral trading system within the framework of the World Trade Organisation (WTO), and support the full implementation of the Uruguay Round Commitments.

Commonwealth members resolved to maintain the momentum towards freer trade through multilateral negotiations, as outlined in the built-in agenda and other issues under discussion in the WTO, including progress on agriculture and financial and other services. This is an objective with major implications for future jobs and economic growth in Australia, and the Australian Government endorsed it unreservedly.

The Economic declaration also recognises that some countries need a helping hand in adjusting to and taking advantage of globalisation.

Prime Minister John Howard's initiative for the creation of an international Trade and Investment Access Facility was warmly welcomed and endorsed by Commonwealth leaders. This facility will help Commonwealth countries identify and manage the potential economic and social impacts of trade and investment liberalisation, and respond creatively to the challenges of globalisation.

We hope that other governments might also find the facility a useful channel for funding activities to achieve the shared goal of freer and more open trade and investment. Australia will contribute \$1.5 million to the facility over three years. Canada, Britain and New Zealand also indicated their willingness to provide financial contributions.

Among the Economic Declaration's other significant decisions, Commonwealth members agreed to examine the growing importance of electronic commerce in trade and the developmental implications of the use of cyberspace for commercial and financial transactions.

This has immediate relevance for Australia because we are ranked 8th in the world as a network society 'plugged in' to the high-tech world - a little known ranking that puts Australia ahead of both Germany (13th overall) and Japan (16th overall).

I should also mention that the first ever Commonwealth Business Forum was held prior to the Edinburgh CHOGM. This successful meeting of senior representatives from business and government provided valuable input and direction for the CHOGM discussions.

I am pleased to say that the forum will meet again in future CHOGM years and be institutionalised through the creation of a Commonwealth Business Council. Prime Minister Howard addressed the Forum on globalisation and the post-Uruguay Round.

The creation of the Council is important from Australia's point of view not just because of the new dimension it gives to CHOGM discussions but because it builds the same type of government-business cooperation that Australia is fostering across the board - whether, for example, through our extensive trading relationships with China and Hong Kong, or through stronger linkages between the ASEAN Free Trade Area and Australia and New Zealand.

Part Two: Democratisation and Good Governance

Beyond trade and investment issues, the Commonwealth's members share a commitment to several fundamental principles. The Commonwealth's anchoring values - its commitment to promoting democracy, human decency and rights and economic liberalism - are at the core of what the institution is about.

The Commonwealth has focused in recent times on the development of good governance amongst its membership, within a framework of fundamental human rights. Members have been working

together to strengthen democratic institutions and the rule of law, and working towards best practice in all aspects of administrative, judicial and regulatory matters.

The decisions taken at the Edinburgh CHOGM sustain this long tradition of support for institution-building and good governance. Commonwealth leaders confirmed the Commonwealth Ministerial Action Group's (CMAG) mandate to respond to situations where the Commonwealth's principles are seriously or persistently violated.

Heads of Government agreed to maintain Nigeria's suspension from the Commonwealth until it completes its scheduled return to civilian democratic government by 1 October 1998.

Heads of Government also authorised the Action Group (CMAG) to recommend Commonwealth-wide implementation of measures if, in its view, these would serve to encourage greater integrity of the process of transition and respect for human rights in Nigeria.

If, following 1 October 1998, the Nigerian regime had not completed a credible programme for the restoration of democracy and to the observance of the Harare Principles, Heads of Government agreed they would consider further measures, including Nigeria's expulsion from the Commonwealth.

The Edinburgh outcome on membership was also positive in maintaining the integrity of the Commonwealth by emphasising the common threads which unite an otherwise diverse group.

The meeting adopted three criteria for assessing applications for membership of the Commonwealth - traditional historical ties; observance of Harare Principles of democratic government and rule of law; and acceptance of Commonwealth practices and conventions.

It was particularly pleasing to see Fiji represented at Edinburgh after its readmission to the Commonwealth in September this year.

I should also say that the Edinburgh Communique contained a balanced and comprehensive reference to the landmines issue - it invited countries to consider signing the Ottawa Treaty while referring to complementary work in the Conference on Disarmament and other fora. This was clear recognition of the importance of the landmines issue to developed and developing countries alike.

On 3 December in Ottawa, I signed on Australia's behalf the Ottawa Treaty. This means that Australia forever forswears the use of anti-personnel landmines and will destroy its stockpile, consistent with the provisions of the Treaty. The Ottawa Treaty is a remarkable humanitarian response to one of the most compelling humanitarian issues of our time.

I am very proud of the leading role that Australia continues to play in international efforts to find a comprehensive and lasting solution to the grave crisis which the misuse of landmines has inflicted on many countries, including in our region. This has been backed up by a practical \$19 million commitment to demining in the last 20 months, which will help make a real difference to villagers in Laos, Cambodia, Afghanistan and other countries.

A Tolerant and Diverse Australia

The Commonwealth's commitment to democratic reform and institution-building is something that Australia supports strongly because it goes to the heart of our own practical commitment to improving human rights and building national institutions in the Asia Pacific.

It is a reflection of our fundamental values as a people and a nation.

Australia is a remarkably tolerant and diverse country with a growing web of relationships across the Asia Pacific.

Australia's genuine commitment to the region is measured by our deeds as well as our words. In recent months, Australia has demonstrated clearly that it is not a 'fair-weather friend'.

I have been quite struck, for example, by the positive impact among Asian ministerial colleagues of Australia's decision to join the Thai and Indonesian IMF packages, and our most recent decision to support the IMF package for Korea.

There has been a similar regional response to Australia's quick and effective assistance to Indonesia and Malaysia to help deal with drought, fires and smoke and to the enormous effort we are putting in to achieving peace in Bougainville and - admittedly to a lesser extent - peace in Mindanao in the Southern Philippines.

That is why I believe our friends and neighbours in the region recognise Australia's strong and practical commitment to the Asia Pacific, just as we welcome and value everything that the region has to offer Australia.

The flow of students and other visitors from South and North East Asia to Australia continues unabated. In the 1996-7 financial year, for example, student visa numbers were up by 8 percent from North East Asia and by 9 percent from South East Asia, while visitor visa numbers were up by 3 percent and 11 percent respectively.

These facts are an unambiguous rebuttal to those who claim that the people of the Asia Pacific are turning their backs on Australia because of the so-called 'Hanson factor'.

Conclusion: The Commonwealth's Enduring Relevance

I do not want to conclude my remarks today without returning to where I began - the significance of Australia's hosting of CHOGM in 2001.

This will be an exciting and important international event for all Australians. It will underline the seriousness of Australia's commitment to the work of the Commonwealth and the organisation's continuing relevance in the modern world.

In the lead-up period to 2001, non-government groups that support the work of the Commonwealth will have an important role to play in helping build renewed interest and momentum across Australia for CHOGM.

I know that the NSW Branch of the Royal Commonwealth Society is determined to continue its vital work in building bonds of friendship and mutual regard between Commonwealth countries. Those efforts will become even more indispensable as the 2001 CHOGM draws nearer.

The Australian Government looks forward to working with the NSW Branch, and all the Royal Commonwealth Societies across Australia, in this shared endeavour.

The Australian Government's involvement in the Commonwealth mirrors the practical and innovative approach we take to our engagement with the Asia Pacific - it is a tightly focused contribution that seeks to advance our national interests and fundamental values in clear ways.

Sir Robert Menzies said in 1961 that the Commonwealth meant much for "sanity and tolerance in a grievously troubled world", and he praised its ability to make "constant and notable contributions" to world peace and prosperity.

Almost forty years later, the world has changed in many remarkable ways, but the words of Menzies continue to ring true.

As the Edinburgh CHOGM demonstrated, the Commonwealth is a remarkably supple and forward-looking body which finds strength in the diversity of its membership. It is encouraging countries to shape their own political and economic futures into the new millennium.

The Commonwealth is a unique body with a very proud history, and it has an important future which all Australians can share in and benefit from.