The Parliament of the Commonwealth of Australia

# Australia's Relations with the Middle East

Joint Standing Committee on Foreign Affairs, Defence and Trade

August 2001
Canberra

# Contents

## Minority Report—

# Foreword

Almost 20 years have elapsed since the Committee's last comprehensive review of the relationship between Australia and the Middle East region, which culminated in a report entitled *The Gulf and Australia*, presented in 1982. However, the passage of time has certainly not diminished the Committee's interest in that part of the world.

Individually and collectively, members of the Committee have participated in private visits to the region, and the Committee has met privately with visiting political leaders and officials from most countries of the Middle East in recent years. Similarly, participation in out-going Australian parliamentary and friendship delegations has enabled Committee members to keep abreast of developments in the region.

Nevertheless, the Committee recognised last year that a comprehensive review of relations between Australia and the region was overdue. A conscious effort has thus been made in the report that follows to re-focus attention on that relationship.

In February 2000, the Minister for Foreign Affairs, the Hon Alexander Downer MP, referred to the Committee the matter of Australia's relations with the Middle East, for examination and report. The terms of reference were particularly wide-ranging, and required the Committee to consider all major aspects of the political, strategic, economic, social and cultural links between Australia and the Middle East region, which includes the states surrounding the Persian Gulf. The Foreign Affairs Sub-Committee conducted the review on behalf of the full Joint Standing Committee.

For the purposes of the inquiry, the geographical focus comprised what might be termed the 'Mediterranean' arc from Egypt to Israel, the Occupied Territories, Jordan and Syria, the Persian Gulf states, and the Arabian Peninsula. The shaded map on page iii illustrates the geographical scope adopted by the Committee.

Material in this report, however, has not been restricted to the countries thus delineated. Where appropriate, the various chapters examine issues pertaining to neighbouring countries as well—for example, Pakistan, Afghanistan and Turkey.

Generated principally by the on-going Arab-Israeli conflict and the virtual collapse of negotiations between the Palestinian leadership and Israel, tensions in the Middle East continue to have international repercussions, given the strategic importance of the region and thus its potential to threaten world peace and security. Together with other responsible members of the international community, Australia has viewed with concern the escalation of violence and the cycle of revenge, particularly in the 'Occupied Territories' and very recently in Israel. These developments have been all the more distressing because of the large losses of life involved and the stalled attempts, by the major powers and the international community generally, to bring about a lasting peace.

Given the tensions prevailing in many parts of the Middle East, it would be surprising if members of the various communities in Australia did not hold strong views about the events unfolding in the region. Indeed, during the course of the inquiry, the Committee became very aware that some supporters of the parties involved in the Arab-Israeli conflict expected Australia to give clear support to their particular view.

While acknowledging the strong emotions which have been generated by the on-going and escalating regional disputes, the Committee has sought to achieve a balance in assessing the views presented in submissions and other evidence to the inquiry. In a region where complex and highly sensitive issues are in dispute, there is no single cause which is right and just above all others. The various Middle Eastern communities in Australia cannot expect unqualified support for their particular points of view, only the opportunity to express and explain them.

It is nevertheless reassuring to note that, for the most part, the tensions and conflict in the Middle East have not affected the relations between the various community groups in Australia. While there have been occasional instances where emotions have generated physical conflict or very strong language, the Committee does not believe there are any significant systemic problems with inter-community relations here in Australia.

Australia has played a recognised role in multilateral tracks of the peace process, most notably in the United Nations General Assembly and on two of the working groups established by the Madrid and Oslo Accords—the Arms Control and Regional Security Working Group and the Water Resources Working Group. In addition, Australia has maintained a long association with, and resource commitments to, a range of multilateral peace-keeping and monitoring operations in the Middle East. These and other initiatives undertaken in concert with

members of the international community have been widely commended and should be continued.

The geographic distance between Australia and the Middle East region makes it difficult for the full ramifications of the current Arab-Israeli conflict to be understood in the wider Australian community.  We are literally a long way away.  The Committee has recognised also Australia's relatively limited influence on events in the region.  However, that does not mean that Australia should become merely a silent or passive observer.  Rather, as a concerned, responsible and dispassionate member of the international community, Australia should make its views known in appropriate overseas and domestic forums.

In the Parliament, bipartisan support for the Middle East peace process and condemnation of the escalating violence on both sides of the Israeli-Palestinian conflict in particular has been expressed on a regular basis.  However, the purported even-handedness of Australia's policies in relation to the region— including our voting record at the United Nations—have been questioned at times by particular communities in Australia.  These issues are also discussed in this report.

Australia's diplomatic and other official representation in the region has been examined, and found to need some adjustment.  On the particular issue of formal representation for Palestinians in Australia, the Committee has recommended that the current status of the 'General Palestinian Delegation' be reviewed.

The strategic importance of the Middle East to the world, and to Australia, scarcely needs to be stated.  Conflict in that part of the world has both global and regional implications for peace and security.  The end of the 'Cold War' resulted in a huge realignment of external influence in the Middle East, and signalled the emergence in the 1990s of the United States as the major peace broker in the region.  The Iran-Iraq war between 1980 and 1988 and the (second) Gulf War highlighted the frictions that have strained relations for decades.

A stable Middle East is important to Australia and, within the limits of Australia's influence, promotion of regional security is a primary concern.  Australia has clear interests in combating the proliferation of weapons of mass destruction, in reducing possible threats to lines of communication between Europe and East Asia, and in seeing the continued flow of oil essential to many of our trading partners as well as to Australia itself.

Australia's bilateral defence relationships have been developed in recognition of Australia's strategic interests in the region.  With Kuwait, for example, Australia has evolved its closest regional defence ties, including provisions for the training of Kuwaiti Defence Force personnel.  However, in order to emphasise the strategic importance of the Persian Gulf region to Australia, the lack of regionally-based defence representation in that part of the world should be reviewed.

Throughout the review, the Committee was very conscious of the impact of a number of destabilising influences operating in the Middle East. These influences not only work against achieving a lasting peace settlement, but also have profound impacts on the way the world perceives the region and responds to its sometimes bewildering diversity and volatility. The principal destabilising influences discussed in this report are:

- terrorism and violence;

- arms sales and weapons of mass destruction (chemical, biological and nuclear weapons and their delivery systems);

- poverty and other economic pressures;

- rapid population increases and other social pressures.

The historical and continuing involvement of the international community, including the United Nations, has been examined throughout the report. Particular focus has been given in Chapter 5 to the international sanctions applied to Iraq. Australia's support for the sanctions and serious concerns about the humanitarian impacts of the sanctions have also been discussed. The Committee has concluded that, as a responsible member of the international community, Australia should be more pro-active in supporting efforts to modify the economic sanctions so that they target the Iraqi leadership. The issue of so-called 'smart sanctions' and the possible review of the compliance system are also examined.

The second part of the report discusses economic and social issues relevant to the relationship between Australia and the Middle East.

The trade relationship between Australia and the Middle East is important, and it has therefore warranted significant attention in the Committee's latest report. Against the background of Australia's established commercial interests in the Middle East, the Committee has found that there are significant prospects for increasing two-way trade and investment. In 1999, Australia achieved a disappointing 1.9 per cent of total imports to the Middle East, even less than in 1990. Only a few Australian products have made significant inroads into the market—wheat, alumina, live animals, processed cheese and passenger motor vehicles.

Despite the commitment of substantial Australian trade development resources to the Middle East, Australia's market share has not increased. A radical new approach is needed, and the Committee has recommended the establishment of a Business Advisory Group to coordinate an effective 'Team Australia' approach, with a sharp trade focus.

Consideration of issues surrounding the promotion and protection of human rights in the Middle East was an important element of the Committee's inquiry

process. The Australian Government believes that the implementation of international human rights standards is the best available safeguard for the rights and freedoms of individuals. Reports from international monitoring agencies such as Amnesty International, Human Rights Watch and the US State Department regularly assess human rights practices around the world. The Middle East continues to be the focus of considerable criticism from these organisations, for example in relation to blatant abuse of the rights of women and other vulnerable groups and the lack of basic democratic processes in many countries of the region.

Human rights concerns should be given greater emphasis in promoting Australia's foreign policy and overseas aid strategies with all dialogue partners. In bilateral discussions and less formal contacts, Middle Eastern countries should be made aware of practices and policies which Australia considers to be contrary to the intention of international human rights standards. The Committee has also made a number of recommendations designed to strengthen formal human rights dialogue mechanisms and the international human rights regime generally.

Social, cultural, educational and other links between Australia and the Middle East have been underpinned by the contribution made to Australia's social and cultural life by migrants from many countries of the region. The 1996 Australian census provided a 'snapshot' of the size and distribution of the various overseas-born Middle Eastern populations and their descendants, which this month's census will update.

The Jewish community in Australia can trace its origins back to the First Fleet, and many Australians of the Jewish faith have made, and continue to make, major contributions to Australian society. The Arab presence and contribution in Australia also have a long history. Although Arabs in Australia share a common language and similar cultural traditions, they come from many different countries and therefore diverse backgrounds. The Committee is most grateful to all community groups which provided valuable insights into the links which have been established between Australia and their homelands, and suggestions for enhancing those links.

Some attention is given in the report to the issue of Australia's response to unauthorised arrivals from the Middle East, particularly since mid 1999. Although Australia has a long history of resettling refugees and people in humanitarian need since World War 2, considerable media and community attention has become focused in recent years on the unauthorised landings of asylum-seekers on Australia's coasts and territories, and hence the operations of international people-smuggling syndicates. A large proportion of the 'boat people' originate in Afghanistan and Iraq, spending considerable time in refugee camps in countries of first asylum before making the often hazardous journey to Australia through transit countries in our more immediate region.

The Committee has drawn attention in the report to the need for the international community to alleviate the huge burden on countries of first asylum, such as Pakistan and Iran and to consider ways to combat the root causes of refugee outflows from Iraq and Afghanistan.

The report concludes with a detailed discussion of Australia's overseas aid program to the Middle East, and suggests ways in which it might be improved. The Australian Government has provided development assistance and humanitarian relief to the region over many years. As well as supporting the peace process through multilateral and bilateral avenues, the aid program has a strong focus on the delivery of assistance to Palestinian refugees and supporting infrastructure projects for an eventual Palestinian entity.

These priorities continue to be very important, both in support for the work of the UN Relief and Works Agency and through programs and projects undertaken by Australian and local non-government organisations. As well as recommending that aid to these sectors be sustained, modified or strengthened, the Committee has also recommended that a three-year forward commitment of at least $10 million per annum in non-food aid to the Middle East be confirmed, over and above Australia's support for the World Food Program.

In conclusion, I would like to thank the members of the Foreign Affairs Sub-Committee for their commitment and contribution over many months to the completion of this review. My thanks are also extended to the secretariat staff who provided excellent research, procedural and administrative support for the Committee during this inquiry and in the production of this comprehensive report.

**David Jull, MP**
**Chairman**
**Foreign Affairs Sub-Committee**

# Membership of the Committee
# 39<sup>th</sup> Parliament

| | |
|---|---|
| **Chair** | Senator A B Ferguson (from 1/7/99) |
| | Senator D J MacGibbon (to 30/6/99) |
| **Deputy Chair** | Mr C Hollis, MP (from 11/8/99) |
| | Hon Dr A C Theophanous, MP (to 14/7/99) |

**Members**

Senator V W Bourne
Senator the Hon D Brownhill (from 1/7/99 to 13/4/00)
Senator P H Calvert (from 1/7/99)
Senator H G P Chapman
Senator the Hon P Cook
Senator B Gibbs (from 9/8/99)
Senator B Harradine
Senator S Hutchins (from 17/8/00)
Senator J A L Macdonald (to 30/6/99; from 9/5/00)
Senator K O'Brien
Senator M A Payne (from 1/7/99)
Senator J A Quirke (to 15/8/00)
Senator the Hon M Reynolds (to 30/6/99)
Senator the Hon C Schacht
Senator K Synon (to 30/6/99)
Ms F E Bailey, MP
Hon B G Baird, MP
Hon L J Brereton, MP

Hon J A Crosio, MBE, MP (from 9/12/99)
Hon G J Evans, QC, MP (to 30/9/99)
Mr L D T Ferguson, MP (from 9/8/99)
Mr D P M Hawker, MP
Hon D F Jull, MP
Mrs D M Kelly, MP
Hon L S Lieberman, MP
Hon Dr S P Martin, MP
Hon J E Moylan, MP
Mr P E Nugent, MP (to 23/4/01)
Hon N P O'Keefe, MP
Hon L R S Price, MP
Hon G D Prosser, MP
Mr C M Pyne, MP
Hon W E Snowdon, MP
Hon A M Somlyay, MP (from 24/5/01)
Dr A J Southcott, MP
Hon A P Thomson, MP

| | |
|---|---|
| **Secretary** | Ms Margaret Swieringa (from 15/6/99) |

# Membership of the Foreign Affairs Sub-Committee 39<sup>th</sup> Parliament

**Chair**        Hon D F Jull, MP

**Deputy Chair**   Senator B Gibbs (from 30/8/99)

**Members**

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| Senator V W Bourne | Mr C Hollis, MP (ex officio) |
| Senator P H Calvert | Hon L S Lieberman, MP |
| Senator H G P Chapman | Hon Dr S P Martin, MP |
| Senator A B Ferguson (ex officio) | Mr P E Nugent, MP (to 23/4/01) |
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| Hon J A Crosio, MBE, MP (from 16/2/00) | Hon A P Thomson, MP |
| Mr L D T Ferguson, MP (from 25/8/99) | |
| Mr D P M Hawker, MP | |

# Sub-Committee Secretariat

**Secretary**                  Mr Cliff Lawson

**Research Officer**        Ms Inga Simpson (to 13 April 2001)
                                   Mr Alex Olah (from 26 April 2001)

**Administrative Officer**    Mrs Belinda Stewart (to 25 May 2001)
                                   Mr Richard Haureliuk (from 30 May 2001)

# Terms of reference

To inquire into and report on Australia's relations with Middle East nations and the Persian Gulf States, with particular reference to:

- Opportunities for, and impediments to, expanding Australia's trade relationship with the Middle East and the Persian Gulf States;

- Australia's contribution to the Middle East peace process, and the prospects for resolution of the Arab-Israeli conflict;

- The role of the United Nations, and Australia's involvement, in promoting regional stability for the Middle East and the Persian Gulf States, including consideration of the United Nations weapons inspection program and the impact on Iraq of internationally-applied sanctions;

- Australia's defence relationship with the Middle East and Persian Gulf regions, and the scope for promoting Australia's strategic interests;

- The impact of destabilising influences in the region including the potential production of weapons of mass destruction.

- Progress on implementation of human rights principles in the region; and

- Social and cultural linkages, given the levels of migration to Australia from the Middle East and some Persian Gulf States, with particular reference to the Australian aid program towards the Middle East and the training programs for students from the region.

**Referred by the Minister for Foreign Affairs on 8 February 2000.**

# List of abbreviations

| | |
|---|---|
| AAAN | Arab Australian Action Network |
| AAC | Australian Arabic Council |
| AACC | Australian Arabic Communities Council |
| AAP | Australian Associated Press (newswire) |
| ACCI | Australian Chamber of Commerce and Industry |
| ACFOA | Australian Council for Overseas Aid |
| ACIAR | Australian Centre for International Agricultural Research |
| AFP | Agence France-Presse (newswire) |
| AI | Amnesty International |
| AIA | Amnesty International Australia |
| AICC | Australia Israel Chamber of Commerce |
| AIJAC | Australia/Israel and Jewish Affairs Council |
| AMEDEC | Australian Middle East Defence Exports Council |
| ANAO | Australian National Audit Office |
| ANU | Australian National University |
| AP | Associated Press (newswire) |
| APHEDA | Australian People for Health, Education and Development Abroad |
| ATC | Australian Tourist Commission |
| AusAID | Australian Agency for International Development |
| BAG | Business Advisory Group |
| BARD | (US/Israel) Binational Agricultural Research and Development Fund |

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| BIRD | Binational Industrial Research and Development Foundation |
| BWC | Biological Weapons Convention |
| CAABU | Council for the Advancement of Arab-British Understanding, UK |
| CAT | Convention Against Torture and Other Forms of Cruel, Inhuman and Degrading Punishment |
| CEDAW | Convention on the Elimination of All Forms of Discrimination Against Women |
| CERD | International Convention on the Elimination of All Forms of Racial Discrimination |
| CIA | (US) Central Intelligence Agency |
| CROC | Convention on the Rights of the Child |
| CTBT | Comprehensive Test-Ban Treaty |
| CWC | Chemical Weapons Convention |
| DFAT | Department of Foreign Affairs and Trade |
| DIMA | Department of Immigration and Multicultural affairs |
| DOP | Declaration of Principles on Interim Self-Government Arrangements |
| DSTO | Defence Science and Technology Organisation |
| EAAU | East Asia Analytical Unit, DFAT |
| ECAJ | Executive Council of Australian Jewry |
| EFIC | Export Finance and Insurance Corporation |
| ETM | Elaborately Transformed Manufacture |
| FTA | Free Trade Agreement |
| GCC | Gulf Cooperation Council |
| GMH | General Motors Holden |
| HREOC | Human Rights and Equal Opportunity Commission |
| HRW | Human Rights Watch |
| HURIST | UN Human Rights Strengthening Project |
| IAEA | International Atomic Energy Agency |
| ICC | International Criminal Court |
| ICCPR | International Covenant on Civil and Political Rights |
| ICESCR | International Covenant on Economic, Social and Cultural Rights |
| IDEX | International Defence Exhibition |

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|---|---|
| IDF | Israeli Defence Force |
| IHSS | Integrated Humanitarian Settlement Strategy |
| IOM | International Organisation for Migration |
| JMC | Joint Ministerial Commission |
| JSCFADT | Joint Standing Committee on Foreign Affairs, Defence and Trade |
| MAPWA | Medical Association for the Prevention of War Australia |
| MEPP | Middle East peace process |
| MFO | Multinational Force and Observers |
| MIF | Multinational Interception force |
| MRC | Migrant Resource Centre |
| NCCA | National Council of Churches in Australia |
| NCCPD | National Consultative Committee on Peace and Disarmament |
| NGOs | Australian non-government organisations |
| NPT | Non-Proliferation Treaty |
| OECD | Organisation for Economic Cooperation and Development |
| PA | Palestinian Authority/Palestinian National Authority |
| PFLP | Popular Front for the Liberation of Palestine |
| PKK | Kurdish Workers' Party |
| PLC | Palestinian Legislative Council |
| PLO | Palestinian Liberation Organisation |
| PMV(s) | Passenger Motor Vehicle(s) |
| PNC | Palestinian National Council |
| PPV | Permanent Protection Visa |
| RCA | Refugee Council of Australia |
| RRT | Refugee Review Tribunal |
| SAEA | South Australian Exporters Association |
| SHP | Special Humanitarian Program |
| SLA | South Lebanon Army |
| TPV | Temporary Protection Visa |
| UAE | United Arab Emirates |
| UK | United Kingdom |
| UN | United Nations |
| UNCHR | UN Commission on Human Rights |

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|---|---|
| UNDOF | UN Disengagement Observer Force |
| UNEF | UN Emergency Forces |
| UNGA | The UN General Assembly |
| UNHCR | UN High Commissioner for Refugees |
| UNIIMOG | UN Iran-Iraq Military Observer Group |
| UNMOVIC | United Nations Monitoring, Verification and Inspection Commission |
| UNMOVIC | UN is the Monitoring, Verification and Inspection Commission |
| UNRWA | UN Relief and Works Agency for Palestine Refugees in the Near East |
| UNSCO | UN Special Coordinator for the Palestinian Territories |
| UNSCOM | United Nations Special Commission in Iraq |
| UNSCOP | UN Special Committee on Palestine |
| UNTSO | United Nations Truce Supervision Organisation |
| UNYMO | UN Yemen Mission |
| UoW | University of Wollongong |
| US/USA | United States of America |
| WEOG | Western European and Other States Group (UN) |
| WMD | weapons of mass destruction |

# List of recommendations

**SECTION ONE - Political and Strategic Issues**

## 3 Australia's Contribution to the Middle East Peace Process

### Recommendation 1

The Committee recommends that the Australian Government:

■ make comprehensive policy statements at much more frequent intervals in the UN General Assembly and the Western European and Other States Group, on developments in the Middle East;

■ use those occasions to demonstrate Australia's contribution to international efforts for a just and lasting peace; and

■ report to the Parliament each time statements on the Middle East are made in international forums.

### Recommendation 2

The Committee recommends that the Australian Government give further consideration to re-opening the Australian Embassy in Damascus, which was closed in August 1999.

### Recommendation 3

The Committee recommends that:

■ in addition to the official Australian parliamentary delegations to the various nations of the Middle East, the Australian Government give consideration to including the region in overseas visits by senior political leaders, in order to give a regular focus for expressing Australia's views on the Middle East conflict; and

■ at the conclusion of such high-profile visits by political leaders, a comprehensive statement be made in the Parliament.

### Recommendation 4

The Committee recommends that, notwithstanding the setbacks which have been experienced in the peace process since the second half of 2000, the Australian Government support revival of the multilateral working groups in which Australia has particular expertise—the Arms Control/Regional Security Working Group and the Water Resources Working Group.

### Recommendation 5

The Committee recommends that:

■ the Australian Government review the formal arrangements through which the Palestinian General Delegation currently represents Palestinian interests in Australia, in order to ascertain whether those arrangements sufficiently reflect the maturing relationship between Australia and the Palestinian authorities; and

■ preparation be made by the Australian Government for establishing a permanent Palestinian mission with full diplomatic status as soon as significant progress has been made in the 'final status' negotiations between the parties.

## 4    Regional Stability and Strategic Issues

### Recommendation 6

The Committee recommends that the Department of Defence review its international engagement priorities in order to ensure that spare capacity in ADF courses, including those provided by commercial training organisations, is available in sufficient quantity to students from Middle East countries with which Australia has established close defence ties.

### Recommendation 7

The Committee recommends that Defence representation in the Middle East (including the Persian Gulf region) be reviewed in order to provide a resident source of information and advice relating to regional security issues and Australia's contribution to current and future international peacekeeping and monitoring operations.

### Recommendation 8

The Committee recommends that all Australian political and official public statements condemning terrorism and violence in the context of the Middle East conflict continue to be framed in terms which clearly apply to <u>all</u> the parties in conflict.

### Recommendation 9

The Committee recommends that the Australian Government pursue all available avenues to achieve greater universal application of effective verification mechanisms for international arms control and disarmament in relation to the Middle East, as well as our own region.

## 5    The United Nations and the Sanctions Against Iraq

### Recommendation 10

The Committee recommends that, under the auspices of the United Nations, the Australian Government urge the international community to accelerate its review of the sanctions regime currently applied to Iraq. Such a review should include seeking modifications which would target more effectively the Iraqi leadership and would therefore minimise the impact on the civilian population.

### Recommendation 11

The Committee recommends that the Australian Government use its participation in multilateral discussions at the United Nations to ensure the international community considers 'qualitative' as well as 'quantitative' compliance measures in any revision or replacement of Security Council Resolution 1284.

### Recommendation 12

The Committee recommends that the Australian Government support consideration by the international community of practical mechanisms to give effect to the establishment of a Weapons of Mass Destruction-free zone in the wider Middle East region, as originally envisaged in Security Council Resolution 687 of 1991 (paragraph 14).

## SECTION TWO - Economic and Social Issues

## 6    Australia's Trade Relationship with the Region

### Recommendation 13

The Committee recommends that the Department of Foreign Affairs and Trade examine the methodology developed by the Australian Chamber of Commerce and Industry for analysing trade relationships, with a view to incorporating it in all future departmental reviews and briefs.

### Recommendation 14

The Committee recommends that the Department of Foreign Affairs and Trade discuss the use of the category 'Confidential Items' for both exports

and imports with the Australian Bureau of Statistics, to produce more meaningful trade statistics.

### Recommendation 15

The Committee recommends the Department of Foreign Affairs and Trade establish a Business Advisory Group on the Middle East, comprising the Department of Foreign Affairs and Trade, Austrade, and relevant Chambers of Commerce, to more effectively coordinate export strategies for the region.

### Recommendation 16

The Committee recommends that:

■ the Department of Foreign Affairs and Trade spread the load more evenly between the Australian embassies in Riyadh and Abu Dhabi; and

■ Austrade include Israel in the Middle East/Indian Ocean Region, to enhance coordination within the region, and with the Department of Foreign Affairs and Trade.

### Recommendation 17

The Committee recommends that

■ Joint Ministerial Commissions be held more frequently and with more countries;

■ The Government negotiate free trade agreements with Israel and with the Gulf Cooperation Council; and

■ The Government negotiate double taxation agreements and investment protection agreements with key countries in the Middle East.

### Recommendation 18

The Committee recommends that

■ Research and Development Funds be established to foster cooperation, particularly in information technology and agriculture, between Australia and Israel; and

■ Opportunities to develop closer research and development links in agriculture with other countries in the Middle East be actively pursued.

### Recommendation 19

The Committee recommends that the Department of Foreign Affairs and Trade, in conjunction with relevant agencies such as the Australian Quarantine and Inspection Service, be proactive in assisting the Gulf Cooperation Council establish common food standards, including quarantine. DFAT should then encourage the adoption of those standards by other countries in the Middle East.

### Recommendation 20

The Committee recommends that the Australian Government direct the Department of Foreign Affairs and Trade to formally raise with the representatives in Canberra of the UAE, Iran and Egypt the level of charges for legalisation of commercial documents

### Recommendation 21

The Committee strongly recommends that DFAT and Austrade develop a joint strategy to utilise fully the power of the Internet to:

■ promote Australia and Australian products and services in the Middle East, and

■ publicise the export opportunities identified by Austrade staff.

### Recommendation 22

The Committee recommends that the proposed Business Advisory Group establish mechanisms to enhance the coordination of trade missions, particularly to the Persian Gulf region of the Middle East.

### Recommendation 23

The Committee recommends that Austrade develop proactive strategies to promote the Middle East region to Australian exporters—incorporating seminars and workshops, webcasting, the Internet, export opportunities, and regular visits by marketing staff and overseas buyers.

### Recommendation 24

The Committee recommends that the Department of Foreign Affairs and Trade arrange a minimum of two visitors per annum from the Middle East under both the Special Visits Program and the International Media Visits program, as part of a comprehensive public affairs strategy for the region.

### Recommendation 25

The Committee recommends that Austrade introduce an award scheme to recognise the vital contribution made to Australia's export success by outstanding overseas importers.

### Recommendation 26

The Committee recommends that the Australian Tourist Commission add an Arabic version to the australia.com website.

### Recommendation 27

The Committee recommends that the Department of Immigration and Multicultural Affairs review some of the new visa regulations for overseas students, particularly as they pertain to the Middle East.

## 7 Promotion and Protection of Human Rights in the Middle East

### Recommendation 28

As recommended in the Committee's recent majority report on United Nations reform, the Committee urges the Australian Government to ratify as soon as possible the Rome Statute, to establish the International Criminal Court.

### Recommendation 29

The Committee recommends that the Australian Government pursue bilateral discussions with governments in the Middle East, with a view to establishing formal dialogue mechanisms on human rights matters similar to the arrangements which have been discussed with Iran.

### Recommendation 30

The Committee recommends that the Australian Government increase its commitment to the development of national human rights organisations in the Middle East by providing technical and other assistance to multilateral programs such as the UN Human Rights Strengthening project (HURIST), and by promoting such initiatives in bilateral dialogue with countries of the region.

### Recommendation 31

The Committee recommends that the Australian Government enhance the priority given to human rights concerns in formulating foreign policy with Middle East states, including active pursuit of ratification of the international human rights treaties and the relevant optional protocols—especially the two Optional Protocols to the International Covenant on Civil and Political Rights. The first Optional Protocol entitles individuals to make complaints to the monitoring committee concerning violations of their civil and political rights. The Second Optional Protocol is aimed at the abolition of the death penalty.

## 8 Social and Cultural Links Between Australia and the Middle East

### Recommendation 32

The Committee recommends that the Government establish an Australian Arabic Foundation within the Foreign Affairs and Trade Portfolio.

### Recommendation 33

The Committee recommends that the National Library of Australia establish formal links with the new Alexandria Library in Egypt, to the mutual benefit of both organisations.

## 9 Australia's Response to Asylum-Seekers from the Middle East

### Recommendation 34

The Committee recommends that the Australian Government increase its efforts, in conjunction with other members of the international community, to focus world attention on measures to reduce the huge burden placed on countries of first asylum, which are supporting large numbers of asylum-seekers from the Middle East.

### Recommendation 35

The Committee recommends that additional resources be directed towards:

■ combating the root causes of refugee outflows from countries such as Afghanistan and Iraq, to the extent permitted by the extremely difficult circumstances prevailing in those countries; and

■ promoting repatriation solutions from countries of first asylum.

## 10 Australian Overseas Aid for the Middle East

### Recommendation 36

The Committee recommends that the Government make a three year commitment to allocate a minimum of $10 million per annum in non-food aid to the Middle East, as well as continue to support the World Food Program in the region.

### Recommendation 37

The Committee recommends that

■ the United Nations Relief and Works Agency receive at least 50 per cent of Australia's non-food aid to the Middle East;

■ the Australian Government use its influence to urge the international community to reverse the decline in financial support for the United Nations Relief and Works Agency; and

■ the Australian Government employ every diplomatic means at its disposal to encourage the Lebanese Government to improve the conditions of the Palestinian refugees within its territory.

### Recommendation 38

The Committee recommends that:

■ AusAID, in consultation with the Palestinian Authority, focus on the agricultural and educational sectors for longer-term capacity-building projects;

■ the Australian Centre for International Agricultural Research (ACIAR) re-direct some of its research towards collaboration with the Palestine Ministry of Agriculture; and

■ ACIAR examine the feasibility of establishing scientific linkages with Israel and the Palestinian Authority on water use and management.

# 1

# Introduction

1.1 The Minister for Foreign Affairs referred the matter of Australia's relations with the Middle East to the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT, the Committee) in February 2000.

1.2 In particular, the terms of reference required the Committee to examine a wide range of issues pertaining to Australia's relations with the Middle East region. These issues included the trade relationship, the Middle East peace process, the role of the United Nations (UN) and the international community in the region, destabilising influences and security issues, the defence relationship, progress with implementing human rights principles and Australia's social and cultural links with the region. The formal terms of reference are listed on page xxi.

## Geographical Scope of the Inquiry

1.3 Maps of the Middle East region, including the Persian Gulf states, are provided at pages iii and iv of this report.[1] The shaded areas on the map indicate where the primary focus has been directed in this inquiry, viz the region stretching from Egypt in the east through the Arabian peninsula, north to Syria and Iraq, and then across the Persian Gulf to Iran. Hence, the inquiry has examined Australia's relationship with the region and its component parts—Egypt, Israel and the 'Occupied Territories', Jordan, Syria, Lebanon and the Persian Gulf states of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates (UAE) and Yemen.

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1   The maps were produced for the Committee by the Defence Imagery and Geospatial Organisation, Department of Defence.

1.4     In part, this focus derived from the Committee's desire to ensure that the inquiry remained within manageable limits.  However, there was no intention to impose unwarranted restrictions on the coverage of the inquiry and, where appropriate, Australia's links with other countries in the region have been recognised.

## An Explanation of Terms

1.5     The term 'Middle East' has been used throughout this report to refer to the region depicted in the map on page iii, with particular focus on the countries highlighted by shading, as explained above.  In some literature and in cartographic publications, the term 'Western Asia' is used quite widely to refer to broadly the same region, for example maps produced by the UN's Department of Public Information.[2]

1.6     During the course of the inquiry, DFAT and the Embassy of the Islamic Republic of Iran advised that the term 'Persian Gulf states' should be used rather than simply 'The Gulf states'.  This practice complies with a long-standing directive by the UN's Editorial Secretariat dated 10 January 1990, which endorsed 'Persian Gulf' as the standard geographical designation for the body of water lying between the Arabian Peninsula and the Islamic Republic of Iran.[3]  The Persian Gulf is, however, sometimes referred to as 'The Gulf' and the 'Arabian Gulf' in other literature concerning the region.

1.7     Throughout this report, dollar amounts are expressed in Australian currency unless specifically stated otherwise.

## The Context of the Inquiry

1.8     The Middle East region is one of the most important cradles of civilisation, and the source of some of the world's major religions.  While comprising largely Arab and Muslim states, the region includes Lebanon where Maronite Christians form a substantial minority, and the mainly Jewish state of Israel.  It is one of the most complex regions in the world, with a large number of distinct ethnic and language groups and a multiplicity of political systems.

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2     UN, Department of Public Information, Cartographic Section, Map No. 3978, November 1998.
3     UN Secretariat, Editorial Directive ST/CS/SER.A/29.

1.9     However, within the Arab world, there is the uniting heritage of Islam and
        the Arabic language, notwithstanding the divisions generated by the Gulf
        War from July 1990 to February 1991, and its aftermath.  The Palestinians'
        protracted dispute with Israel has also served, periodically, to unite the
        Arab world, although the Arab leaders' summit in March 2001 revealed
        continuing divisions, particularly over Iraq's demands for lifting the UN
        sanctions and the international community's failure to curb the violence in
        the West Bank, Gaza and Israel.[4]

1.10    The diversity of the Middle East region in terms of political, economic and
        social development was reflected in a wide range of submissions to the
        inquiry.  The Department of Foreign Affairs and Trade (DFAT) pointed
        out that significant factors influencing change will, over time, have an
        important impact throughout the region on political and social
        expectations:

        > … [K]ey political developments are taking place alongside two
        > social developments of profound significance—a demographic
        > explosion in all Arab countries and Iran; and the emergence
        > throughout the Middle East of a more cosmopolitan younger
        > generation (60 per cent of the Middle East's population is under
        > 21) with increasingly Western consumer tastes, and access to
        > information through the communications revolution.[5]

1.11    The present states of the Middle East emerged largely from the outcomes
        of the First World War, when the allied powers were given mandates by
        the League of Nations over the Arab provinces of the collapsed Ottoman
        Empire.  These mandated territories became the present-day Iraq, Syria,
        Jordan, Lebanon and Israel.

1.12    The emergence of Saudi Arabia as a modern state dates from around 1902,
        culminating in the declaration of the Kingdom of Saudi Arabia in 1932.
        The majority of the Persian Gulf States, which had been British
        protectorates in the 19th century, achieved independence in 1971, although
        Kuwait had regained its full independence from Britain ten years earlier.
        The separate entities of North and South Yemen became a unified republic
        in May 1990.

1.13    British influence was dominant in Egypt until after the Second World War.
        In the mid 1950s, Egypt under Nasser became a leading advocate of pan-
        Arab objectives, and the Suez crisis erupted in 1956 with Egypt's

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4    These divisions were widely reported at the time in the media, for example *The Australian* and
     *The Sydney Morning Herald*, 27 March 2001; AAP/Reuters newswire items on 28 March and
     1 April 2001; and *The Times* (London), 29 March 2001.
5    DFAT, Submission, p. 963.

nationalisation of the Suez Canal. Following defeat in the 1967 war with Israel, Egypt lost the Sinai Peninsula and Gaza.[6]

1.14 Tensions and disputes in the Middle East, principally the Arab-Israeli conflict and the protracted conflict between the Palestinian National Authority (PA) and Israel, continue to have international repercussions even after the cessation of the 'Cold War'. This is principally due to the region's strategic importance and its historical potential for instability.

## Australia's interests

1.15 The 1997 White Paper on Australia's foreign and trade policy contained the following brief assessment in relation to the Middle East:

> In the Middle East, Australia has significant commercial interests and substantial prospects of increasing trade and investment links. In addition, political and strategic developments in this region will continue to affect Australia's trade interests and to engage its political concerns. Over the next fifteen years, Australia will build on its traditional commodity exports, while broadening the base of its trade into services (especially education and medicine) and manufactures.[7]

1.16 Against this background of strong commercial interests, important strategic issues raised by regional conflict, varying political developments across the region, and links encouraged by migration from the Middle East, Australia has had a long-standing interest in the region. Although not a key participant in the political affairs and conflicts of the Middle East, Australia has supported the search for a just and lasting settlement of regional tensions and disputes, and has played a prominent role in multilateral initiatives—for example, by committing personnel and other resources to the Multinational Force and Observers (MFO), the United Nations Truce Supervision Organisation (UNTSO) and the Multinational Interception force (MIF).

1.17 In addition, Australia has played a significant role in multilateral tracks of the peace process, most notably in the Arms Control and Regional Security Group and the Water Resources Working Group.

1.18 Humanitarian concerns form the basis of Australia's overseas aid program for the Middle East, the main focus being on providing assistance to

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6    Egypt regained the Sinai following the 1978 Camp David Agreement, which led to a phased withdrawal of the Israeli forces.

7    Hon Alexander Downer MP and the Hon Tim Fisher MP, *In the National Interest: Australia's Foreign and Trade Policy*, august 1997, p. 68.

Palestinians in the 'Occupied Territories' of the West Bank and the Gaza Strip as well as to refugees in Jordan, Lebanon and Syria. In October 1998, Australia announced a commitment of $16.0 million over three years in support of the Middle East peace process. Under that commitment, Australia is providing $8.0 million for the work of the United Nations Relief and Works Agency (UNRWA), $4.5 million to Australian non-government organisations (NGOs) and $3.5 million bilaterally for projects in the agriculture and legal sectors.[8]

## The Committee's Continuing Interest in the Region

1.19 Both collectively and individually, members of the present Committee and its predecessors have maintained a long-standing interest in the Middle East, and in enhancing Australia's links with the region.

### Previous reports

1.20 In May 1969, the then Joint Committee on Foreign Affairs and Defence presented to Parliament a report entitled *The Middle East Situation*. In December 1976, the Committee tabled an interim report entitled *The Lebanon Crisis - Humanitarian Aspects*, and in June 1978 a further report, *The Middle East - Focal Point of Conflict: the interests of the powers and an Australian perspective*.

1.21 In 1982, the Committee tabled a report entitled *The* [Persian] *Gulf and Australia*, which re-examined Australia's relationship with that part of the region.

### Delegation visits

1.22 In June 1998, an Australian federal parliamentary delegation, under the leadership of the former chairman of the Committee and then Speaker of the House of Representatives, the Rt Hon Ian Sinclair MP, visited Syria, Lebanon, Jordan, Israel and areas under the administration of the PA. The visit arose from concerns about the stalling of the Middle East peace process (MEPP). It had the combined aims of informing the Parliament and the Australian community about the conflict, facilitating dialogue between regional leaders, and examining ways to enhance Australia's involvement with the region.

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8    DFAT, Submission, pp. 1001, 1003.

1.23    The delegation found that all of the countries visited faced problems as a result of the lack of progress in resolving the Arab-Israeli conflict and that the atmosphere of regional tensions had discouraged investment.  The delegation also concluded that all Middle East countries were confronting a rapidly-changing global environment in economic and strategic terms, and simultaneously had to face severe domestic challenges presented by major economic and social change.  In the delegation's view, there was considerable scope for expansion of Australia's trade relationship and bilateral ties with countries in the region.

1.24    More recently, a joint Australian federal and New South Wales parliamentary friendship delegation visited Palestine, the UAE, Jordan and Egypt in January 2000 under the leadership of the Hon Ian Macdonald, MLC.  The delegation made a written submission to the inquiry, outlining its findings and recommendations.[9]  The issues raised by the delegation are discussed in Chapters 2 and 3 of this report.

1.25    The extent and outcomes from Australian business/trade missions to the Middle East are discussed in detail in Chapter 6 of this report, which examines the opportunities and impediments affecting two-way trade and investment between Australia and the Middle East.

## The Inquiry Process

1.26    The inquiry was advertised in the national press on 12 February 2000.  In addition, letters inviting written submissions were sent to relevant federal ministers and agencies, state governments, NGOs, academic institutions and organisations with an interest in the subject matter of the inquiry.

1.27    In total, 93 primary submissions were received together with a very large number of supplementary submissions and documents. [10]  These submissions and documents are listed in Appendix A and Appendix C, respectively.

1.28    The Committee held its first public hearings in Canberra on 19 and 26 June 2000, followed by hearings in all state capitals between July and November of that year.  Final hearings were conducted in Canberra in September 2000 and in February and March 2001.  The extensive program

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9    Hon Ian Macdonald MLC and Hon James Samios MLC, Submission, pp. 121-130.

10   Unless otherwise stated, page numbers identified in footnotes refer to pages in the printed volumes of submissions.

of hearings is shown in Appendix B, together with a list of the witnesses who gave oral evidence to the Committee.

## Structure of the Report

1.29 The report is presented in two sections. Following the introduction, Section One comprises Chapters 2 to 5, which discuss political and strategic issues, including an outline of the Middle East conflict and Australia's contribution to the search for a just and lasting peace settlement. Attention is given in Chapters 4 and 5 to the role of the United Nations and the international community, to the destabilising influences working against peace and security and to Australia's own role as a responsible member of the international community. Chapter 5 includes discussion of the important issues of internationally-applied sanctions and their impact, particularly in relation to Iraq, where there are serious humanitarian concerns.

1.30 Section Two, comprising Chapters 6 to 10, has a primary focus on the discussion of economic and social issues relevant to Australia's relations with the Middle East region. Chapter 6 discusses Australia's developing trade relations with the region as well as the scope for removing barriers and for enhancing two-way trade and investment. Chapter 7 discusses progress in implementing international human rights principles in the Middle East, as well as particular issues such as the treatment of women and the extremely difficult situation of the Palestinian refugees. Chapter 8 discusses the social and cultural links between Australia and the countries of the Middle East, and suggests way to enhance the relationship.

1.31 Chapter 9 examines the topical and sensitive issues of asylum-seekers from the Middle East and Australia's response to the emergence of international people-smuggling syndicates. The final chapter (Chapter 10) draws together issues relating to Australia's overseas aid program for the Middle East, and suggests measures which should be taken to improve its effectiveness.

# SECTION ONE

# Political and Strategic Issues

# 2

# The Middle East Conflict in Outline

## Origins of the Conflict

2.1     The modern Middle East conflict between Israel and neighbouring Arab states could be said to have begun in 1897 when Theodor Hertzl convened the First World Zionist Congress in Basel, Switzerland.  With Jews facing increased discrimination and pogroms in Europe and Russia, Dr Hertzl called for the creation of a Jewish homeland in Palestine.

2.2     During the First World War, British officials in the Middle East promised independence to the Arabs in return for their support against Turkey.  The 1916 Anglo-French (Sykes-Pikot) Agreement broke this promise and the region was divided into spheres of influence between France and Britain. Meanwhile, the campaign for a Jewish homeland continued, culminating in the Balfour Declaration of 2 November 1917, which stated that Britain viewed with favour the establishment in Palestine of a national home for the Jewish people.  The Declaration, in the form of a letter from the British Foreign Secretary, Lord Balfour, was addressed to Baron Rothschild, a leader of British Jewry, following consideration in the Cabinet.[1]  The Declaration also indicated that, in supporting such an aim:

> … nothing shall be done which may prejudice the civil and
> religious rights of existing non-Jewish communities in Palestine, or

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1     Historical material is this Chapter has been drawn from a number of sources, particularly—The BBC World Service website: *www.bbc.co.uk/worldservice/middleeast*;  the Avalon Project, Yale Law School website: *www.yale.edu/lawweb/avalon/mideast/*;  M Ong, Department of the Parliamentary Library, Current Issues Brief No. 6, 2000-01, *The Middle East Crisis: Losing Control?*, 5 December 2000;  L Joffe, *Keesing's Guide to the Mid-East Peace Process*, Catermill Publishing, London, 1996; and *The Palestinian-Israeli Peace Agreement: A Documentary Record*, published by the Institute for Palestine Studies, Washington DC, 1993.

the rights and political status enjoyed by Jews in any other country.[2]

2.3     Before the end of the war, therefore, Britain had given undertakings to both Arab and Jewish peoples concerning Ottoman territories in the Middle East. However, these undertakings fell short of promising a sovereign state in Palestine to either.[3]

2.4     After the First World War, the 1919 King-Crane Commission on Syria and Palestine (appointed by President Wilson of the United States to report to the peace conference) acknowledged the Balfour Declaration, but also stated that a national homeland for the Jewish people was not equivalent to making Palestine into a Jewish State. According to the Commission, such a state could not be achieved without the 'gravest trespass' on the civil and religious rights of the other existing communities. Further, the Commission reported that:

> The Zionists look forward to a practically complete dispossession of the present non-Jewish inhabitants of Palestine by various forms of purchase … [and that]…the non-Jewish population of Palestine— nearly nine tenths of the whole—are emphatically against the entire Zionist program.[4]

2.5     The Commission also recommended allowing only limited Jewish immigration to the territory of Palestine.[5]

## The British Mandate

2.6     The Supreme Court of the League of Nations, meeting in San Remo, considered the mandates for Mesopotamia, Syria and Palestine (formerly part of the Turkish Empire) in April 1920.[6] The Mandate for Palestine was

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2     Yale Law School website: *www.yale.edu/lawweb/avalon/balfour/htm*

3     *Britain and the Arab-Israeli Conflict*, HMSO, London, 1993, p. 5. For 400 years, the Ottoman Empire had used neither the name 'Palestine' nor administrative divisions corresponding to those which would form the boundaries of the British Mandate.

4     Quotations are drawn from Recommendation 5 of the Commission's report, 28 August 1919. The report, however, remained largely of academic interest, since neither the European powers nor the United States gave it serious consideration.

5     King-Crane Commission, Recommendation 5.

6     The League of Nations was established in 1920, following the defeat of the central European powers and the disintegration of the Ottoman Empire. In accordance with the decisions of the San Remo conference in April of that year, Britain received mandates for the territory of Palestine, the Kingdom of Iraq and the Emirate of Transjordan. France received mandates for Syria and the Lebanon (*Britain and the Arab-Israeli Conflict*, HMSO, London 1993, pp. 6-7.)

assigned to Britain by the Council of the League of Nations on 24 July 1922. The mandates for Syria and Palestine came into force simultaneously on 29 September 1922.

2.7    In the preamble to the Palestine mandate document, the principles of the Balfour Declaration stated above were re-affirmed, in addition to a statement recognising the historical connection of the Jewish people with Palestine and the grounds for reconstituting their national home in that land. Article 4 of the Mandate for Palestine provided that 'an appropriate Jewish agency' be established to advise and cooperate with the Administration of Palestine in 'matters affecting the Jewish national home and the interests of the Jewish population in Palestine and to assist and take part in the development of the country'. At that time, Arabs owned around 98 per cent of the land of British-Mandate Palestine and constituted approximately 92 per cent of the population.[7]

2.8    However, unlike the case with other Arab mandates, the Mandate for Palestine lacked a plan for independence. Hence, according to some analysts, the Mandate can be (and has been) interpreted as appearing to promise the same or similar outcomes to Arab and Jewish peoples alike.[8]

2.9    Between the two World Wars, the Zionist Congress attempted to foster an eventual Jewish majority by advancing the cause of Jewish immigration to British-Mandate Palestine. Conflict between the Arabs, the Jewish settlers and the British administration led to the formation of the Jewish Haganah 'self-defence unit' and groups such as the underground militia Irgun Zvaei Leumi and the Stern Gang Lehi). Persecution of Jews in Germany and across Western and Eastern Europe, resulted in significant numbers of Jewish migrants entering Palestine, both legally and illegally.

2.10   The British Government's White Paper of 1939 severely restricted Jewish immigration to Palestine, largely out of deference to Arab protests.[9] However, during World War 2 some refugees from Nazi persecution managed to reach Palestine. After the War, some 100,000 survivors of the Nazi concentration camps entered Palestine.[10]

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7    Ong, op. cit., p. 2.
8    Joffe, op. cit., p. 9.
9    Encyclopaedia Britannica, 'Balfour Declaration', p. 832, states that the White Paper recommended a limit of 75,000 further migrants to Palestine, with an end to immigration by 1944.
10   Joffe, op. cit. p.14. See also references in *SBS World Guide*, 7th edition, p. 367.

# Early Peace Plans

2.11    The first plans for peace between Israel and neighbouring Arab states
        began during the period of British-Mandate Palestine, before the State of
        Israel was declared and before the eruption of full-scale war in 1948.
        While these preliminary, and largely British, proposals ultimately failed to
        be implemented, they did establish several themes which still persist
        today, such as the idea of separate states for Jewish and Arab peoples in
        Palestine.[11]

2.12    After World War 2, Palestinian Arabs and the new Arab League of
        Independent States rejected British partition plans.  As details of the Nazi
        concentrations camps emerged, the Jewish underground, impatient with
        the Mandate, turned to violence.  In 1946, the King David Hotel in
        Jerusalem was the target of a bomb attack, resulting in a large number of
        deaths.

2.13    In 1947, Britain decided to surrender the Mandate for Palestine, and
        referred the issue to the newly-formed United Nations Organisation (UN).
        The UN General Assembly (UNGA) established the Special Committee on
        Palestine (UNSCOP), which proposed two alternative plans for Palestine.
        The majority plan proposed two states, one Jewish and the other Arab,
        with economic union.  A minority plan proposed a federal state.  UNGA
        Resolution 181 of 29 November 1947 adopted the majority plan by 33
        votes (including Australia's) to 13, with 10 abstentions.  This proposal
        divided the Mandated territory into six parts, three of which became the
        new State of Israel, while three (including the enclave of Jaffa) were
        assigned to Arab Palestine.  The city of Jerusalem, with sites holy to
        Judaism, Christianity and Islam, was to be made an international zone
        administered by the UN.

2.14    The neighbouring Arab states, and the Arabs in Palestine, did not accept
        Resolution 181.  Violent clashes erupted between the protagonists in
        Palestine, and an estimated 400,000 Arabs sought refuge in neighbouring
        countries.  Among the worst incidents were an Arab bombing in
        Jerusalem which killed 55 people, and Irgun's raid on the Arab village of
        Deir Yassin, which killed 254.[12]  The British Mandate ended on 14 May
        1948, and Mr David Ben-Gurion proclaimed the State of Israel.  British
        authorities departed as Arab League armies invaded Israel.

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11    For example, the Peel Commission report of 1937, which proposed partition of Palestine into
      Jewish and Arab areas.
12    Ong, op. cit., p. 3 and *SBS World Guide*, loc. cit.

# The First Arab-Israeli War

2.15    The first Arab-Israeli war (known in Israel as the 'War of Independence') lasted until July 1949.  Israel repelled the invading armies of the Arab League—Egypt, Transjordan, Syria, Iraq and Lebanon—and annexed large tracts of land adjacent to its initial territory.  Jordan absorbed the West Bank and East Jerusalem, and Egypt assumed control of the Gaza Strip.

2.16    As a result of the first Arab-Israeli war, large numbers of Arabs in the former Palestine were expelled or fled their territory.  According to UN sources, the estimated number of displaced Palestinians (726,000) by the end of the first war represented around two thirds of the then Palestinian population.[13]  This large-scale exodus of most of the Arab Palestinian population meant that those Arabs who remained in the new State of Israel became a minority, whereas they had previously constituted a majority.

2.17    On 11 December 1948, UNGA Resolution 194, which has been re-affirmed each year since then, highlighted the problem of the Palestinian refugees, and resolved that:

> … refugees wishing to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practical date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible.[14]

2.18    A more detailed discussion of the issue of Palestinian refugees and the 'right of return' is provided in Chapters 3 and 7 of this report.

2.19    Armistice agreements were signed with the defeated Arab states, but UN-sponsored talks collapsed over the issue of the Palestinian refugees, and Arab opposition to Israel grew.

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13   UN, *Report of the Special Representative's Mission to the Occupied Territories*, 15 September 1967, Report No. A/6797.

14   UNGA 194 (III), paragraph 11, *Palestine—Progress Report of the United Nations Mediator.*

# Arab-Israeli Relations after 1948

2.20 Between 1948 and 1973, five wars were fought between Israel and its Arab neighbours. The Suez Crisis of 1956 resulted in war between Egypt and allies Britain and France. Israel fought an eight-day war with Egypt in support of Britain and France, during which Israel invaded the Sinai Peninsula. Pressure from the UN forced Israel to withdraw. UN Emergency Forces (UNEF) were stationed in Gaza and Sharm el-Sheikh.

2.21 The changing demarcation of Israel's borders with its neighbours since 1948 is illustrated by the series of maps in Appendix D.

## The 1967 war

2.22 Prompted by President Nasser's pan-Arab stance and closure of the Straits of Tiran to Israeli shipping, as well as fedayeen raids from Gaza, Israel launched the Six-Day War of 1967 against Egypt, Syria and Jordan. Following decisive military victories, Israel captured Sinai and Gaza (from Egypt), the West Bank and East Jerusalem (from Jordan) and the Golan Heights (from Syria). In September, the Arab League summit in Khartoum rejected formal peace agreements with Israel. On 22 November 1967, UN Security Council Resolution 242 called for peace talks between Israel and the former combatants, and affirmed the requirement for Israel to withdraw from the territories occupied during the conflict. Israel accepted Resolution 242 as a basis for further discussions, as did all the parties except Syria and the PLO (Palestinian Liberation Organisation), but did not implement the requirement for withdrawal from occupied territories.[15]

2.23 As a result of its victories, Israel now controlled territories which it believed afforded security against future attack.

2.24 Then followed several years of PLO guerrilla attacks on Israel from Egypt and Jordan, the 'War of Attrition'. In October 1973, Egypt and Syria attacked Israel during the Jewish religious festival of Yom Kippur. After initially losing ground, Israel recovered and agreed to a cease-fire after pressure from the Soviet Union. Arab states imposed an oil embargo on Israel's western allies.

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15 The Palestinian National Council, the Palestinian Parliament in exile, was established in 1964 with the aim of mounting an armed struggle to liberate Palestine. To this end, the Council founded the PLO, which in January 1965 launched its first raid into Israel. As part of the Oslo process, the destruction of Israel was removed from the PLO's charter in October 1998. Yasser Arafat has led the PLO since 1969, and his Al-Fatah group is still a leading force within the organisation.

2.25    In 'Operation Litani', Israel invaded Lebanon and then withdrew in 1978.
        A further invasion 1982 was followed by Israeli withdrawal to a self-
        proclaimed security zone in southern Lebanon.

## The Intifada of 1987

2.26    Sparked by rioting in Jabalya refugee camp, Gaza, in December 1987, a
        Palestinian Intifada (uprising) quickly spread to the West Bank in a
        general uprising against Israeli rule in the occupied territories.  The
        Intifada lasted for more than four years, resulting in the deaths of more
        than 1,400 Palestinians and almost 300 Israelis.[16]

2.27    Quite apart from the enormous loss of life, the Intifada imposed a heavy
        financial burden on Israel as the occupying authority and led to
        international condemnation of the methods used by the Israeli Defence
        Force (IDF) to quell the uprising.  During the much later 'Al-Aqsa' Intifada
        from September 2000 onwards, the image of the Palestinian struggle was
        transformed by media reports of civilians, including children armed only
        with stones or makeshift weapons, confronting the overwhelmingly
        superior military strength of the IDF.  International sympathy for the
        Palestinian cause was heightened by such images.

2.28    The Tunis-based PLO, despite tensions between Fatah and other factions
        such as the Popular Front for the Liberation of Palestine (PFLP) and
        Hamas, managed to exert some control over the violence.  To Jewish
        settlers in the West Bank on the other hand, the Intifada reinforced their
        determination to remain, and led some radical elements to take the law
        into their own hands.  By 1993, approximately 12,000 Palestinians were
        held in Israeli prisons for alleged Intifada activities.  Half that number
        remained there by the end of 1995, and the question of their release forms
        a major section of the Interim Agreement.[17]

## The Path to Madrid and Oslo

2.29    While the Israeli-Palestinian issue is arguably the most crucial aspect of
        the broader Arab-Israeli dispute, it is just one facet of Middle East
        tensions.  The vast array of issues impacting on the region and its politics
        include the tensions between the richer and poorer Arab states, internally
        between leadership elites and 'the street', and between ideologies—pan

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16    Joffe, op. cit., pp. 29-30.

17    Joffe, op. cit., p. 29.

Arabism, Islamic fundamentalism and reformist developments, for example. Overlaying all these issues has been the reality of superpower rivalry from early last century until at least the end of the Cold War.

2.30 It is important to understand the links between the Israeli-Palestinian disputes, the wider Arab-Israeli conflict and even global politics:

> For without the end of the Cold War and without the realignment of forces represented by the Gulf War, the circumstances favouring peace may have had to wait for decades.[18]

2.31 After the first Arab-Israeli war, a number of peace conferences and plans were proposed by the international community before 1979. Under the auspices of the UN Conciliation Commission, the first of these was the Lausanne Conference of 1949, which unfortunately failed to reach an agreement. Although armistices had been signed between the warring parties, a state of war existed between Israel and all its Arab neighbours until the Israel-Egypt peace treaty of 1979. The Palestinians were not included in the Lausanne Conference.

2.32 Following the 1967 war, UNSC Resolution 242 became the basis for planning an eventual peace agreement. However, differing interpretations of the resolution's call for Israel's withdrawal from occupied territories remain a source of disagreement to this day.[19]

2.33 At the instigation of United States (US) President Jimmy Carter, a joint US-Soviet communique was issued in October 1977, calling for a comprehensive Arab-Israeli agreement, Israeli withdrawal from occupied territories, superpower guarantees for borders and Palestinian participation in future conferences.

2.34 The first Camp David discussions in September 1978 resulted in the signing of framework accords by participating leaders of Egypt, Israel and the US. The Camp David Accords proposals foreshadowed peace agreements between Israel, Egypt and Jordan as well as the establishment of an elected self-governing authority in the West Bank and Gaza Strip. The Camp David talks were followed by the signing of a formal peace treaty between Israel and Egypt on 26 March 1979, establishing the process for graduated return of the Sinai to Egypt.

2.35 Discussions on Palestinian autonomy began in May 1979, but became deadlocked when the PLO and then Jordan were not satisfied with the

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18 Joffe, op. cit., pp. xi, 54.
19 Other peace initiatives included: the Allon Plan of 1968; the Rogers Plans of 1969 and 1970; the Geneva Peace Conference of December 1973; the First and the Second Sinai Agreements; and the (first) Camp David Accords of 1978.

terms.  After Israel's formal annexation of East Jerusalem on 30 July 1980, Egypt-Israeli meetings on autonomy collapsed, and Israel's settlement policy continued.  Egyptian President Anwar Sadat was assassinated in October 1981.  His successor, President Hosni Mubarak, carried out the terms of the Camp David Accords and the peace treaty.[20]

## The Gulf War

2.36    The Gulf War[21] was fought between Iraq and a coalition of 13 nations under the UN umbrella, although the lead role was taken by the US.  The coalition included several Arab states—mainly Egypt, Saudi Arabia and Syria.  Israel, Iran, Jordan and the PLO did not join the UN coalition.

2.37    In July 1990, President Saddam Hussein had accused Kuwait (over which Iraq had claimed sovereignty in 1961) of exceeding OPEC oil production quotas and thereby reducing prices.  He had also accused Kuwait of stealing oil worth some US$2.4 billion from the giant Rumailah oilfield which straddles the two countries, and demanded compensation in addition to cancellation of billions of dollars in loans Kuwait had made to Iraq during the Iran-Iraq war.  When Arab mediation efforts failed, Iraqi troops invaded Kuwait in August 1990.

2.38    Using high technology weapons and limited ground operations, the coalition succeeded in defeating Saddam's invading forces and, in February 1991, the final stages of the war were halted pending a cease-fire agreement.  Saddam Hussein's troops were forced to withdraw from Kuwait.  Although there are no absolutely reliable statistics on casualties, large numbers of Iraqi soldiers and civilians were killed during the conflict, whereas the coalition losses were comparatively slight.[22]

2.39    While the prime cause of the invasion was ostensibly the oil dispute between Iraq and Kuwait, the Gulf War served as a catalyst for the Madrid peace initiative in the context of its implications for wider Middle East peace and security.  This strategic and political reality was recognised in the cooperative efforts of the US, Britain, the USSR and France to prepare for the Madrid Peace Conference, which began in November 1991.

2.40    Meanwhile, in Iraq, the uprisings of Kurds in the north and Shi'ites in the south, had failed after initial successes.  The UN subsequently established

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20   Joffe, op. cit, p. 64.

21   Sometimes referred to as the 'Second Gulf War', to distinguish it from the war fought between Iran and Iraq between 1979 and 1988.

22   Various sources give estimates in the order of well over 30,000 Iraqi soldiers and 20,000 Iraqi civilians killed, and the deaths of approximately 300 coalition soldiers.

'no-fly' zones in the north and south of Iraq patrolled by US, British and French warplanes in an attempt to protect these minority groups and to bolster international efforts to curtail Iraq's weapons capabilities.

## The Madrid Peace Conference

2.41   The current peace process began with the Madrid Conference in October 1991, which was co-sponsored by the US and the USSR.  There were two tracks in the negotiations:

■  A bilateral track (also known as the Washington peace talks) consisting of four separate sets of negotiations between Israel and its neighbours—Syria, Lebanon, Jordan and the Palestinians; and

■  A multilateral track, which became five separate forums each focusing on a key issue: water resources, environment, arms control, refugees, economic development.[23]

2.42   The international community was represented at the Madrid Conference by observers, including the UN, the Arab League, Japan and Norway.  However, the peace process became deadlocked after nearly two years of negotiations.[24]  In the words of an Australian Parliamentary Delegation to the region in 1998:

> The Madrid meetings failed because of disagreement between Israel, which insisted on bilateral agreements between itself and the Arab parties, and the Arab countries … which wanted a comprehensive multilateral agreement.  The meetings did, however, amount to a de facto recognition of the state of Israel by the Arab world as a whole, as distinct from the recognition which had been accorded by individual countries such as Egypt and Jordan.[25]

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23   The principle of multilateral talks on region-wide issues was established at the Madrid Peace Conference of October 1991.  In theory, multilateral discussions were to proceed simultaneously with (but separately from) bilateral talks.  In practice, success or failure in one track inevitably affected progress in the other.  For useful background information, see Joffe, op. cit., Chapter 11.

24   Key documents of the Madrid Peace Process have been published in *The Palestinian-Israeli Peace Agreement: A Documentary Record*, produced by the Institute for Palestine Studies, Washington DC, 1993.

25   *Report of a Visit to Syria, Lebanon, Jordan and Israel, 5-21 June 1998*, p.5.

# Oslo and the 1993 'Declaration of Principles'

2.43    After the stalled Madrid/Washington peace process, a new phase began following secret negotiations between Israel and the PLO (then based in Tunis) through channels in Norway and Egypt.  These negotiations represented a significant breakthrough, in that Israel for the first time recognised the PLO as the representatives of the Palestinians.

2.44    On 13 September 1993, the PLO and the State of Israel signed the 'Declaration of Principles on Interim Self-Government Arrangements' (DOP) in Washington DC, preceded by an exchange of letters of mutual recognition.[26]  The letters exchanged between PLO Chairman Arafat, Israeli Prime Minister Rabin and Norwegian Foreign Minister Holst on 9 September 1993 included confirmation of the right to exist of the State of Israel, renunciation of terrorism and affirmation that articles in the Palestinian Covenant, which denied Israel's right to exist, were 'inoperative and no longer valid'.[27]  The two sides agreed on a framework for Israeli-Palestinian negotiations with the aim, inter alia, of establishing an interim self-government authority, an elected Council for the Palestinian people in the West Bank and the Gaza Strip, and a transition period not exceeding five years leading to a permanent settlement based on UNSC Resolutions 242 (1967) and 338 (1973).[28]

2.45    Under the terms of the Declaration, the proposed interim self-governing arrangements were to be implemented in three phases:

- immediate Palestinian self-rule in Jericho and Gaza; followed by

- 'early empowerment' for Palestinians in the rest of the West Bank; and an

- Interim Agreement, preparing for the election of a Palestinian Council.[29]

2.46    The Declaration marked the beginning of a new era in Palestinian-Israeli relations, and also represented the culmination of many years of confrontation and compromise.

2.47    Important progress was also achieved on the Israel-Jordan track.  Just one day after the signing of the Interim Agreement, Israel and Jordan signed a

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26    Institute for Palestine Studies, op. cit., pp. 1-12.

27    ibid, pp. 12, 13.

28    Following lengthy and difficult negotiations on the implementation of the DOP, Israel and the PLO took a major step on 4 May 1994 in Cairo, by concluding an accord on Palestinian self-rule in Gaza and Jericho.  The Palestine National Authority (known as the Palestinian Authority or the PA) was established, for which elections were held in January 1996.

29    Joffe, op. cit. p. 82.

substantive Common Agenda mapping out their agreed approach to the peace process.[30]

## The Interim Agreement (Oslo 2)

2.48    On 28 September 1995, in Washington DC, Israel and the PLO signed an Interim Agreement.  Israel agreed to a timetable for withdrawal from 70 per cent of the West Bank in three stages.  For logistic purposes, the West Bank was divided into three areas, designated 'A' (major cities), 'B ' (towns and villages) and 'C' (Jewish settlements and unpopulated areas of 'strategic importance').  Other provisions of the Agreement included arrangements for elections to a Palestinian Council, with an 'Executive Authority'.  The Israeli Civil Administration was to be dissolved once the Council was established.

2.49    The Agreement's Annex III (Protocol Concerning Civil Affairs) provided that the Civil Administration's powers would be transferred to the planned Palestinian Council in Areas 'A' and 'B'.[31]  In effect, Palestinians would thus ultimately gain self-government over most of the West Bank in all major aspects other than foreign relations.

2.50    The third stage of the Agreement envisaged 'final status' negotiations to deal with the contentious issues of the settlements, Jerusalem, permanent borders and autonomy for an eventual Palestinian entity, and refugees.  Pre-conditions for commencing 'final status' talks between the parties included release by Israel of Palestinian political prisoners and deletion from the Palestinian Charter of clauses which called for the destruction of Israel.  Final status discussions began on schedule in May 1996, although the original timetable was not achieved (completion by 4 May 1999).

## The Other Occupied Territories

2.51    While the main focus of attention has been the Israeli-Palestinian conflict, equally protracted regional disputes have emerged in the aftermath of the various Arab-Israeli wars.  Although Sinai was returned to Egypt from 1979, and Israel unilaterally withdrew from southern Lebanon in May

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30    US State Department Fact Sheet on the Middle East Peace Process, published at the Online Newshour website: *www.pbs.org/newshour/bb/middle_east/peace_background.html* , May 2001.

31    See Appendix 1 of the Annex, Israeli Ministry of Foreign Affairs website:  *www.israel-mfa.gov.il/mfa/go.asp?MFAH000c0*

2000, the more difficult problems remain in the form of annexed east Jerusalem and the occupied Golan Heights.

2.52    Even the abrupt withdrawal of Israeli forces from the 10-mile 'security zone' has not been without difficulties.  UN Secretary-General Kofi Annan accused Israel and Lebanon's Hezbollah guerillas of violating agreements on the Israeli-Lebanese border,[32] and was particularly dismayed by Israel's bombing of Syrian positions in Lebanon.[33]

2.53    While the Israel-Syria track appeared to be deadlocked at various times during the last decade, Syria gained substantially from its pro-western shift during the Gulf War.  As a result of US intervention, Syria and Israel resumed negotiations on the Golan Heights in mid March 1995.[34]  In 1994, then Prime Minister Rabin proposed a phased withdrawal from Golan in exchange for diplomatic relations and internationally-guaranteed demilitarisation of the Golan Heights.  Mr Rabin's assassination the following year and the election of Binyamin Netanyahu as Prime Minister halted progress on these talks.[35]  Secret meetings between Israel and Syria were held towards the end of 1997, but Syria continued to insist on 'up front' undertakings which guaranteed the return of the Golan Heights to the lines occupied before the outbreak of the 1967 war.  Israel, on the other hand, faced the challenge of securing domestic support for the steps which would have to be taken to achieve a peace settlement.[36]

2.54    It seems clear that achievement of a just and lasting peace settlement between Syria and Israel would be more likely if both parties were confident that the negotiations recognised both the historical claims of Syrians in the occupied Golan Heights as well as Israel's security concerns and the importance to both Israel and Syria of vital water resources.[37]

## East Jerusalem

2.55    From 1948 to 1967, a 'Green Line' divided West Jerusalem under Israeli control from East Jerusalem under Jordanian control.  The latter included

32   The UN mapped out the 'blue line' between Israel and Lebanon in June 2000 after the Israeli withdrawal from southern Lebanon.  Both Lebanon and Hezbollah insist that the Shebaa Farms area, occupied by Israel since 1967, is part of Lebanon, while the UN maps show it as part of Syria.

33   *The Age*, 18 April 2001, p. 11.

34   Israel annexed the strategically important Golan Heights area on Syria's south-western border in 1981.

35   *The CQ Researcher*, Congressional Quarterly Inc., 'Middle East Conflict', 6 April 2001, p. 285.

36   DFAT, Submission, p. 965.

37   Australian Arabic Communities Council, Submission, pp. 1122-23 and Transcript, p. 297; AIJAC, Submission, pp. 728-31 and Transcript, p. 114.

the walled Old City and within it important Christian sites and the Temple Mount which contains the Western ('wailing wall')—the most sacred Jewish site—as well as the Al-Aqsa Mosque and the Dome of the Rock sacred to Muslims. Because Jerusalem was excluded from Oslo 2, the situation of East Jerusalem remains as it was at the end of the 1967 war: the area annexed by Israel to the municipality of Jerusalem immediately after the war, and now known as East Jerusalem, had a mainly Arab population and most of the land was owned by Palestinian families.[38]

2.56    Israeli settlement activity in East Jerusalem is a particularly sensitive issue in relation to the Israeli-Palestinian peace process.[39]

## Final Status Negotiations (Israeli-Palestinian Track)

2.57    As DFAT explained in a submission, the most complex issues surrounding the Israeli-Palestinian conflict remain to be resolved:

> These included the Palestinians' place in the international community, the status of Jerusalem, settlements, border delineation, the future of Palestinian refugees throughout the region (particularly in Lebanon), and such vexed and vital questions as the allocation of water resources.[40]

2.58    Similarly, the Australia/Israel and Jewish Affairs Council (AIJAC) acknowledged in its submission that there is no question that the gaps between the parties on negotiations for a final status agreement remain very wide, and that the issues involved are undoubtedly very complex.[41] Both sides in the Israeli-Palestinian conflict claim that the record of adherence to prior agreements has been either grudging, incomplete or entirely lacking.[42]

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38    Amnesty International, 'Israel and the Occupied Territories', submitted by Mr Ali Kazak, General Palestinian Delegation, Submission, pp. 374, 377-78 and 395.

39    DFAT, Transcript, p. 357. DFAT provided updated information on settlement activity in the West Bank in Submission 61E (pp. 2483-84).

40    DFAT, Submission, p. 965; see also General Palestinian Delegation, Submission, p. 2389 and World Vision Australia, Submission, pp. 1441-43.

41    AIJAC, Submission, p. 727.

42    See, for example, AIJAC (Submission, pp. 739-741) and the General Palestinian Delegation (Transcript, pp. 573-74).

## Israeli Settlements

2.59    One controversial aspect of the Israeli-Palestinian dispute is the existence
        and expansion of Israeli settlements, particularly in the West Bank and
        East Jerusalem.  Indeed, the latest Egypt-Jordan peace proposal of
        March/April 2001 included important confidence-building measures for a
        total and immediate freeze on all settlement activities, including those in
        East Jerusalem.  Accurate, non-biased statistics are difficult to verify.
        However, according to sources such as *The Economist*, during the seven-
        year Oslo process, the number of settler houses and flats grew by 52 per
        cent, swelling the settler population in the West Bank and Gaza from
        115,000 in 1993 to 200,000 in 2000.  These figures do not include the
        180,000 settlers who live in occupied East Jerusalem:

> With the removal of the army from cities, settlements became the
> Palestinians' first-hand experience of the occupation [said]
> Menachem Klein, an Israeli political scientist who served as an
> adviser to Ehud Barak's government.  "And what they saw was
> their expansion on every hilltop".[43]

2.60    Some commentators contend that settlements 'occupy no more than 1.5
        per cent of the territories'.[44]

2.61    Confirming that there is conflicting information about the extent of Jewish
        settlement-related activity in the West Bank and Gaza, DFAT indicated
        that (at September 2000) settlement activity was on-going.  Building and
        construction appeared to be concentrated on 'thickening' the existing
        settlements, as well as ensuring improved access between the settlements
        and Israel:

> Almost all interlocutors agreed that the Barak government …
> continued with the construction of bypass roads intended to link
> settlements with Israel.  The construction has been particularly
> evident in the Shomron area, around the settlement of Ariel, in the
> West Bank.  In addition to physical infrastructure, the Israeli
> Government continues to provide settlers with considerable
> subsidies and financial support.[45]

2.62    Confiscation of land and demolition by the IDF of Palestinian houses in
        the West Bank has repeatedly inflamed tensions in the occupied
        territories.  According to the Palestinians, Israeli claims that the dwellings

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43   *The Economist*, 'Israeli Settlements and the Palestinian Uprising', 28 April 2001, p. 45.  See also
     General Palestinian Delegation, Submission, pp. 2385-90.
44   Yossi Klein Halevi, *The Age*, 23 June 2001.
45   DFAT, Submission 61E, pp. 2483-84.

were unauthorised constructions are false, arguing that the houses were removed in order to facilitate construction of further ring roads linking the Israeli settlements.[46] Without a freeze on Israeli settlement activity, the hard-line Palestinian elements seem determined to continue the armed rebellion.[47]

2.63    Palestinian militants have justified attacks on settlers as a way of deterring ordinary Israelis from settling on land that the Palestinians see as their future state.  The strategy appears to be succeeding: demand for new apartments in Har Homa declined markedly as the uprising continued.  However, although the fighting may deter buyers, it does not appear to have stopped construction.[48]  Palestinians have consistently claimed for many years that militant Jewish settlers have incited violence and have attacked Palestinian civilians and property with little fear of punishment from the Israeli security forces.[49]

## Refugees

2.64    The issue of Palestinian refugees is a major focus for disagreement in the Arab-Israeli conflict.  The first Arab-Israeli war of 1948-49 led to dispossession of a majority of Palestine's Arab population.  As stated above, UNGA Resolution 194 of 1948 provided the refugees with an entitlement to return to their homes in what had become Israel.  The first Israeli government under Prime Minister David Ben-Gurion did allow a few thousand to return under 'family reunification', but negotiations on implementing Resolution 194 foundered at the Lausanne Conference.

2.65    UNGA Resolution 301 of 1949 established the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA).  Since 1950, UNRWA has educated and cared for Palestinian refugees in purpose-built camps in Jordan, Syria, Lebanon, the West Bank and Gaza.  As discussed in Chapter 7 of this report, statistics on the numbers of refugees vary enormously.  However, the UNRWA website indicates that there are 3.8 million registered refugees, not including the displaced persons who fled during and after the 1967 war.  If the numbers of unregistered

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46    Ali Kazak, Submission, pp. 366-515, citing Amnesty International's report entitled 'Israel and the Occupied Territories - Demolition and Dispossession: the destruction of Palestinian Homes', December 1999.

47    For a discussion of the Palestinian perspective on the settlements, see Exhibit 10.21 presented by Mr Ali Kazak—*The Israeli Settlements from the Perspective of International Law*, Al-Haq Institute, Ramallah, 2000.

48    *The Economist*, loc. cit. and 'Stop building, please', 12 May 2001, p. 15.

49    Ali Kazak, Submission, pp. 2389-90;  Australian Arabic Communities Council, Submission, p. 1134.

refugees are added, the total would be far higher and is difficult to estimate.[50]

2.66    There remains a wide conceptual gulf between the Israeli and Palestinian views on the issue of refugees.  In broad terms, the Palestinians remain committed to the 'right of return' to land previously owned, including in Israel proper.  The Israeli view does not accept any such 'right' in relation to return to what is now Israel, and varying interpretations have been made by the parties of the wording and intentions of UNGA Resolution 194 of 1948 and UNSC Resolution 242 of 1967, including issues of compensation.[51]  As World Vision Australia (WVA) has argued:

> The Palestinian refugees constitute the largest refugee population in the world today, a result of the 1948 and 1967 wars.  Whilst the Oslo Accords set aside this contentious issue, it is impossible for the Palestinian authorities to ignore the refugees and exiles, their right of return and compensation.  This is a fact that must be acknowledged by Israel and the international community, both of whom must bear the huge cost of this program.[52]

2.67    In evidence, DFAT referred to Donna Arzt's controversial book entitled *Refugees into Citizens*, published in 1997 by the Council on Foreign Relations Press.  In the book, the author proposed that 75,000 refugees should be accepted into Israel proper, provided that surrounding Arab states accept their existing refugee populations and Western countries also agree to accept substantial numbers of refugees as migrants.[53]

2.68    Further discussion of the situation of the Palestinian refugees is contained in Chapters 3 and 7 of this report.

## The future of Jerusalem

2.69    The future of Jerusalem is the most contentious issue of the Arab-Israeli conflict, and the one which has often derailed peace negotiations.  All three monotheistic faiths have profound ties to Jerusalem.

2.70    The mention of Jerusalem in the Qur'an under the name of the al-Masjid al-Aqsa (the Farthest Mosque) made the whole city a holy place for

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50    See UNRWA website: *www.un.org/unrwa/news/index.html*, as well as Joffe, op. cit., pp. 403-404 and Ong, op. cit., p. 17.

51    DFAT, Transcript, p. 18; Uniting Church in Australia (Victoria), Transcript, 24 July 2000, pp. 89, 92; World Vision Australia, Transcript, 25 July 2000, p. 157; Executive Council of Australian Jewry, Transcript, 26 July 2000, p. 253-54.

52    WVA, Submission, pp. 1450-51.

53    DFAT, Transcript, p. 14.

Muslims. The most significant sites are the al-Aqsa Mosque, the Dome of the Rock (Sakhra) and al-Buraq, a part of the western wall of the al-Haram al-Sharif, which adjoins the Jewish Wailing Wall. Numerous other mosques are found within the confines of the Old City.

2.71   For Jews, Jerusalem is a symbol of a nation that was ostracised, exiled and massacred, and the site of important sanctuaries and holy places—for example, the Temple Mount, the Wailing Wall, the Mount of Olives and Mount Zion.

2.72   Over the centuries, various Christian communities settled in Jerusalem and consecrated the places associated with the life and teachings of Christ. Important sanctuaries and places of worship include the Basilica of the Holy Sepulchre, the Gardens of Gethsemane, the Via Dolorosa and the Stations of the Cross.

2.73   The policy of Israeli governments since 1967—Labor, Likud and coalition—has been to maintain a unified Jerusalem, to integrate its Arab population and to insulate it from the Palestinian-populated West Bank. Many Israelis argue that, despite its holiness to Islam (and Christianity), Jerusalem has always held a secondary status in those religions, after Mecca and Medina (or Rome and Constantinople). However, some Israelis do not acknowledge that (East) Jerusalem has for decades been the political and spiritual centre of the Palestinian national movement as well as the geographical, cultural and economic link between the northern and southern parts of the West Bank and between the West Bank and the Gaza Strip.[54] Similarly, some Palestinians do not accept the right of Jewish people to celebrate their faith at sites of religious significance to Jews in cities such as Hebron and others.

2.74   From any perspective, however, it can be concluded that Jerusalem must become a model for a constructive peace between Israel and its neighbours, and a source of hope for Israel and Palestine in particular. As Mr Faisal Husseini of the PLO has stated:

> Jerusalem can act either as a sun that will infuse the entire Middle East with its warmth, or as a black hole that will swallow up and turn into oblivion all our hopes for peace and a better world.[55]

2.75   At the time of writing, Jerusalem's future remains extremely problematic, with a plethora of proposals containing many variants and compromises. At the Camp David (2) discussions in July 2000, for example, Prime

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54   Exhibit 22, *Jerusalem: Points of Friction and Beyond*, Moshe Ma'oz and Sari Nusseibeh (eds.), Kluwer Law International, The Netherlands, 2000, pp. 2-3.

55   Cited in Exhibit 22, p. 10.

Minister Barak reportedly made a surprising (to Israelis) offer to President Arafat on Jerusalem.  Although the details remain sketchy, it appears that he proposed to allow the Palestinians partial sovereignty over certain Arab parts of the city.  To Israelis, this was revolutionary, trampling on the principle that Jerusalem is Israel's eternal, unified capital.  Mr Arafat, however, had promised Palestinians that he would not retract from sovereignty over all of Arab East Jerusalem.[56]

## An eventual Palestinian state?

2.76    The issue of borders is not only bound up inextricably with that of the settlements, but is also important for achieving an eventual Palestinian entity.  To Palestinian opponents of Oslo 2, any minimalist cluster of non-contiguous Palestinian blocs would be unsustainable and weak.  A further complication is the issue of a corridor connecting Gaza to the West Bank, as agreed to in the Declaration of Principles.  A physical link would mean severing the geographical integrity of Israel, which few Israelis would accept.

2.77    Palestinian threats to declare a State of Palestine on 13 September 2000 in the absence of progress with final status negotiations did not eventuate. As DFAT explained in evidence, the Palestinian Central Council met on 9 and 10 September and decided to defer a unilateral declaration of independence.[57]

2.78    The Palestinian Authority's Finance Minister, Mr Maher al-Masri, reported in April this year that Israel's virtual blockade of the territories has cost the Palestinians billions of dollars and sent unemployment soaring above 50 per cent.  The UN reportedly estimated that one in three Palestinians is now living below the poverty line.[58]

## The 'Al-Aqsa' Intifada

2.79    On 28 September 2000, the then leader of Israel's Likud party, Mr Ariel Sharon, made a controversial visit to the al-Aqsa Mosque, in East Jerusalem.  That visit sparked an uprising of Palestinians and forceful retaliation by the IDF, Israelis arguing that the violence was an orchestrated campaign by Mr Arafat.  International sympathy increasingly

56    *The Economist*, 21 October 2001, p. 28.
57    DFAT, Transcript, 14 September 2000, p. 350.
58    Editorial, *The Sydney Morning Herald*, 10 April 2001.

swung towards the Palestinians following media reports of the imbalance in weaponry used and television pictures of the mounting civilian (Palestinian) casualties.[59]  Other television pictures were equally horrible—for example, the murder of two Israeli soldiers at a Palestinian police station.  The UN Security Council later condemned the excessive use of force, but did not mention Israel by name.  International human rights organisations such as Amnesty International and Human Rights Watch were less reluctant.[60]

2.80    Mr Sharon has consistently said that he will make no concessions while the violence continues, and has in any event withdrawn the extensive land for peace proposals Mr Barak offered at Camp David.  While there is no military solution in the Middle East, there is no obvious diplomatic one either:

> When one side tires, or both, talks will resume—but not from the point where they ended last July [2000].  Perhaps that really was the sort of opportunity that comes along only once every 50 years or so.[61]

2.81    Former US Senator George Mitchell was appointed to lead a fact-finding mission to the occupied territories and Israel in October 2000, shortly after the violence erupted.  The mission made its delayed second visit to the area in March 2001 in order to examine the causes of the violence and ways of preventing a recurrence.  The Commission's preliminary findings in early May 2001 were described as 'fair and balanced' by Foreign Minister Shimon Peres and have to a large extent been accepted by Palestinians.  Mr Sharon, however, rejected the widely-leaked report's call for a halt to expansion of settlements.

2.82    The report strongly criticised the failure of the PA to control its security forces, urged the PA to curb the actions of terrorists, and did not support the Palestinian proposals for an international (UN) protection force.[62]  Following release of the report, President Bush announced on 22 May 2001

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59    The most potent image was the French Television broadcast on 30 September 2000 of the killing by intensive Israeli gunfire in Gaza of a young Palestinian boy, Muhammed al-Durah, who was taking shelter with his father.

60    For example, Amnesty International, Media Advisory: 'Israel/Occupied Territories - Amnesty International's Fourth Delegation, 5 January 2001'; and an earlier report entitled 'Israel and the Occupied Territories: Excessive Use of Lethal Force', was published by Amnesty International on 19 October 2000.

61    *The Economist*, 'In and out of Gaza', 21 April 2001, p. 13.  See also *The Australian*, 4 May 2001, p. 10.

62    BBC World Service, *[www.news.bbc.co.uk]* 'Team to probe Middle East violence', 7 November 2000 and 'Committee seeks to calm Mid-East', 21 March 2001;  AAP newswire (story nos. 3067 and 5016), 22 March and 7 May 2001 respectively.

the appointment of a special envoy—Mr William Burns, the US Ambassador to Jordan—to lead a new attempt to end the violence and to bring the parties back to the negotiations.  The main recommendations of Mitchell Commission's report were:

- An immediate cease-fire and renunciation of terrorism;

- Agreement on confidence-building measures;

- Resumption of discussions on security issues;

- Cessation of construction of Jewish settlements in the occupied territories; and

- Lifting of Israel's economic restrictions on the Palestinian-controlled areas.[63]

2.83    The latest reports available at the time of writing suggest that at least 680 people have died as a result of the Intifada in seven months—515 Palestinians, 147 Israelis, 14 Arab Israelis, two Romanians and one German.  Thousands of civilians have been injured.[64]

2.84    Following sustained criticism from Israel that President Arafat and the PA were not doing enough to curb attacks on Israeli citizens and mortar shelling of the settlements, the PA's executive dissolved the 'Resistance Committees' of Fatah which had been set up at the start of the Intifada. Another of Mr Arafat's responses involved the arrest by Palestinian police of one of the main Hamas leaders, Abdel Aziz Rantissi, for his criticisms and threats against the PA.[65]

## Sharm el-Sheikh and Taba

2.85    Following the second Camp David accords agreed in July 2000, and the earlier Wye River Memorandum of 23 October 1998,[66] the prospects for peace in the region appeared to be gaining momentum.

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63    *The Australian*, 23 May 2001, p. 21. The US-led Commission reported its findings to the Israeli Government, the Palestinian Authority and the UN Secretary-General in May 2001.  Soon after, Mr Arafat called for a further summit at Sharm el-Sheikh to discuss the findings, which strongly criticised both sides.

64    *The Economist*, 4 November 2000, p. 55;  *The Sunday Age*, 20 May 2001, p.17;  *The Australian*, 13 August 2001, p. 7.  Other estimates of the number of fatalities have been even higher.

65    As reported by *The Canberra Times* on 30 April 2001, Rantissi declared at a large rally in Jabalya camp in Gaza that Hamas was opposed to the latest Egypt/Jordan cease-fire proposal.

66    Signed in Washington by Binyamin Netanyahu and Yasser Arafat.  The Memorandum confirmed the principle of 'land for peace', proposed further transfers to Palestinian control of 13 per cent of Area C, recognised cooperative security arrangements and the amendment of

2.86    Egypt was the first Arab state to sign a formal peace treaty with Israel (in 1979) and in October 2000 hosted a conference in Sharm el-Sheikh on the Red Sea coast at which a ceasefire accord was reached between President Arafat and then-Prime Minister Barak in the presence of President Hosni Mubarak and the King of Jordan. The discussions had been instigated by UN Secretary-General, Kofi Annan.

2.87    A Memorandum was signed in Sharm el-Sheikh on 4 September 1999 by Israel and the PLO, witnessed by Egypt, the US and Jordan. The Memorandum made commitments to resumption of 'permanent status' discussions, release of Palestinian prisoners, 'safe passage' arrangements, certain Hebron issues and preparations for a Gaza sea port. As one analyst observed at the time:

> What powered the momentum towards resolving the 50-year old conflict was not the details of the many agreements that were reached, breached and stitched up again. It was not the fact that— as it certainly seemed after July's summit at Camp David—only a few points of difference remained between the Israeli and Palestinian leaders. … The feeling of inevitability arose more from a sense that Middle Eastern peace was part of an emerging post Cold War global agenda … .

> To the rest of the world, it appeared that a particularly troublesome region was at last being steered towards calmer waters. To Middle Easterners, and particularly to Arabs, the global agenda looked more like an American one.[67]

2.88    Just prior to the Israeli Prime Ministerial elections in early February 2001, intensive talks between Israeli and Palestinian negotiators took place at Taba in Egypt.

## The Arab Summit

2.89    In response to the mounting tensions and violence in the Occupied Territories and Israel and the increasing fragility of relations between Israel, Syria and Lebanon, the members of the Arab League met in Amman, Jordan for an Arab Summit in March 2001.

2.90    The 'Summit of Accord and Agreement' was intended to revive the League as a political force, regularly convened, to which the world would

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the PLO Charter, and required immediate resumption of the 'permanent status' negotiations envisaged in Oslo 2 (the Interim Agreement of 28 September 1995).

67    *The Economist*, 21 October 2000, p. 27.

have cause to listen.  Despite the best efforts of Jordan and Egypt, the meeting, according to some analysts, served instead as a showcase for all the Middle East's most retrograde and self-destructive instincts:

> These countries, as the UN Secretary-General, Kofi Annan, bravely if too obliquely suggested, have domestic problems that cry out for attention; repressive political systems, overmanned bureaucracies, atrophied economies and massive unemployment feed the restiveness in the streets that they collectively fear.  Individually, some governments are trying to modernise.  Together, they remain capable of uniting only in the vilification of Israel.[68]

2.91     A communiqué issued at the conclusion of the Summit called for revival of an Arab economic boycott of Israel, condemned Israel's 'continuing aggression' against the Palestinians, supported international protection for Palestinian civilians and threatened to sever ties with any country which recognised Jerusalem as the capital of Israel or decided to move its embassy there from Tel Aviv.[69]

## Further Developments

2.92     As a further complication, the Middle East peace process was severely damaged, not only by the unrelenting 'al-Aqsa' Intifada, but also by uncertainties generated by political leadership changes in the region and the US.  The resignation of Prime Minister Barak and calling of elections after increasingly difficult problems in maintaining the coalition, resulted in victory for the Likud Party's Ariel Sharon.  Israel's new Prime Minister had consistently rejected the compromises discussed between Mr Barak and the Palestinians, and advocated a policy of refusing to resume discussions until the uprising ceased.

2.93     In the US, the feverish negotiations hosted in the dying months of the Clinton administration gave way initially to an arguably less pro-active stance under President George W Bush.[70]  US special envoy Dennis Ross described the collapse of talks in January 2001—shortly before the Israeli elections—as a major lost opportunity for the Palestinians and their leadership.  During the talks, President Clinton had obtained the

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68   'Chorus of Hate', *The Times*, London, 29 March 2001.  See also *The Economist*, 31 March 2001, p. 39.
69   AAP newswire (story nos. 2761 and 2865), 28 and 29 March 2001, respectively.
70   *The Economist*, 'Hopeless in Gaza', 21 April 2001, p. 39.

agreement of Mr Barak, but not Mr Arafat, to substantial concessions from Israel[71]

2.94    In other developments, Syria withdrew some of its 35,000 troops from the Beirut area of Lebanon in June 2001, although the full extent of the disengagement was not clear at the time of writing. The troops were reported as being re-stationed in what was described as 'defensive lines in eastern Lebanon'. Increasing discontent about Syria's continued military presence in Lebanon had been voiced by both Christian and non-Christian community leaders in Lebanon. The troop re-deployments will apparently not affect the situation of hundreds of Syrian intelligence officers who remain in Lebanon, nor the thousands of Syrian labourers working in various parts of the country.[72]

## The joint Egypt-Jordan proposals for a cease-fire

2.95    In response to the escalating violence in the West Bank, Gaza and Israel itself, Egypt and Jordan developed proposals for a peace plan for the territories. This initiative emerged when Middle East tensions were heightened by the Israeli bombing raid on a Syrian radar position deep inside Lebanon in April 2001.[73]

2.96    The Egypt-Jordan plan urged the adoption of confidence-building measures, including a halt to Israel's settlement activities, lifting of the blockade and resumption of negotiations for a final settlement. In early May 2001 after the Israeli Foreign Minister's discussions of the plan with President Bush in Washington, Mr Peres indicated that Israel anticipated resumption of bilateral discussions with the Palestinians and welcomed the US as facilitator, not mediator.[74] Nevertheless, the violence continued and indeed escalated, with tensions mounting during the sombre Palestinian memorial day of 'Al-Nakba', or 'catastrophe', which marks the exodus of Palestinians in the 1948-49 Arab-Israeli war and the creation of the state of Israel in May of that year. Tensions mounted steadily in the following months, reaching crisis proportions with a series of attacks and

71    Media reports earlier this year indicated that the Clinton peace plan envisaged Palestinian control over Gaza and around 95 per cent of the West Bank and the Palestinian parts of Jerusalem, in return for relinquishing 'right of return' for Palestinians to Israel: *The Canberra Times*, 4 and 8 January 2001; *The Australian*, 11 May 2001.

72    BBC news, *http://news.bbc.co.uk/hi/english/world/middle_east/* 'Syrian Army Leaves Beirut', 17 June 2001; *The Canberra Times*, 16 June 2001, p. 15. The divisiveness within Lebanon of Syria's military presence was made evident during large rallies in recent months by both Christian and rival Muslim groups.

73    Widely reported in the media, for example, *The Sydney Morning Herald*, 17 April 2001, p. 7.

74    *The Canberra Times*, 28 April 2001, 'Peres on peace mission' and AAP newswire, 4 May 2001 (story no. 1990).

reprisals throughout the West Bank and Gaza in July 2001. Hebron has remained a critical flashpoint.[75]

2.97    As reported in *The Economist* in June 2001, a survey commissioned by the West Bank's Birzeit University revealed a hardening of Palestinians' attitudes: 78 per cent of respondents indicated that they wanted the Intifada to continue; 74 per cent supported the suicide operations inside Israel; and the combined support for Hamas and Islamic Jihad had outstripped support for Fatah.[76]

2.98    In what the international community saw as a major setback for regional peace and security, the Arab League's Foreign Ministers meeting in Cairo called for a cessation of all Arab political contacts with Israel as long as the attacks against Palestinians and the blockades continued. This announcement was in response to Israel's use of warplanes in May 2001 to bomb targets in the occupied territories for the first time since 1967.[77]

2.99    In Damascus on 7 May 2001, Pope John Paul II became the first pope to enter a mosque, and urged mutual respect and peace between Christians, Muslims and Jews in the Middle East. Reported remarks made on the occasion by President Bashar al-Assad reignited controversy, however.[78]

2.100   At the end of May, US 'shuttle diplomacy' was about to resume with a visit to the region by special envoy William Burns, when two bomb attacks in Jerusalem followed earlier explosions in Nablus and Hadera. On the divisive issue of the Israeli settlements, Mr Sharon was reported to have pledged that no new land would be confiscated. However, he indicated that construction would continue within existing settlements. The Palestinians called for the adoption of the Mitchell report's proposals as a whole, and for an international summit to devise a practical mechanism for implementing them.[79]

2.101   In an apparent attempt to re-assert Russia's influence as co-sponsor of the MEPP, President Putin launched a new Russian initiative in May 2001 to

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75    Reuters newswire, 16 May 2001, story no. 8237; *The Australian*, 16 May 2001, p. 9; *The Sunday Age*, 20 May 2001, p.17; The Canberra Times, 21 and 23 July 2001.

76    *The Economist*, 16 June 2001, p. 50.

77    *The Canberra Times*, 21 May 2001, pp. 1 and 7; *The Australian*, 22 May 2001, 'Pressure on Israel over tide of killing'.

78    AAP newswire, 'Violence flares as Sharon rejects settlement freeze', 7 May 2001; *The Economist*, 12 May 2001, p. 48.

79    AAP newswire, 24 and 27 May 2001, story nos. 0531 and 3511. *The Economist*, 26 May 2001, p. 49.

break the deadlock in the Middle East, holding discussions with President Arafat following telephone conversations with Prime Minister Sharon.[80]

2.102    At the time of writing, intense US mediation efforts by CIA director, Mr George Tenet, resulted in agreement between the Palestinians and the Israelis on a 'working plan' for ending the eight months of violence.[81] During Kofi Annan's visit to the region in June 2001, there were reports of a rift between Mr Sharon and Mr Peres regarding proposed next steps following the fragile cease-fire agreed between the Palestinian and Israeli authorities.  Mr Peres favours continued contact with President Arafat and the PA, while Mr Sharon insists that there can be no peace negotiations while the violence continues.[82]

2.103    During a visit to Washington in June 2001, Mr Sharon is reported to have outlined less generous proposals than his predecessor for a Palestinian state comprising 56 per cent of the West Bank and Gaza, but excluding any part of Jerusalem and insisting on Israeli retention of key parts of the Jordan valley as a security zone.  The proposal has been rejected by the Palestinian chief negotiator, Mr Saeb Ereket.[83]  Meanwhile, the US Secretary of State met with Israeli and Palestinian leaders during his visit to the region in the wake of further civilian deaths during the fragile truce negotiated by Mr Tenet.  Mr Powell is reported to have raised the prospect of deployment of international monitors to observe implementation of the various stages of the peace plan proposed by the Mitchell Commission.[84]

2.104    Chapter 3 examines the Middle East conflict in the context of Australia's contribution to the peace negotiations on a number of levels, and Australia's stance on key 'final status' issues.

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80    AFP newswire, 30 May 2001, story no. 7421.

81    *The Australian*, 14 June 2001, p. 8; AAP newswire, 14 June 2001 (story no. 8468).

82     AFP and AP newswires, 'In Sign of Cabinet Crack, Sharon Clashes with Peres', 17 June 2001 and 'Progress, Complaints, Violence in Cease-fire Implementation', 18 June 2001, respectively.

83    *The Age*, 29 June 2001, p. 11.

84    Reuters newswire, 29 June 2001 (story no. 0627).

# 3

# Australia's Contribution to the Middle East Peace Process

3.1 This Chapter examines the Middle East peace process (MEPP) in the context of Australia's contribution to the international community's search for a solution to the conflict. Australia has played an acknowledged role in several multilateral forums, most notably in the United Nations General Assembly (UNGA) and two working groups established by the Madrid and Oslo peace processes—the Arms Control and Regional Security Working Group and the Water Resources Working Group.

3.2 In addition, Australia maintains regular bilateral contact through senior level political and trade visits to the region and direct representations to regional leaders from time to time on particular issues. In August 2000, the Foreign Minister announced that the Australian Government would open a representative office in the West Bank city of Ramallah.[1]

3.3 Australia has contributed to the MEPP through involvement in areas where its special expertise can make a positive difference, and through targeted development assistance.[2] Australia's overseas aid program in the Middle East is administered by the Australian Agency for International Development (AusAID). The prime focus of the program is assistance to Palestinians in the Occupied Territories of the West Bank and Gaza Strip, as well as to refugees in Jordan, Lebanon and Syria. Most aid funding is provided in the form of assistance for the work of the UN's Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). Significant funding is also provided to Australian non-government organisations (NGOs) for humanitarian, poverty-alleviation and institution-building projects. Australia's contribution to Middle East

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1 Hon Alexander Downer MP, Media Release FA94, 23 August 2000.
2 DFAT, Submission, p. 966.

peace through the overseas aid program is explained more fully in Chapter 10 of this report,

## The Outlook for Peace

3.4     Optimism about the outlook for the wider Middle East peace process in mid-2000 was summarised by DFAT in the following terms:

> Despite periodic concerns about the outlook for the peace process, and even with occasional reversion to conditions of bilateral and regional tension, instability or emergency, the Palestinian-Israeli conflict is drawing to an end.  In the [Persian] Gulf, the over-arching assurance of continuing high levels of US and British military commitment to the region, and closer cooperation between Iran and Saudi Arabia, is having an important stabilising effect … despite … unresolved problems in certain areas, including territorial and border disputes and, of course, the uncertainty surrounding the future of Iraq's regional role.[3]

3.5     As discussed in Chapter 2, the most complex and contentious issues in the Israeli-Palestinian context are still to be resolved.  Those issues were highlighted at least as long ago as the Declaration of Principles of September 1993:

- The future of Jerusalem

- Israeli settlements

- Palestinian refugees (particularly those in Lebanon)

- Final Palestinian borders and 'statehood'.

3.6     The Palestinian uprising which began in September 2000—the 'al-Aqsa Intifada'—signalled the virtual collapse of the Oslo Accords and the associated agreements facilitated in particular by the US and the EU.  The principal agreements which had been signed since the Declaration of Principles in 1993 included:

- Israel-Jordan Common Agenda, 14 September 1993;

- Agreement on the Gaza Strip and the Jericho Area, 4 May 1994;

- Washington Declaration (Israel-Jordan-US), 25 July 1994;

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3     DFAT, Submission, p. 963.

- Agreement on the Preparatory Transfer of Powers and Responsibilities (Israel-PLO), 29 August 1994;

- Treaty of Peace between Israel and Jordan, 26 October 1994;

- Interim Agreement between Israel and the Palestinians (Oslo 2), 28 September 1995;

- Final Statement (Sharm el-Sheikh) of 13 March 1996;

- Agreement on the Temporary International Presence in Hebron, of 21 January 1997;

- Wye River Memorandum, of 23 October 1998;

- Sharm el-Sheikh Memorandum, of 4 September 1999;

- Protocol Concerning Safe Passage between the West Bank and the Gaza Strip, of 5 October 1999; and

- Tri-level Statement on the Middle East Peace Summit at Camp David, of 25 July 2000.

3.7     Before the outbreak of renewed violence in the Occupied Territories and Israel in September 2000, the international community had cause to be encouraged that, at long last, the momentum towards peace in the Middle East appeared to be undeniable.  In September 2000, DFAT described this momentum as a trend towards stabilisation (if not resolution) of regional tensions, particularly the Israeli-Palestinian conflict:

> … while there will always be uncertainties … the medium and long-term outlook is encouraging.  The problem of predicting the course of events in the next few months, so far as Israel and the Palestinians is concerned, should not distract attention from the overall direction of regional developments and their positive implications for Australia.  Our trade, economic and political links with the region are continuing to strengthen, our dialogue with key regional players continues to grow, and we remain a valued and respected interlocutor in a region whose horizons are expanding as it strives to achieve its full potential.[4]

3.8     As a result of uncertainties generated by the continuing violence and loss of life, particularly in the West Bank and Gaza, tangible progress since the above agreements were made has been negligible.  The international community, while recognising that there is no real option but to continue

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4     DFAT, Transcript, pp. 349, 351.

to search for a solution to the Israeli-Palestinian conflict, has little cause to retain the level of optimism which prevailed in the first half of 2000.

3.9     Nevertheless, positive developments such as the commendable efforts of Egypt and Jordan earlier this year to formulate an agreed settlement, and the muted acceptance of both parties of at least parts of the Mitchell Commission's report on the uprising, have given some reason to hope that negotiations will resume and that armed conflict between Israelis and Palestinians can be halted.  Following release of the report, President Bush announced on 22 May 2001 the appointment of a special envoy, the serving US Ambassador to Jordan, to lead a new attempt to end the violence and to bring the parties back to the negotiations.[5]

## The Australian Perspective

3.10    The 1997 White Paper on Australia's foreign and trade policy contained only the following brief assessment in relation to Australia's relations with the Middle East region:

> In the Middle East, Australia has significant commercial interests and substantial prospects of increasing trade and investment links. In addition, political and strategic developments in this region will continue to affect Australia's trade interests and to engage its political concerns.[6]

3.11    While apparently emphasising a trade and investment focus, the above assessment does indicate the importance for Australia of political and strategic developments in the region.  In evidence, DFAT indicated that although our interests in the Middle East are shaped by economic considerations, there is a range of political, strategic and human rights concerns of a global nature that impact on Australia's view of the Middle East.[7]

3.12    Support for international efforts to achieve a resolution of the Middle East conflict by securing the agreement of the parties involved has been a consistent theme of Australia's foreign policy.  Most recently, this

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5    *The Australian*, 23 May 2001, p. 21.  The US-led Commission reported its findings to the Israeli Government, the Palestinian Authority and the UN Secretary-General in May 2001.  Soon after, Arafat called for a further summit at Sharm el-Sheikh to discuss the findings, which strongly criticised both sides.

6    Hon Alexander Downer MP and the Hon Tim Fischer MP, *In the National Interest: Australia's Foreign and Trade Policy*, August 1997, p. 68.

7    DFAT, Transcript, p. 15.

approach has been stated in response to the continuing violence which has erupted in the latest phase of the Palestinian-Israeli conflict.[8]  Prime Minister Howard said on 2 June 2001:

> Australia joins other members of the international community in calling on all those concerned to recognise the devastating implications for both sides of a deepening cycle of provocation and retribution.  The only solution is one arrived at through dialogue between the parties, in which terrorist violence plays no part.[9]

3.13    Since the Oslo process began in 1993, Australia has supported international efforts to achieve peace and security in the region, based on UN Security Council Resolutions 242, 338 and 425, the principle of 'land for peace' and the various agreements reached by Israel and the Palestinian negotiators.  According to DFAT, the consistent position taken by the Australian Government since Oslo has been broadly acceptable to all the parties in the region.  Those countries have not called upon Australia to take a higher profile in the search for an end to the conflict.[10]

## Australia's geographic distance from the Middle East conflict

3.14    The geographic distance between Australia and the Middle East region makes it difficult for the full ramifications of the current conflict to be understood in Australia.  We are literally a long way away:

> We do have influence, but it is largely an indirect influence.  The contribution Australia can make is, firstly, to provide support to those parties who are most actively concerned to bring about a positive and constructive outcome to the negotiations. … We are removed from the region geographically, historically, and, in many ways, culturally.[11]

3.15    Notwithstanding the presence in Australia of sizeable community groups with historical and other links with their homelands in the Middle East, Australia's relative position in the world and distance from the conflict means its ability to influence events in the Middle East region is, in practical terms, limited.[12]  This does not mean, however, that Australia should become merely a silent or passive observer.  Rather, as a

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8    Media Release, Hon Alexander Downer MP, FA117 of 13 October 2000, and AAP newswire report, 11 December 2000, Story No. 2995.

9    Media Release, Hon John Howard MP, 'Terrorist Bombing in Israel', 2 June 2001.

10    DFAT, Transcript, p. 15.

11    DFAT, Transcript, p. 352.

12    DFAT, Submission, p. 966; Peter Nugent MP, Transcript, p. 381

concerned, responsible and dispassionate member of the international community, Australia should make its views known in appropriate overseas and domestic forums.

## Australia's voice in the Middle East region

3.16    Australia is not a key player in the politics of the Middle East.  As DFAT indicated in evidence:

> We recognise the limits to Australia's influence on broader political and security issues in the region.  We do not see Australia as a commentator on each and every regional development, good or bad.  But conflict in the Middle East has both global and regional implications important to Australia and shape the environment in which Australian interests are pursued in the region and globally.[13]

3.17    In a supplementary submission, DFAT explained the mechanisms through which Australia is seeking to increase opportunities for dialogue on trade and other issues:

> We are striving to enhance Australia's perceived relevance to decision-makers at government level and in business, using our diplomatic network, high-level visits and Joint Ministerial Commissions which draw together business and government activity for periodic review at ministerial level.[14]

3.18    In the Parliament, bipartisan support for the Arab-Israeli peace process and condemnation of the escalating violence on both sides of the Israeli-Palestinian conflict in particular has been expressed at regular intervals.

## Australia as 'honest broker'

3.19    Many countries in the region differentiate between perceptions of Australia as a trading partner and as a concerned observer of political developments in the Middle East.  Australia has an extremely good reputation as a reliable and efficient trading partner, and this reputation gives Australia opportunities to protect our wider interests:

> We must go to great lengths to preserve our reputation as a reliable trade partner, because it does ultimately protect our interests in a number of other ways.[15]

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13    DFAT, Submission, p. 2445 and Transcript, p. 3.
14    DFAT, Submission, p. 2445.
15    DFAT, Transcript, p. 10.

3.20    Is Australia 'even-handed' in its relations with the Arab nations and Israel? According to DFAT, our political position is 'broadly acceptable to all the players with whom we deal':

> We are regarded as being well-disposed and sympathetic to the Palestinians' demands for self-determination—we have long supported that demand. The relationship with Israel is an extremely strong relationship, reflecting longstanding political connections, and there is no sign of that diminishing.[16]

3.21    While Australia is clearly committed to Israel's right to exist within secure and recognised borders, Australia also supports the Palestinians' right to self-determination and has not recognised the annexation by Israel of any areas beyond its 1967 frontiers. As a responsible member of the international community, Australia has expressed these views while at the same time emphasising the primacy of the bilateral negotiations between the parties themselves. As DFAT informed the Committee:

> Australia has clear interests in the achievement of a just and lasting peace in the Middle East, in which Israel and other states may live in peace and security … . We expect the precise shape of a Palestinian entity, including the option of a Palestinian state, the timing of its formation, and its relationship with Israel, will emerge from the bilateral negotiations.[17]

3.22    However, evidence received from the Palestinian and Arab communities, from some individuals and from Israeli support organisations in Australia, was at times very strongly opposed to the view that Australia's role in the Arab-Israeli conflict had been even handed. Accusations of bias were made in submissions and oral evidence from a number of sources—for example, Mr Ali Kazak, Head of the General Palestinian Delegation; Mr Asem Judeh, Deir Yassin Remembered Australia; Professor Amin Saikal, Centre for Arab and Islamic Studies at the Australian National University (ANU); and the Australian Arabic Council. In essence, these organisations and individuals were very critical of what they saw as Australia's unquestioning pro-Israel and pro-US stance in the context of the Middle East conflict.[18]

3.23    In contrast, the Executive Council of Australian Jewry (ECAJ) and the Australia/Israel and Jewish Affairs Council (AIJAC) considered

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16   ibid.

17   DFAT, Submission, p. 2445. See also Transcript, p. 352 and Submission p. 966.

18   For example, Mr Ali Kazak, General Palestinian Delegation, Submission, pp. 354-55; Australian Arabic Communities Council, Transcript, pp. 135-36; Mr R McGuire, Submission, pp. 907-13; and Professor Saikal, Submission pp. 485-86.

Australia's voting record at the UN to have been, by and large, positive and balanced in recent years.[19]  Australia strongly supported Israel's admission as a full but temporary member of the Western European and Other States Group (WEOG) at the UN, which occurred in June 2000.

## Australia's Voting Record at the UN

3.24    In response to perceptions in some quarters of bias in Australia's approach to the Middle East conflict, DFAT was asked to provide information on Australia's recent voting record at the UN.  In a supplementary submission, DFAT summarised Australia's record in the UNGA from 1995 to 1999 and at the 10th Emergency Special Session.  Examination of the schedules shows that Australia abstained from all the votes in the Emergency Session[20] and either abstained or voted in favour of (never against) relevant resolutions in the General Assembly.[21]

3.25    As DFAT explained, the Government's approach has been to address the issues involved in each individual resolution that comes forward, and to decide its position on the merits of the particular issues:

> [The Australian Government] does not support resolutions that are unbalanced, including in regard to Israel.  It does not support resolutions that seek to introduce political criteria into what should be humanitarian instruments.  But, at the same time, the Government also makes its position very clear on the substance of the issues involved.

> For example, on settlements, the government has stated publicly that it considers settlements are contrary to international law and harmful to the peace process.  Our voting record reflects those concerns.  But … we do not address the question of even-handedness between the two sides.  What we do address is the merit of the particular resolution and the language in which it is cast.[22]

3.26    While the Committee recognises the purpose and value of Australia's periodical statements in the UN and elsewhere—in support of the peace negotiations, in condemnation of terrorism in all its forms and of violence

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19    AIJAC, Submission, pp. 751-59;  ECAJ, Submission, pp. 551-53.

20    This Session considered 'Illegal Israeli actions in occupied East Jerusalem and the rest of the Occupied Palestinian Territory'.

21    DFAT, Submission, pp. 2455-69.

22    DFAT, Transcript, p. 22.

on both sides—more could be done to give public voice to Australia's approach. [23] This is particularly important for informing all Middle East communities in Australia of the broad policy approach taken by Australia on the Middle East conflict in both multilateral and bilateral forums.

3.27    Mechanisms such as formal policy statements in the UNGA and in sessions of the WEOG provide an opportunity for Australia to support the efforts of the international community and to raise its own profile on behalf of the Middle Eastern communities living in Australia.  The Committee noted that the latest occasion in which Australia made such a statement in relation to the Middle East was 30 November 1999.  Since then, there have been significant developments in the region, both positive and negative.  It would therefore be appropriate for further comprehensive statements to be made by Australia in the multilateral forums.

3.28    Given the length of time since Australia's last statement about the MEPP at the UN, the Australian Government should take opportunities much more frequently to express and explain Australia's stance on the Middle East conflict and the search for solutions.  Such statements in the UNGA and the WEOG would provide a high-profile opportunity for Australia to publicise its not inconsiderable financial and other contributions to the search for lasting peace and stability in the Middle East.

3.29    At the time these policy statements are made at the UN, a corresponding statement should be made in Parliament by the Minister for Foreign Affairs, as the following Recommendation provides:

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23    See 'Australia's Statement on the Middle East to the 54th Session of the UN General Assembly', 30 November 1999, attached to DFAT's Submission, pp. 1056-60.

**Recommendation 1**

3.30     **The Committee recommends that the Australian Government:**

- **make comprehensive policy statements at much more frequent intervals in the UN General Assembly and the Western European and Other States Group, on developments in the Middle East;**

- **use those occasions to demonstrate Australia's contribution to international efforts for a just and lasting peace; and**

- **report to the Parliament each time statements on the Middle East are made in international forums.**

3.31     Bilaterally, the main avenues by which Australia's point of view on the Middle East conflict can be expressed are senior-level (and reciprocated) visits to the region by political leaders and official parliamentary delegations and through on-going representations from our overseas posts.

## Friendship Delegations

3.32     The Australian Parliamentary Delegation to Syria, Lebanon, Jordan and Israel in June 1998 has been mentioned in Chapter 1.  More recently, a bipartisan delegation of the NSW and Federal Branches of the Parliamentary Friends of Palestine visited Palestine, the UAE, Egypt and Jordan—in January 2000.  There was also a delegation of the Australia-Israel Parliamentary Friendship Group to Israel in January 1999.

3.33     In a submission to the Committee, the leaders of the Parliamentary Friends of Palestine delegation made several observations and suggestions on the basis of their visit.  In broad terms, the delegation was of the view that there are significant economic opportunities for Australia in the evolution of a Palestinian state.  As well, the delegation highlighted the (then) lack of an Australian overseas post in Palestine, and criticised the

indefinite postponement of the Australian invitation to President Yasser Arafat to visit Australia.[24]

## Australian Representation in the Region

3.34 As DFAT explained, the level and disposition of Australia's representation in the Middle East—as in other regions of the world—is kept under review on a global basis rather than by closing one office in order to open another. This review is based upon an assessment of options for maximising impact on economic and political developments affecting Australia's interests:

> That was the reason the Government decided to open an embassy in Abu Dhabi after one had been closed for some time. It was also at the heart of the decision to close the embassy in Syria. [Notwithstanding] the important role that Syria has as a force for regional stability and as a player in the peace process, greater weight was given to the need for our resources to be focused upon the economic potential of the Persian Gulf region. … Damascus was a casualty of that revision of our priorities.[25]

The following table was compiled from information provided by DFAT in July 2000:

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24 Submission, pp. 123-29. See also Transcript, pp.285-293. The delegation included JSCFADT member, the Hon Janice Crosio MBE, MP.

25 DFAT, Transcript, pp. 8, 23.

Table 3.1    Australian Posts in the Middle East

| Post | Date Opened | Ambassador or Chargé | Responsibilities |
|------|-------------|----------------------|------------------|
| Abu Dhabi | May 1999 | Ambassador | UAE, Qatar |
| Algiers | April 1976 (Embassy closed in March 1991) | Ambassador | Algeria |
| Amman | December 1978 | Ambassador | Jordan, Iraq |
| Baghdad | September 1976 (Embassy operations suspended in January 1991) | | |
| Beirut | February 1967 (Embassy operations suspended February 1984, re-opened July 1995) | Ambassador | Lebanon |
| Cairo | March 1950 | Ambassador | Egypt, Sudan, Arab League, Algeria, Tunisia, Syria |
| Damascus | December 1977 (Embassy closed August 1999) | Ambassador | Syria |
| Riyadh | September 1984 (Embassy located in Jeddah 1975-84) | Ambassador | Saudi Arabia, Bahrain, Kuwait, Yemen, Oman |
| Tehran | September 1968 | Ambassador | Iran |
| Tel Aviv | December 1949 | Ambassador | Israel, Palestinian Territories |

*Source    DFAT, Submission, p. 2454, 7 July 2000.*

## Australian Representative Office, Ramallah

3.35    To the above table should be added the Australian Representative Office in Ramallah, which was initially established in temporary premises on 6 September 2000.  Australia is thus no longer the only significant overseas aid donor to the Palestinians without a representative office in the West Bank, Gaza or East Jerusalem.  Although the staffing levels for the Ramallah office had not been finalised at the time of writing, the Committee was informed that the Ramallah resources would be additional to the staffing currently in Tel Aviv, with the exception of the AusAID representative, who would be transferred from there to Ramallah.[26]

3.36    The Committee welcomes the establishment of the Ramallah Office as a positive and practical step towards normalising relations with the Palestinian authorities.  It was not clear, however, why the embassy in

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26    Hon Alexander Downer MP, Media Release, 23 August 2000;  DFAT, Transcript, pp. 351, 354. The first Head of the Ramallah office, Mr S Pinhorn, commenced duty in November 2000.

Damascus had not been re-opened after its closure in August 1999. Developments in the Middle East conflict since then, and the new leadership in Syria, warrant further consideration of the need to restore full relations with Syria at this crucial time in the Middle East conflict. Indeed, Australia believed in 1999 that a renewed effort must be made to engage Syria and Lebanon in the negotiating process on the basis of the implementation of Security Council Resolutions 242, 338 and 425:

> Australia believes that a lasting settlement can only be successful if the sovereignty of each of the parties is respected, where there are effective guarantees for Israel's security and where there is an outcome regarding the Golan Heights which is acceptable to both Syria and Israel.[27]

## Recommendation 2

3.37    **The Committee recommends that the Australian Government give further consideration to re-opening the Australian Embassy in Damascus, which was closed in August 1999.**

3.38    In relation to the overseas operations of Austrade, DFAT advised the Committee that trade representatives were stationed at the following Australian embassies: Israel (Tel Aviv), Lebanon (Beirut), Jordan (Amman), Egypt (Cairo), Iran (Tehran), Saudi Arabia (Riyadh) and the UAE (Dubai).  Detailed discussion of Austrade's presence in the region is provided in Chapter 6 of this report.

## Location of foreign embassies in Israel

3.39    In 1949, Prime Minister David Ben-Gurion proclaimed (West) Jerusalem as the capital of the new state of Israel, but its status has not been recognised internationally apart from a few Latin American states.  Almost all foreign embassies in Israel are located in Tel Aviv.  Although the US Congress has passed the *Jerusalem Embassy Act 1995*, President Clinton repeatedly exercised his powers under the waiver provisions while in office, and President George W Bush has recently postponed any relocation from Tel Aviv for at least six months.[28]

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27    Australia's Statement to the 54th Session of the UN General Assembly, 30 November 1999 (see Appendix 8 to DFAT Submission, p. 1057).
28    *Australian Financial Review*, 13 June 2001, p. 9.

3.40    The UNGA has expressed support for Security Council Resolution 478 of 20 August 1980, which strongly censured Israel's passage of the 'Basic Law' on Jerusalem and other actions designed to alter the status of Jerusalem.[29]

3.41    In the aftermath of the 'al-Aqsa Intifada', the Arab League threatened to sever ties with any country which recognised Jerusalem as the capital of Israel or decided to move its embassy there from Tel Aviv.[30]

3.42    Australia has consistently indicated since the beginning of the Oslo process that it is willing to support any agreement reached by the parties to the dispute which respects and reflects the traditional character of Jerusalem and the aspirations of its diverse population.

## Australia's consular services

3.43    The consular services provided to Australians residing and travelling in the region by DFAT's offices overseas and the network of honorary consuls were outlined in an appendix to the Department's primary submission:

> The Middle East is a region where the number of consular cases may appear relatively low, but where cases—when they occur—can be extremely difficult to handle and resolve. Legal systems are mostly based on Islamic law and are very different from Australia's: the security apparatus and police are sometimes not publicly accountable, and social attitudes to women and family matters differ greatly from the majority Australian attitude.[31]

3.44    Because of problems which have occurred with child abduction cases, Attorney-General's Department has negotiated bilateral agreements with Lebanon and Egypt, which provide for consultations between relevant authorities when difficult cases occur.[32]

3.45    Without any particular reference to the Middle East region, the Australian National Audit Office (ANAO) reported in 2001 that most aspects of consular services are satisfactorily administered by DFAT. There have been improvements in the provision of services in recent years, particularly in terms of improved accessibility. The ANAO also found that DFAT had increased the number and coverage of the travel advisories and information brochures issued to the public, as well as increased the

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29    See Ong, op. cit., p. 17.

30    AAP newswire (story nos. 2761 and 2865), 28 and 29 March 2001, respectively.

31    DFAT, Submission, p. 1052 (Appendix 6). See also evidence in the Transcript, p. 3.

32    Ibid.

staffing resources for consular work.  DFAT agreed with the ANAO's six recommendations for improving the management processes and administrative systems supporting the provision of consular services.[33]

3.46    On the aspect of travel warnings issued to the Australian public by DFAT, the Israel Tourism Office in Australia gave evidence in July 2000 to the effect that the notices had, in its view, 'been harsher in their treatment of Israel than they [had] been in their treatment of other countries with worse problems'—by mentioning the threat to tourists on buses without also indicating that improved security arrangements had been made after 1996.[34]  Media reports in April 2001 suggested, however, that Easter tourism to the Holy Land in 2001 had been adversely affected by fear of violence in the latest uprising.[35]

3.47    Comparison of the current advisory notices for Israel/Occupied Territories, Egypt and Lebanon as examples shows that visitors to all those countries are warned of the need to maintain a high level of personal security awareness.[36]  The Committee is satisfied that the current travel advisory notices provide a realistic assessment of the security situation for Australian travellers to Israel and other countries of the region.

## Senior-level visits to the region

3.48    In April/May 2000, Prime Minister Howard visited Israel and Gaza, meeting separately with both Mr Barak and Mr Arafat.  He thus became the first Australian Prime Minister to meet President Arafat officially.

3.49    While historic, the meeting underlined the relatively slight bilateral links Australia has with the PA.  Most of the direct contact is through the overseas aid program which assists Palestinian refugees in the region, and works towards the establishment of civil institutions in Palestinian-controlled areas.  The links with Israel on the other hand are far more developed, with well-established diplomatic and administrative contacts and trade volumes worth $544.0 million dollars a year in 1999, and growing.[37]

3.50    In April 2001, Foreign Minister Downer visited Lebanon and Saudi Arabia.  After his meeting with Lebanese President Lahoud in Beirut,

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33   ANAO Report No. 31, *Administration of Consular Services*, p. 12.  The Report reviewed action taken by DFAT and other agencies to address recommendations made in an earlier report

34   Israel Tourism Office, Submission, p. 63-64 and Transcript, p. 232-33.

35   *The Canberra Times*, 14 April 2001.

36   DFAT website: *www.dfat.gov.au/zw-cgi/view/Advice/* (as at 17 May 2001).

37   Australia-Israel Chamber of Commerce, Submission, p. 800.

> Mr Downer issued a statement condemning the violence in the region and urging the parties to resume negotiations. His statement also expressed Australia's willingness to provide technical assistance for landmine clearance in southern Lebanon following the Israeli withdrawal.[38]

3.51    The environment within which Australia's interests are pursued in the Middle East has, according to DFAT, been enhanced by such factors as the political advances made by reformists in Iran and progress toward cooperation between Saudi Arabia and Iran. On the economic front, DFAT welcomed developments across the region:

> We will benefit from the continuing efforts of governments such as Jordan, Egypt, the UAE, Saudi Arabia, Oman and Yemen to strengthen their economic management and their engagement with the wider international community and the regional economy.[39]

3.52    High-level trade missions provide a visible and productive means of raising Australia's profile in the region. In February/March 2000, Trade Minister Vaile led a well-publicised Australian Business Mission to Saudi Arabia, Kuwait, and the UAE. Australia's engagement with the region also received a boost in April 2000, when the Governor of Riyadh, Prince Salman bin Abdul Aziz, visited Australia. In addition, Joint Ministerial Commissions have become a significant element of this engagement.[40] These developments are discussed in more detail in Chapter 6 of this report.

3.53    While much of the positive news from the region relates to Australia's trade successes, DFAT assured the Committee that our interests in the Middle East are not driven entirely by trade and investment considerations:

> Our interests in the Middle East are shaped by our economic considerations, but there is a range of political, strategic and human rights concerns of a global nature that are played out in the Middle East … .[41]

3.54    During Mr Howard's meeting with Mr Arafat in Gaza, he issued an invitation for the President to visit Australia at a mutually convenient time. Although a firm date for the visit has not been determined, it is seen

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38   Hon Alexander Downer MP, media release FA46, 20 April 2001; AAP newswire, 27 April 2001, story no. 1364.

39   DFAT, Transcript, p. 7.

40   DFAT, Submission, p. 29; AAP newswire, 14 March 2001, story no. 8717.

41   DFAT, Transcript, p. 15.

as a positive step in the maturing of Australia's relations with the Palestinians.[42] An earlier invitation issued in 1997 by Deputy Prime Minister Fischer was not proceeded with by the Howard Government, amid considerable controversy.[43] In an unexpected meeting in Pretoria, South Africa in April 2001, Mr Downer reportedly urged Mr Arafat to resume peace negotiations, expressed Australia's concerns about the escalating violence, and assured Mr Arafat that Australia's aid program would be continued.[44]

3.55 While bilateral trade-related visits have been an increasingly effective component of Australia's engagement with the Middle East region, senior-level visits with a broader agenda have been more sporadic. Given the opportunities presented by senior-level (and reciprocated) visits to raise Australia's profile and to enable Australia's views on the Middle East conflict to be expressed in bilateral discussions, the Committee believes that an increase in such visits would be most beneficial. For example, more regular visits by the Prime Minister, the Foreign Minister and (on development assistance matters) the Parliamentary Secretary, would serve such a purpose.

3.56 At the conclusion of high-profile visits by senior political leaders, a comprehensive statement should be made in the Parliament.

## Recommendation 3

3.57 **The Committee recommends that:**

- **in addition to the official Australian parliamentary delegations to the various nations of the Middle East, the Australian Government give consideration to including the region in overseas visits by senior political leaders, in order to give a regular focus for expressing Australia's views on the Middle East conflict; and**

- **at the conclusion of such high-profile visits by political leaders, a comprehensive statement be made in the Parliament.**

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42 *The Age* and *The Australian*, 25 March 2001, pp. 11 and 7 respectively.

43 Australian Federal and NSW Parliamentary Friendship Delegation, op. cit., p.124.

44 *The Age*, p. 2; *The Daily Telegraph*, p. 2; *The Australian Financial Review*, p. 6; 4 May 2001; *Australian Jewish News*, 11 May 2001, p. 9.

# Australia's Stance on Key 'Final Status' Issues

3.58    The difficult issues still to be resolved in 'final status' discussions on the Israeli-Palestinian track were listed at the beginning of this Chapter.  For the most part, Australia has voiced its opinions on these problems in the context of acknowledging that the solutions should be developed by the parties themselves, with support from the international community.[45]  On all of them, Australia has on various occasions expressed its views in both multilateral and bilateral contacts, as previously indicated in this Chapter.

## Settlements and bypass roads

3.59    As a strong statement of principle in the UNGA in 1999, and in public statements since then, Australia has condemned the settlement activity that is still occurring in the Occupied Territories as being contrary to international law and harmful to the peace process.[46]  A contrary view was expressed in a submission from the Executive Council of Australian Jewry, which included extracts from an article discussing international law aspects of the Arab-Israeli conflict.[47]

3.60    Although the pace of settlement activity has slowed since December 1999, continued construction and expansion has damaged the confidence of the Palestinians and the international community in the peace process.  ACFOA, for example, agreed with DFAT's view:

> Many Palestinians—and other members of the international community—feel that the creation of settlement blocs is contrary to the spirit of the Wye Rive accords, and that it represents unilateral Israeli decision-making on a matter that is rightfully the subject of final status negotiations.[48]

3.61    As DFAT explained, routine diplomatic contacts between Australia and the parties to the conflict enable Australia to express the hope that unilateral steps by any party will be avoided, including actions relating to the Israeli settlements.  In such contacts, Australia has

> … also made it clear to the Palestinian Authority that we do not believe that it would be productive to engage in unilateral steps of

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45    DFAT, Transcript, p. 15.

46    DFAT, Submission, pp. 2483-84 and Transcript, pp. 353, 356;  World Vision Australia, Transcript, pp. 159-60.

47    ECAJ, Submission, pp. 601-16: extracts from 'Israel and Palestine - Assault on the Law of Nations' by Julius Stone.

48    ACFOA, Submission, pp. 1578-79; DFAT, Submission, p. 2484.

> their own.  So far as the settlements issue is concerned, we have
> also regularly voted—where the issue has been addressed in
> international forums, such as the General Assembly and
> [probably] in the Commission on Human Rights—in support of
> resolutions which are critical of settlements activity.  It is a clearly
> established part of the Government's approach to the region that it
> will uphold matters of principle such as that.[49]

3.62    Australia has consistently voiced its disapproval of Israeli settlement
        activity, the most recent occasion being UN Resolution 54/78 of 1999.
        Australia has also raised the issue directly with the Israeli Government,
        including in particular its concerns about settlement activity at Har
        Homa/Jebel Abu Ghneim.[50]  Recent editorial comment in the Australian
        press indicated that the 15 newest settlements in the West Bank have been
        built since Ariel Sharon's election in February 2001, and that 'most have
        generous boundaries to allow for what Mr Sharon calls "natural growth"'.[51]
        At the end of May 2001, Israeli Housing Minister (Sharansky) indicated
        that 710 housing units had been approved in the West Bank settlements of
        Maale Adumim and Alfei Menashe.[52]

3.63    On the question of the level of Israeli financial support for settlement
        building, DFAT was not readily able to provide information on the 1999-
        2000 Israeli budget allocations.  Financial data for settlement-related
        activity is spread across a number of Israeli Ministries and programs.[53]

## Final Palestinian Borders and 'Statehood'

3.64    In Chapter 2, the issue of borders was considered in the context, not only
        of the development of an eventual Palestinian entity, but also of the Israeli
        settlement activity.  Although Australia has no influence (nor should it) in
        negotiations for an independent Palestine, the issue is one which has
        considerable resonance for Middle Eastern communities in Australia.
        Most commentators are, however, sceptical of the economic and political

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49   DFAT, Transcript, p. 356.
50   DFAT, Submission, p. 2484 and Transcript, p. 356.
51   *The Sydney Morning Herald*, 24 May 2001, p. 11.  See also *The Economist*, 12 May 2001, p. 15.
52   AFP newswire, 30 May 2001, story no. 7421.
53   DFAT, Submission, p. 2484.

viability of a Palestinian entity based on the non-contiguous territory presently controlled (or likely to be) by the Palestinian Authority (PA).[54]

3.65 It became increasingly clear that a final settlement of the Israeli-Arab conflict would not be negotiated by September 2000, as had been agreed between Israel and the Palestinian Liberation Organisation (PLO) in September 1999. Indeed, as the year 2000 wore on, there was a growing possibility that the PLO Chairman would unilaterally declare an independent state on 13 September 2000. DFAT made the following statement in April of last year:

> While Israeli acceptance of the principle of Palestinian statehood as an agreed outcome of the negotiations is now well-established, a unilateral declaration in practice would not resolve any of the final status issues … and indeed would probably risk leaving most outstanding issues unresolved indefinitely.[55]

## The Palestinian National Authority

3.66 On 13 September 1993, the PLO and the Government of Israel signed the 'Declaration of Principles on Interim Self-Government Arrangements' at the White House. The Declaration was preceded by an exchange of letters of mutual recognition between Israel and the PLO. The PLO Central Council met in Tunisia in the following month and authorised the Executive Committee to form the Council of the Palestinian National Authority for a transitional period, at the same time electing Chairman Yasser Arafat as President of the Council of the Palestinian National Authority. On 20 January 1996, the first Palestinian general elections were held for the Presidency and for an 88-member Palestinian Legislative Council (PLC). Although still a developing organisation, the PLC has been described as 'a lively forum for debate' and as being quite critical at times of the leadership of Mr Arafat and the PA.[56]

3.67 The Palestinian general elections in 1996 represented the first step in the process of establishing a Palestinian State, as originally envisaged in the interim arrangements agreed in Oslo 1 and Oslo 2. Since then, the question of borders and independence for a Palestinian entity has been pursued in the 'final status' discussions. Frustrated with the lack of progress in negotiations, Mr Arafat and the PLO have threatened

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54 Uniting Church in Australia (Victoria), Transcript, p. 95; Hon Ian Macdonald, Transcript, pp. 291-92; Arab Australian Action Network, Transcript, p. 317; Queensland Nationals, Transcript, p. 462; ACFOA, Submission, pp. 1569, 1633;

55 DFAT, Submission, p. 965.

56 DFAT, Transcript, p. 362.

unilateral action to declare an independent state, the most recent target date being 13 September 2000. As DFAT explained, the PLO Central Committee, in making the decision to postpone the declaration, divided almost evenly on the issue—and some members of the PLC severely criticised the postponement decision.[57]

3.68    In practical terms, economic viability of a Palestinian entity presents serious difficulties in the form of providing adequate revenue generation, taxation regimes, labour resources, anti-corruption measures and other important infrastructure. These difficulties have been exacerbated by the recent road closures and loss of revenues in the wake of the current uprising. Reports from the UN indicated as early as December 2000, that the fighting had left the fledgling Palestinian economy in ruins and had taken a serious economic toll on Israel as well.[58]

3.69    Although the PA produced its first balanced budget in mid 2000, DFAT outlined the reality behind a 4 per cent growth rate in the previous year:

> [The economy] is starting from a very low base. It is also growing largely in the public sector at the moment. The jobs that are being created are mainly in the public service, security forces and other areas which are not necessarily a sustainable proposition. There is very limited investment in productive enterprise in the West Bank and in Gaza at the moment. Partly that is a factor of the absence of coherent law facilities … ; partly it is a question of political uncertainty.
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> … [T]hat balanced budget does not include such things as recurrent maintenance costs, which suggest that there is a long way to go before they get the taxation structures and so on in place.[59]

3.70    Australia's overseas aid program to the Palestinians includes confidence-building and institution-building initiatives such as the Rule of Law project being conducted by Australian Legal Resources International. This project is discussed in more detail in Chapter 10 of this report.

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57   DFAT, Transcript, pp. 362-63.

58   Details on crippling unemployment in Palestine, loss of income, and falling living standards were provided by *The Sydney Morning Herald* website: *www.smh.com.au/news* (at 7 December 2000), 'Fighting has left Palestinian economy in ruins, says UN' [*The New York Times*]. See also a press briefing by the Commissioner-General of UNRWA on 6 December 2000 which noted that some $500.0 million had been lost to the Palestinian economy over the previous two months.

59   DFAT, Transcript, p. 24.

## The Palestinian refugees

3.71    In this section, the Palestinian refugee issue is raised in the context of Australia's contribution to international efforts to find a just and lasting solution to an extremely difficult problem, which has deep historical and emotional roots.  The issue of Palestinian refugees goes to the heart of the Arab-Israeli conflict.[60]

3.72    The history and current situation of the Palestinian refugees living in the Middle East was outlined in Chapter 2 of this report.  As a major component of Australia's aid program to the Middle East, assistance to Palestinian refugees living in the Middle East is discussed in Chapter 10 of this report.

3.73    Palestinians comprise the largest group of refugees in the world.  The first Arab-Israeli war of 1948-49 precipitated the exodus of around two thirds of Palestine's Arab population, although the precise numbers have been disputed ever since.  The UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has, since 1950, cared for and educated the refugees who live in purpose-built camps.  Under UNRWA's operational definitions, Palestinian refugees are persons whose normal place of residence was Palestine between June 1946 and May 1948, who lost their homes and means of livelihood as a result of the 1948-49 Arab-Israeli conflict, and who took refuge in Transjordan (now the West Bank and Jordan), Lebanon, the Syrian Arab Republic or the Egyptian-administered Gaza Strip.  UNRWA's services are available to all those who meet this definition, who are registered with the Agency and who need assistance.  UNRWA's definition also covers the descendants of persons who became refugees in 1948.

3.74    In January 1996, UNRWA had a total registry of 3,246,044 refugees, approximately 33 per cent of whom still resided in the 59 UNRWA-organised camps in Jordan, the West Bank, Gaza, Syria, and Lebanon.  The number of registered refugees living in camps as a percentage of the registered refugees was at that time highest in Gaza (55.0 per cent) and lowest in Jordan (19.3 per cent).  The number of registered Palestinian refugees grew from 914,000 in 1950 to more than 3.8 million in 2001, and continues to rise due to natural population growth.[61]

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60    Joffe, op. cit., pp. 403-404;  Ali Kazak, *The Sydney Morning Herald*, 16 January 2001, p. 12.

61    Official UNRWA website: www.un.org/unrwa/index.html (at 18 May 2001) and Donna E Arzt, *Refugees into Citizens: Palestine and the End of the Arab-Israeli Conflict*, Council on Foreign Relations, 1997, pp. 36-37.  See also 'Plight of the Refugees', published as a supplement to *National Geographic*, December 1999.

3.75    In evidence, ACFOA highlighted the plight of post-1948 refugees who
        therefore do not receive assistance from UNRWA, making them even
        more vulnerable:

> … they have no entitlements to UNRWA assistance or are very
> insecure in their situation and their status where they are living—
> especially in Lebanon, where the number of unregistered refugees
> is … about 50,000.  Those people have no access to UNRWA
> services or to non-governmental services, no right to work—and
> you can go on.[62]

3.76    The principle of the 'right of return' for refugees displaced in the series of
        Arab-Israeli wars was grounded in three UN resolutions (UNGA
        Resolution 194 of 1948; Security Council Resolutions 242 of 1967 and 338
        of 1973) and the launching of the Oslo process.  However, the UNSCR
        resolutions 'leave open' the question of precisely where the refugees
        should be returned to in the final settlement of the conflict:

> … it is quite clear that any solution, based on two states, will
> require the preservation of Israel as a Jewish state, and Israel's
> government and its political system simply will not entertain the
> notion of any significant number of refugees returning to Israel
> proper.[63]

3.77    ACFOA believes that, without a comprehensive settlement of the
        Palestinian refugee problem, including the right of return, the right of
        restitution and the right of citizenship in a nation state, there is little
        chance of long-term regional peace in the Middle East.[64]

3.78    The submission made by the Delegation of the NSW and Federal Branches
        of the Parliamentary Friends of Palestine recommended that Australia
        exert maximum pressure on Israel to 'recognise its responsibilities towards
        the Palestinian refugees and permit their right of return and compensation
        in accordance with UN Resolution 194'.  The submission also
        recommended that Australia increase its humanitarian aid funding for
        Palestinian refugees in Gaza, Jordan and Lebanon.[65]

3.79    In Donna Arzt's book, previously cited, she suggested a plan for
        permanent regional absorption of the Palestinian refugees, to be discussed
        within the context of the multilateral rather than the bilateral negotiation
        process.  Target absorption populations as a basis for discussion were

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62    ACFOA, Transcript, p. 385.
63    DFAT, Transcript, p. 13.
64    ACFOA, Submission, p. 1575.
65    Submission, op. cit., p. 124.

proposed for Israel, Jordan, Lebanon, Syria, the West Bank and Gaza as well as other Arab countries of the Middle East. In addition, Arzt formulated notional absorption targets for states outside the Middle East.[66] The absorption proposals have generated considerable controversy in the Arab world and in Israel as well.

3.80    In relation to the estimated 350,000 refugees in Lebanon, who are largely from Galilee and the coastal towns and cities such as Haifa, DFAT indicated that these refugees would not necessarily see the prospect of 'return' to the West Bank or Gaza as a desirable outcome. Further, DFAT concluded that it is not likely that many of them would be able to return to what is now Israel, since such an outcome would involve a sovereign decision by Israel to admit them.[67]

3.81    ACFOA agreed that many of the refugees in the Lebanon camps understand that they can not return to exactly where they came from in what is now Israel. Rather, what they seek, is:

> … recognition of the stages of being a refugee—where they came from and their ability or choice to go back to a Palestinian state, and their right to compensation because they lost their livelihoods, their houses and their lands. … When you look at the identity cards of the refugees in Lebanon, you see that their nationality is not mentioned—their nationality is 'stateless'.[68]

3.82    On the issue of whether Australia would be prepared to accept some share of non-Middle East states target numbers, DFAT informed the Committee that policy consideration of such a proposal was not yet on the agenda, although it would be a joint responsibility of that department and the Department of Immigration and Multicultural affairs (DIMA).[69] During a visit to the Middle East by Immigration Minister Ruddock earlier this year, media reports in Australia raised the possibility of resettling Palestinian refugees in this country, if the Palestinian authorities initiated such a proposal in the context of a comprehensive peace settlement agreed between Israel and the Palestinians.[70]

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66    Arzt, op. cit., Chapter 4, pp. 85-94.
67    DFAT, Transcript, p. 14.
68    ACFOA, Transcript, pp. 384-85.
69    DFAT, Transcript, p. 14.
70    *The Canberra Times*, 18 January 2001, p. 3.

## Water resources

3.83    Australia is still a member of the Water Resources Group established
        under the multilateral (or Moscow) track of the peace process agreed at
        the Madrid Peace Conference of October 1991.  This specialised working
        group is one of five which focus on particular issues of regional rather
        than bilateral concerns.[71]  Over time, the working groups developed codes
        of conduct and practical infrastructure projects such as highways and
        water pipelines.  Successful results were expected to give each of the
        Middle East countries involved a vested interest in achieving a lasting
        peace—in other words, a peace dividend.[72]

3.84    Within the ambit of the Water Resources Working Group, Australia
        organised a seminar in 1995 on cloud seeding which was attended by
        representatives from a range of Middle East countries including Egypt,
        Israel, Jordan, Oman and the Palestinian territories.  Australia was
        involved until late 1997 in a major project sponsored by the US to provide
        a common water database for Israel, Jordan and the Palestinian territories.
        Australia was regarded as the leading contributor in the Arms Control
        and Regional Security Working Group on a project designed to develop
        confidence-building regional security arrangements.[73]

3.85    The Committee understands that Australian funding support for the two
        Working Groups has been provided through AusAID, although the
        activities of all five Groups have declined since the mid 1990s.  Attempts
        to revive them following initial progress at Camp David in July 2000 were
        thwarted by loss of confidence in the peace process during the second half
        of that year which saw the start of the current Palestinian uprising.

3.86    In the context of Israel's relations with its Arab neighbours, water
        resources issues are clearly essential ingredients for any permanent
        settlement of the conflict.  The Committee agrees with views expressed in
        several submissions that Australia should do more to re-activate the
        Working Groups, which appear to have lost considerable momentum in
        recent years.[74]

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71   The others are: Arms Control and Regional Security; Environment; Economic Development;
     and Refugees.
72   Joffe, op. cit., pp. 105, 111 (Chapter 11).
73   DFAT, Submission, p. 967
74   For example, Submissions from: ACFOA, pp. 1575, 1580; Mr Ali Kazak, pp. 416-27; and WVA,
     pp. 1441-43.  See also WVA, Transcript, pp. 154-55.

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**Recommendation 4**

3.87    **The Committee recommends that, notwithstanding the setbacks which have been experienced in the peace process since the second half of 2000, the Australian Government support revival of the multilateral working groups in which Australia has particular expertise—the Arms Control/Regional Security Working Group and the Water Resources Working Group.**

## Palestinian Representation

3.88    In Australia, Palestinians have been represented since 1991/92 by what is termed a 'General Palestinian Delegation', which takes the form of a Regional Mission for Australia, New Zealand and the south Pacific region, located in Canberra.  The Head of the Delegation is Mr Ali Kazak, who gave evidence to the Committee.  The General Palestinian Delegation does not enjoy diplomatic status, but appears rather to have a ranking similar to 'observer' for official purposes.

3.89    Submissions from Mr Kazak, from Professor Saikal and from the Australian Arabic Council recommended that Australia recognise the independent 'State of Palestine' immediately, without waiting for a final settlement between Israel and the Palestinians.[75]  In light of continued escalation of the fighting, however, the prospect of a resumption of final settlement negotiations appears to be an increasingly distant one.

3.90    The Australian Arabic Council wrote to the Committee in the following terms:

> Despite the resounding support for Palestinians around the world and an acceptance in the international community of their mistreatment and suffering, they have yet to attain autonomy and an independent Palestinian state.  Unfortunately, Australia continues to deny the inalienable Palestinian right to self-determination by continually refusing to recognise the Palestinian state. … The argument that Australia must maintain a neutral position only goes to strengthen its perceived bias towards Israel. The argument of neutrality is not formed from a moral or strategic position, but rather from a position of fear and capitulation to the

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75    A Kazak, Submission , p. 357;  Professor A Saikal, Australian National University, Submission, p. 484;  Australian Arabic Council, Submission, p. 17.

> backlash and outcry it will receive from Israel if it were to take the
> bold step.[76]

3.91　In his submission, Mr Kazak indicated that, since the PLO's peace proposal of November 1988, over 123 countries have recognised the State of Palestine and established full diplomatic relations. On 15 December 1988, the UNGA designated Palestine as a Permanent Observer in place of the PLO.[77] UNGA Resolution 52/250 of 1998 conferred upon Palestine in its capacity of observer additional rights and privileges, including the right to participation in the general debates, but not including the right to vote or to put forward candidates.[78]

3.92　On the basis of its visit to the Middle East last year, the delegation of the NSW and Federal Branches of the Parliamentary Friends of Palestine strongly recommended that the level of recognition currently accorded to the General Palestinian Delegation be raised in order to match the status of Palestinian missions in some European nations—the delegation's submission referred to Palestinian missions in Spain, Italy, Greece, Austria and France. In the delegation's view, increased status would also acknowledge the positive efforts and concessions made by the Palestinians in bilateral discussions with Israel. The delegation also formed the view that Israel is increasingly prepared to acknowledge that a Palestinian state is inevitable.[79]

3.93　While appreciating the conviction of the proposers of increased status for the Palestinian mission in Australia, the Committee also acknowledges the positive symbolic and practical value of the recent establishment of an Australian office in Ramallah, even if it falls within the overall authority of the embassy in Tel Aviv. Until such time as an independent Palestinian entity emerges through the final status negotiations, it is difficult to see how Australia could accord the existing Palestinian representation a higher degree of official recognition. However, a gradual approach to the issue may be helpful in the longer term.

3.94　The relative status of the General Palestinian Delegation in Australia appears to the Committee to require some clarification, given the passage of time since the Delegation's office was established in the early 1990s and

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76　Australian Arabic Council, Submission, pp. 1823-24.

77　Mr Ali Kazak, Submission, pp. 354-55.

78　New Zealand Ministry of Foreign Affairs and Trade, *United Nations Handbook 1999*, 37th edition, p. 19.

79　Delegation of the NSW and Federal Parliamentary Friends of Palestine, Submission, op. cit., pp. 126-27. The submission states that, although the particular Palestinian missions have diplomatic status, they are not embassies—Permanent Mission of Palestine (Austria); General Delegation of Palestine (France); Diplomatic Representation of Palestine (Greece).

the developments that have occurred in the Middle East negotiations. A more structured and, perhaps, consistent relationship should be established with the current General Palestinian Delegation, irrespective of its title. When the final status negotiations have reached a tangible stage of progress on the future of the Palestinian entity, Australia should make preparation for establishing a permanent Palestinian mission with full diplomatic status.

## Recommendation 5

3.95    **The Committee recommends that:**

- **the Australian Government review the formal arrangements through which the Palestinian General Delegation currently represents Palestinian interests in Australia, in order to ascertain whether those arrangements sufficiently reflect the maturing relationship between Australia and the Palestinian authorities; and**

- **preparation be made by the Australian Government for establishing a permanent Palestinian mission with full diplomatic status as soon as significant progress has been made in the 'final status' negotiations between the parties.**

# 4

# Regional Stability and Strategic Issues

4.1     The strategic importance of the Middle East to the world, and to Australia, scarcely needs to be stated—conflict in the Middle East has both global as well as regional implications for peace and security:

> Regional security is one of the most important issues affecting the relationship of Middle East and [Persian] Gulf region countries with the rest of the world.  The continuing unsettled situation in relation to the Middle East peace process, the unresolved problem of Iraq, and international concerns about politically-motivated violence, human rights, nuclear issues, and the development of weapons of mass destruction mean there are still some reservations within the region about long-term stability and promise.[1]

4.2     The region's geographic location and volatile history, and its commercial exploitation by rival nation states of Europe from the 19th century until at least the first half of the 20th century, guaranteed that the Middle East would continue to be a strong focus of world attention.  The discovery of oil, and the development super-power rivalry between the US and the former USSR after World War 2, increased the strategic importance of the region and hence the potential for tensions in the region to have global impact.  The end of the 'Cold War' resulted in a huge realignment of external influence in the Middle East, and signalled the emergence in the 1990s of the US as the major peace broker in the region.[2]

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1   DFAT, Submission, p. 964.
2   Joffe, op. cit., pp. 32, 54.  In very broad terms, the US supported the conservative oil monarchies and Israel, while the then USSR supported Egypt, the Ba'ath regimes in Syria and Iraq, and the PLO.

4.3    The Iran-Iraq war, between 1980 and 1988,[3] and the (second) Gulf War of 1990-91 highlighted the frictions that have strained relations for decades—indeed centuries in the case of Iran and Iraq—in that region of the Middle East.[4]  Fortunately, the Iran-Iraq war did not directly embroil the other Arab states of the region, but by 1984 the tension had spread into the Persian Gulf in the 'tanker war', which led to clashes with US navy ships patrolling the sea lanes in order to protect oil supplies.  In May 1987, the *USS Stark* was struck by a missile fired by an Iraqi jet, killing 37 sailors.  In July 1988, the US cruiser *Vincennes* shot down an Iran Air airliner which it mistook for an Iranian warplane, killing everybody on board.  Just months later, a terrorist bomb destroyed a Pan American 747 over Lockerbie, killing all 259 people on board.

4.4    The Gulf War of 1990-91 reminded the world, if any reminder were needed, of the potential for regional disputes to have extremely dangerous global ramifications.  Moreover, these conflicts served to remind the world also that Middle East tensions were not confined to the eastern Mediterranean region, which had until then tended to occupy centre stage.

4.5    As DFAT stated in evidence, a stable Middle East is important to Australia and, within the limits of Australia's influence, promotion of regional security is a primary concern.  Australia has clear interests in combating the proliferation of weapons of mass destruction (WMD), in reducing possible threats to lines of communication between Europe and East Asia, and in seeing the continued flow of oil essential to many of our trading partners, including Japan and Korea, as well as Australia itself.[5]

4.6    The Department of Defence (Defence) described the strategic importance of the Middle East in the following terms:

> … [O]ne of the characteristics of the middle East is, of course, that it is one of the regions of the world which has, for a range of historical reasons, a most intense focus on military power and in which armed force plays a large role in international affairs.[6]

4.7    In further evidence, Defence outlined Australia's key strategic interests from a defence perspective:

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3    The Iran-Iraq war was triggered by a long-standing dispute over the vital Shatt al-Arab waterway, but quickly escalated into conflict over territory in the south west of Iran.  Iraqi forces initially made rapid gains, but failed to achieve outright victory.

4    Joint Committee on Foreign Affairs and Defence, *The Gulf and Australia*, 1982, pp. 48-49.

5    DFAT, Transcript, p. 3.

6    Defence, Transcript, p. 44.

- support for international peace and security through helping avoid destabilising competition and conflict within the region;

- support for prevention of development and proliferation of WMD in the region;

- building defence relationships with the Persian Gulf states which are robust enough in their own right to enable us to deploy to the Gulf in support of coalition operations;

- demonstrating Australia's commitment to, and support for, the US role in the Middle East;

- protection of Australia's economic and trade interests in the region; and

- maintaining a strategic defence industrial capability (defence exports) in Australia.[7]

## Oil as a Strategic Commodity

4.8    Since World War 2, oil has become the basic energy source for the industrialised western world, for Japan and the other developed nations of Asia. Estimates of the world's remaining reserves of oil have varied enormously since the 1970s. The extreme pessimists have argued that depletion is close to the psychologically important half-way mark, while more optimistic analysts argue that this turning point is decades away. Thanks to advances in exploration and production technology, the amount of oil available has increased considerably in recent years. Iraq's proven oil reserves of 115 billion barrels are second in the world to Saudi Arabia, which has estimated reserves of 261 billion barrels and vast untapped reserves below the sands of the Al-Shaybah oil field.[8]

4.9    According to DFAT, it is estimated that the Middle East as a whole contains some 87 per cent of the world's oil. Five Persian Gulf states produce around 26 per cent of the world's oil and possess 63 per cent of the world's known oil reserves. Some 27 per cent of Australia's oil imports come from the Persian Gulf, and the figure for Australia's major trading partners in Asia is even higher, particularly Japan. There are no known reserves of oil which are as easily and economically exploited as those which are currently known to exist in the Middle East, a situation which will maintain the world's focus on that region. Due to its vast reserves of

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7    Defence, Submission, pp. 1650-51.
8    AFP newswire, 24 and 28 May 2001, story nos. 9761 and 4166.

liquefied natural gas, Qatar will, in DFAT's estimation, soon emerge as a key player in international energy circles.[9]

4.10    The International Energy Agency, which represents the major energy-consuming nations, agrees that many oil fields outside the Middle East will soon mature, but does not expect a global supply crisis to occur within the next 20 years at least.  Nevertheless, volatile energy prices have probably provided an insight into the future:

> The world has been lulled into a false sense of security by the decade-long period of low and stable prices following the collapse of oil prices in the mid-1980s (except for a brief spike surrounding the Gulf War).  Taking a longer view, however, volatility and unpredictability in oil prices appear to be the norm, as they are for every other commodity.  Indeed, they seem worse under the fractious and ill-disciplined OPEC oil cartel than they would be either in a free market or in a strong monopoly.  What is more, changes in the oil business in the past few years have had the effect of increasing volatility.[10]

4.11    The 1973 oil crisis underlined the leverage possessed by the oil-producing Arab states, which effectively utilised oil as a 'weapon' in conjunction with the Egyptian and Syrian attacks on Israel during the 'Yom Kippur' war in October of that year:

> In 1973, the Arab countries restricted oil supplies on a far larger scale than during the previous Arab-Israeli wars, by both decreasing production and by implementing total or partial oil embargoes on certain countries.[11]

4.12    More recently, Iraq's Deputy Prime Minister warned of a world oil crisis if the foreshadowed amendments to the UN's 'oil-for-food' program forced Iraq to retaliate by ceasing production.[12]  On the other side of the supply/demand equation, the US continued its policy of isolating Iran by imposing restrictions on oil and other products in 1995, accusing Tehran of continuing to support international terrorism.  The EU nations and Japan continued to trade with Iran, however.  In early 1999, relations between the US and Iran began to improve, as did Iran's relations with Saudi Arabia and the Arab world in general.[13]

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9    DFAT, Submission, p. 998 and Transcript, pp. 373-34.

10    *The Economist*, 'Energy Survey', 10 February 2001, p. 14.

11    Joint Committee on Foreign Affairs and Defence, *The Middle East*, 1997, p. 190.

12    AFP newswire, 28 May 2001, 'Iraq warns of world crisis if oil exports interrupted'.

13    Since the Gulf War, Iran has re-established diplomatic relations with Saudi Arabia, its main rival for leadership of the Muslim world.

4.13    In evidence, Defence listed the global oil trade as one of several important factors affecting international security, since oil supplies underpin the economic growth of trading partners upon which Australian prosperity depends.  A major share of the world's oil reserves remain in the Persian Gulf region, a situation which has drawn Australia into that region for many years in support of international initiatives led by the UN and the US.  Defence described Australia's national interests in the region in terms of the following considerations:

- supporting the UN globally;

- suppressing the spread of weapons of mass destruction (WMD) and their means of delivery;

- supporting the role of the US as a major guarantor of regional security; and

- seeking to secure political and humanitarian solutions to the long-standing conflicts in the Middle East.[14]

## Regional Security

4.14    The strategic importance of the Middle East to global and regional stability means that Australia is vitally concerned with international efforts to achieve stability in the region.  Australia has interests, not only in combating the proliferation of WMD, but in reducing possible threats to our lines of communication between Europe and East Asia, and in seeing the continued flow of oil essential to our trading partners as well as to Australia itself.[15]

4.15    Australia recognises the consequences of economic and social disruption in the region, both as a humanitarian issue, and as it impacts more broadly upon Australia through refugee and other humanitarian issues.  As DFAT indicated, Australia is also committed to providing responsive and efficient consular assistance to Australians resident and travelling in the region, and devotes substantial resources to that end.[16]

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14   Defence, Transcript, pp. 44, 45.
15   DFAT, Transcript, p. 3.
16   ibid.

# Australia's Defence Relationship with the Middle East

4.16    Australia has been an active contributor to the UN and other multinational peace monitoring and observer forces in the Middle East, including the Persian Gulf.  Australia has committed personnel and resources to major operations and activities designed to strengthen regional security—such as the Multinational Force and Observers (MFO), the United Nations Truce Supervision Organisation (UNTSO) in southern Lebanon, Syria and Israel and the Multinational Interception Force (MIF) in the Persian Gulf.  As DFAT explained, Australia maintains a level of defence cooperation in the Persian Gulf consistent with Australia's strategic interests.  The ADF has repeatedly been deployed in the Middle East for several decades, some of these deployments being on a continuous basis.[17]

4.17    In combat, Australia made a major deployment to the Gulf ten years ago for Desert Shield and Desert Storm, and again in 1998 in Operation Pollard in support of Desert Thunder.  Hence, some of these deployments have not just been peacekeeping but have had a hard combat edge.[18]

4.18    Peacekeeping operations, some of them for a long duration, can become demanding of the ADF, and even small operations can end up costing many millions of dollars over time:

> We never undertake peacekeeping operations that we wish to avoid.  But successive governments have been keen to maintain the ADF contributions to a range of operations … .[19]

4.19    Also, opportunities for defence interaction of a more peaceable kind have been explored in training, defence exports and, particularly from Israel, defence imports.  In Defence's view, these have made an important contribution to the shape of Australia's relationships with countries of the region.[20]

## Commitments to regional security

4.20    Australia's resource commitment to stability in the Middle East was outlined in submissions and other evidence from Defence.[21]  In summary,

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17    DFAT, Submission, p. 2446 and Transcript, p. 3.

18    Defence, Transcript, p. 45.

19    ibid, p. 46.

20    ibid, p. 45.

21    Defence, Submission, pp. 1651-60 and 2571-74; Transcript, pp. 53-54.  Australia is currently committed to two peacekeeping operations in the region—MFO and UNTSO.  Details of ADF resource commitments in the Middle East and total costs for the last decade were provided in Defence's supplementary submission (pp. 2573-74).

this commitment, with a total budget allocation worth $254.3 million from mid 1990 to mid 2000, was as follows:

- MFO (Sinai). Australia was an original member of the multinational team established to oversee the Camp David Accords of September 1978, and the Egypt-Israel Peace Treaty of March 1979. Australia's direct contribution was made in two ADF deployments—from 1982 to 1986 and then from 1993. In total, 26 ADF personnel are currently deployed—an ADF officer at MFO headquarters in Rome and 25 ADF personnel at Force Headquarters El Gorah, Sinai;

- UNTSO (Israel, Jordan, Syria, Lebanon and Egypt). Since 1956, ADF personnel have been deployed as observers and reporters of the truce between Israel and neighbouring Arab states. Its mandate is constantly renewed by the UN. ADF officers are deployed as UN Military Observers in Jerusalem, the Golan Heights, southern Lebanon and Gaza.

- MIF (Persian Gulf). The MIF was established in August 1990 by UN Security Council Resolution 661 to enforce trade sanctions imposed on Iraq after its invasion of Kuwait. Up to October 1999, Royal Australian Navy ships made nine MIF deployments to the region, thereby gaining valuable experience in conjunction with Australia's allies in an operational environment.[22] The MIF mainly comprises units from NATO and other countries allied to the US, although the majority of units are drawn from the US. Enforcement of UN sanctions against Iraq is maintained by a multinational naval force which patrols the Persian Gulf. At the height of the UN Security Council's divisions in January 2000 over nominations for the new weapons monitoring organisation for Iraq (United Nations Monitoring, Verification and Inspection Commission—UNMOVIC), Iran rejected the right and the necessity for western military forces to maintain a presence in the Persian Gulf region.[23]

- United Nations Special Commission in Iraq (UNSCOM). The Special Commission was established at the end of the Gulf War to oversee the destruction of Iraq's WMD. The withdrawal in December 1998 ended the ADF's practical commitment to this operation. Approximately 113 ADF and Defence civilian personnel served with various inspection

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22   Defence explained (Submission, p. 1652) that there is considerable value in: exposure to the latest communications and intelligence architectures; practice in advanced warfare skills; integration into an international maritime force; experience in command and control lessons relating to international rules of engagement; and maritime operations.

23   Reuters newswire, 20 January 2000, story no. 3230; *The Canberra Times,* 20 January 2000, p. 6.

missions, and Australian Richard Butler was appointed Executive Chairman of UNSCOM in 1996.

- Operation Pollard (Kuwait) was assembled in February 1998 in response to Iraq's refusal to allow UNSCOM inspectors access to Presidential sites. In support of the US-led coalition force, the ADF deployed a Special Air Service squadron, a Headquarters element and some specialist staff to Kuwait. ADF resources returned to Australia in mid-1998.

- Defence Science and Technology Organisation (DSTO) involvement in weapons monitoring. During the 1980s, DSTO resources were used in initial inspections carried out by the UN in response to Iran's claims that Iraq had used chemical weapons. From 1994, several DSTO and other Defence staff were involved in short-term biological weapons inspections for the Biological Monitoring Group within UNSCOM.

4.21    In terms of Australia's defence involvement with Israel, with the neighbouring Arab countries and the Persian Gulf states, Defence outlined Australia's current bilateral arrangements in written and oral evidence to the Committee. With Israel, for example, Australia's defence relationship is concentrated on commercial activities, principally the acquisition of high technology intelligence and defence matériel. Australia also has a very limited defence exports program to Israel.[24] Although Australia does not maintain formal defence relations with any of the 'Mediterranean' Arab states or the Palestinian Authority, limited exports of defence equipment to Middle Eastern countries have been made 'on a case-by-case basis', as illustrated in an annex to Defence's submission.[25] As well as interacting with host countries through UNTSO and MFO activities, the ADF has worked closely with Egyptian and Jordanian military forces in UN operations in East Timor.

4.22    With respect to the Persian Gulf region, its strategic location and oil production capacity mean that bilateral relations with Australia are important to Australia's longer-term national interests. According to Defence, Australia's bilateral defence relations have developed recently through residual goodwill arising from participation in the Gulf War, and in the enforcement of the UN sanctions against Iraq. This has led to provision of ADF training on a fee-for-service basis for most of the Persian

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24    Defence, Submission, p. 1654. Israel provided the electronic support measures systems for the RAAF's Airborne Early Warning and Control aircraft and the interim electronic warfare pod for the F-11 aircraft (Defence, Transcript, p. 49).

25    Defence, Submission, Annex A 'Actual Controlled Defence Exports to the Middle East for the period 1995-1999', p. 1662.

Gulf states as well as the emergence of new markets for Australian defence industries.

4.23 With Kuwait, for example, Australia has evolved its closest regional defence ties and has almost completed negotiations for a Status of Forces Agreement to facilitate future deployment of ADF resources there as well as the training of Kuwait Defence Force personnel.[26]

4.24 Defence informed the Committee that ADF training for Middle Eastern (and other) countries is constrained by the availability of spare capacity, resourcing issues, and Australia's prime focus on allies and partners in South-East Asia and the South-West Pacific—to the extent that additional training capacity is declining. Nevertheless, Defence indicated that the option of outsourcing some of the defence training to commercial providers was a viable alternative, which could provide opportunities for greater numbers of foreign students to participate in ADF-sponsored courses.[27]

## Recommendation 6

4.25 **The Committee recommends that the Department of Defence review its international engagement priorities in order to ensure that spare capacity in ADF courses, including those provided by commercial training organisations, is available in sufficient quantity to students from Middle East countries with which Australia has established close defence ties.**

4.26 In further evidence, Defence explained that not all of Australia's bilateral relationships include a military dimension, simply because in such instances there were as yet insufficient or unclarified mutual interests to be served by such arrangements.[28]

4.27 In relation to development of defence export markets, the industry has been marketing to the Middle East region for approximately ten years, with export levels exceeding $20.0 million annually in the past 12 months. As Defence explained, however, exports are not approved to countries against which the UN has imposed a mandatory arms embargo, to countries whose policies and interests conflict with Australia's strategic

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26 More limited defence links have been established with the UAE, Bahrain, Oman and Qatar.
27 Defence, Submission, p. 1657.
28 Defence, Submission, pp. 1655-56 and Transcript, pp. 48 and 49.

interests, to governments which seriously violate human rights principles, or if the exports themselves would adversely affect Australia's military capacity.[29]

4.28    With the aim of increasing export levels, Defence and Austrade supported the formation of the Australian Middle East Defence Exports Council (AMEDEC) in 1994, in conjunction with major industry members such as Australian Defence Industries, British Aerospace Systems, Thomson Marconi Sonar, Transfield and Vision Systems.  Significant recent trade missions have included the International Defence Exhibition (IDEX) trade fairs in Abu Dhabi in 1997, 1999 and 2001.  In Defence's view, Australia is well placed to expand its defence export activities in the Persian Gulf region.[30]

## Future Directions for Defence Relations in the Region

4.29    In broad terms, Australia's defence interests will continue to be guided by its core strategic focus on the Asia-Pacific.  This will place limitations on the emphasis and level of interactions sought with the Middle East.[31]

4.30    According to Defence, forecasting the ADF's future operational requirements in the Middle East is almost impossible.  However, the Committee agrees with Defence's assessment that any future commitment 'should have a clearly-defined purpose and [should seek] a specific return based upon enhancing our key strategic interests in the region'.[32]

4.31    The Committee acknowledges that Australia has maintained a significant strategic involvement in the Middle East over many decades, and has contributed substantially to the security and stability of the region.  ADF deployments have provided a visible Australian contribution, both within particular host countries and throughout the region as a whole.  The various deployments have also provided valuable training for the ADF personnel involved.

4.32    Defence informed the Committee that there was currently no Defence representation actually based in the region, the present representative being the Defence Attaché in Rome, who is accredited (without residential status) to Israel.  Formerly, representation in the Persian Gulf region was covered by the Defence Attaché in Islamabad who had non-residential

29   Defence, Submission, p. 1659.
30   Defence, Submission, p. 1658.
31   See Department of Defence public discussion paper, *Defence Review 2000 - Our Future Defence Force*, June 2000, pp. 10-11, 16.  Defence, Submission p. 1661 and Transcript, p. 47.
32   Defence, Submission, p. 1653.

accreditation to Saudi Arabia, Kuwait and the UAE.  However in the wake of the nuclear tests by India and Pakistan, the Attaché was recalled.[33]  In subsequent evidence, Defence commented that, in recalling the Defence representative in Pakistan, Australia had 'lost a convenient and inexpensive way of maintaining a degree of Defence presence amongst the Gulf states'.[34]

4.33    The Committee recognises that maintaining a Defence presence in the region is expensive, and that there are also heavy demands for representation closer to home.  It is nevertheless surprising that there is currently no resident Australian Defence representative in the region, given its strategic importance and the long-standing and visible contribution made by ADF personnel in support of international peacekeeping and monitoring operations in various parts of the Middle East.

## Recommendation 7

4.34    **The Committee recommends that Defence representation in the Middle East (including the Persian Gulf region) be reviewed in order to provide a resident source of information and advice relating to regional security issues and Australia's contribution to current and future international peacekeeping and monitoring operations.**

# Destabilising Influences in the Region

4.35    Throughout the inquiry, the Committee was very conscious of the impact of a number of destabilising influences operating in the region.  These influences not only work against achieving a lasting peace settlement but also have profound impacts on the way the world perceives the region and responds to its sometimes bewildering diversity and volatility.

4.36    The main destabilising influences affecting the region which were brought to the Committee's attention were:

- terrorism and violence;

- arms sales and weapons of mass destruction (WMD);

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33    Defence, Submission, p. 1660.

34    Defence, Transcript, p. 46.

- poverty and other economic pressures;

- rapid population increases and other social pressures.

## Terrorism and violence

4.37    Defining 'terrorism' is not a simple matter, particularly for parties to the conflict.  Violent actions taken in the name of both sides in the Arab-Israeli conflict have been viewed completely differently by the opposing parties. What one side labels 'terrorism', the other considers justifiable, and the cycle of retaliation continues to claim the lives of innocent civilians as well as extreme political activists.

4.38    The growing prominence of the global debate on 'terrorism', however, belies the absence of virtually any consensus on a precise definition.  For example, a journal article published by the Institute for Palestine Studies (Washington DC) maintained that terrorism is generally understood to be a form of politically-inspired violence that is distinguishable in some manner from conventional warfare.  A working definition proposed in the article described terrorism as 'the attempt to alter the policies of a state or non-state actor through the use or threat of violence against its civilian constituency'.  The same article cited the April 1996 clash between Israel and Hezbollah to underscore the stark reality of terrorism becoming an 'acceptable' substitute for conventional warfare.  That particular seventeen-day conflict had the dubious honour of being the only recorded occasion when both combatants relied almost exclusively on terrorist operations against civilian populations in the pursuit of their strategic objectives:

> The centrality of terrorism to political conflict in the Middle East has tremendous implications for the study of international relations.  Terrorism undoubtedly constitutes the paramount security threat faced by many Middle Eastern states.[35]

4.39    In testimony before the US Senate Foreign Relations Committee in 1999, Ambassador Michael Sheehan, the State Department's coordinator for counter-terrorism, indicated that state sponsorship of Middle East terrorism had declined since the 1970s and 1980s, when the governments of Syria, Libya and Iran played a prominent role in supporting and directing the activities of terrorist groups as well as carrying out terrorist attacks themselves, using state security or intelligence personnel:

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35    *Journal of Palestine Studies*, Vol. xxviii, No. 1, Autumn 1998, Issue 109, 'The Balance of Terror - War by Other Means in the Contemporary Middle East'.  The Institute's website address is: *www.ipsjps.org.*

> Make no mistake … Iran remains an active state sponsor, and Syria, Libya and Iraq remain on our list because they provide safe haven and material support to terrorist groups.  But their direct sponsorship of terrorist acts has diminished. … Afghanistan has become a new safe haven for terrorist groups.  In addition to bin-Laden and al-Qa'ida, the Taliban plays host to members of the Egyptian Islamic Jihad, the Algerian Armed Islamic group, Kashmiri separatists, and a number of militant organisations from central Asia … .[36]

4.40    Ambassador Sheehan's evidence to the Senate Committee included reference to two Jewish extremist groups—Kach and Kahane Chai—with a number of organisations in the 'list of foreign terrorist organisations' which have not carried out an overt terrorist act in recent years, but have continued 'to recruit, train, equip and plan for terrorism'.[37]

4.41    In recent months, Islamic Jihad and Hamas have claimed responsibility for suicide attacks and car bombs in the Occupied Territories and in Israel.  Media reports suggested that US envoy William Burns had received a pledge that Israel would exercise restraint in response to the attacks, following Mr Kofi Annan's earlier condemnation of 'the disproportionate Israeli response to [an] appalling terrorist attack in Netanya' just north of Tel Aviv on 18 May, which killed the terrorist and six other people and wounded 110.  Mr Burns urged President Arafat to do everything possible to stop the violence against civilians.[38]

4.42    Even beyond the immediate Middle East region, terrorism has links to the Arab-Israeli conflict.  Resentment of US influence in the Middle East and elsewhere led to a series of terrorist attacks on US embassies in east Africa and against the World Trade Centre during the 1990s.  Osama bin Laden, the exiled Saudi Arabian millionaire taking refuge in Taliban-controlled Afghanistan, has been named as the suspected head of the al-Qa'ida terrorist organisation in US State Department reports and in its world-wide warnings to American citizens.[39]

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36   Testimony cited in an article published by *Middle East Quarterly*, Vol. vii, No. 1, March 2000, 'Is Middle East Terrorism Waning?', pp. 89-92.  Mr Sheehan cited several Middle East organisations against which his bureau had collected strong evidence of direct involvement in terrorist attacks during the previous two years—Hamas, Hezbollah, the Palestinian Islamic Jihad, the Egyptian Islamic Jihad, the Popular Front for the Liberation of Palestine General Command, and the Algerian Armed Islamic group.

37   Ibid, p. 91.

38   *The Sunday Age*, 20 May 2001, p.17; AFP newswire, 25 and 30 May 2001 (story nos. 2623, 8287); Reuters newswire, 28 May 2001, story no. 4185.

39   US Department of State, Public Announcement, 'Worldwide Caution', 29 May 2001, published at the State Department's website: *www.state.gov* (at 31 May 2001).  Media reports in mid-June

4.43    In June 2001, US military forces in the Persian Gulf region were placed on the highest state of alert in response to an anticipated threat of attack by anti-American guerrillas linked to bin-Laden.  US warships in Bahrain were ordered to sea, and a US marine corps training exercise in Jordan was curtailed for security reasons.  Global warnings to US travellers cited the indictment of 14 people on charges relating to the 1996 bombing of a US military housing complex in Saudi Arabia.[40]

## Escalation of violence: the 'al-Aqsa Intifada'

4.44    A major escalation of the fighting between Israeli security forces and Palestinians in Gaza and the West Bank was reported during the early months of 2001, with heavy Palestinian loss of life.  In May, Israeli helicopters and gunships attacked Palestinian security bases along the length of the Gaza Strip, in retaliation for continued Palestinian attacks.  Palestinian sources reported 15 wounded in the attacks.  In the West Bank, five paramilitary Palestinian policemen at a security checkpoint close to the Jewish settlement of Gush Katif near Ramallah were killed in a clash with Israeli soldiers.[41]  In other reports, Israel rejected criticism by the Mitchell Commission, the UN Secretary-General and Gulf Cooperation Council leaders of the IDF's use of lethal force against unarmed and lightly-armed Palestinians.[42]

4.45    During the same period, Palestinian gunmen opened fire on the Jewish settlement of Gilo near Jerusalem, and tens of thousands of Palestinians were reported to have marched through Ramallah behind the bodies of the five policemen previously mentioned.  Israeli forces were placed on high alert for the anniversary of what Palestinians refer to as 'al-Nakba' or Great Catastrophe, marking the mass exodus of Palestinians from former British-mandate Palestine in the 1948-49 Arab-Israeli war.  US Secretary of State Colin Powell, and the UN Secretary-General, have consistently expressed alarm over the continuing upsurge in the cycle of violence.[43]

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2001 revealed that Indian police had arrested a third person in connection with an alleged plan by bin-Laden supporters to bomb the US Embassy in New Delhi (AFP newswire, 17 June 2001).

40    Media reports on 24 June 2001: *The Sunday Mail*, p. 38; *The Sunday Age*, p. 13; *Sunday Herald Sun*, p.45; Reuters newswire, 25 June 2001 (story no. 3156).

41    Widely reported in the Australian media; for example, *The Australian*, 15 May 2001, p. 7 and AAP newswire, 15 May 2001, story no. 6158.

42    *The Australian*, 15 May 2001, p. 7 and AFP/Reuters newswires, 15 May 2001 (story nos. 6274, 6228).

43    *The Australian*, p. 7 and AAP newswire, story no. 6274, 15 May 2001.

4.46    Australia has added its voice to the chorus of international condemnation of violence in the Middle East.  In welcoming the release of the Mitchell Report, Foreign Minister Downer urged all sides to take immediate steps to implement the report's recommendations.  He added:

> We are encouraged … at the announcement of a unilateral ceasefire by the Israeli Prime Minister, Mr Sharon, and we urge the Palestinian Authority to reciprocate this initiative.  …  Without immediate and significant efforts by all sides, it will be very difficult to rebuild the trust and mutual confidence upon which a negotiated settlement must be constructed.  There can be no winners from a continuation of the present violence.[44]

4.47    In the worst suicide bomb attack in Israel since 1997, an explosion in Tel Aviv on 1 June 2001 killed 20 civilians and the bomber and injured almost 100 people.  Israeli officials blamed Mr Arafat and the PA.  The terrorist bombing occurred during the unilateral Israeli cease-fire declared in response to the Mitchell report.  The Speaker of the Palestinian Legislative Council, Ahmad Qurei, denied the claim that Mr Arafat should have done more to prevent the attack by controlling extremist elements.  He was reported as saying:

> We have said time and again that we are against killing civilians, whether they are Israelis or Palestinians.[45]

4.48    Israel held Mr Arafat and the PA responsible for the killings, and demanded an immediate ceasefire on the Palestinian side to match its own earlier unilateral declaration.  The German Foreign Minister, Joshka Fischer, added pressure to Mr Arafat by threatening to cut the flow of aid to the PA unless Mr Arafat committed himself to a truce.  Mr Arafat was reported finally to have ordered his security forces to take 'practical, direct, urgent and immediate action' to give effect to a cease-fire, but at the time of writing there had been no announcement by the PA of its intentions regarding identification of those responsible for the bomb attack.[46]  However, some media reports claimed the armed wing of Hamas had issued a statement claiming responsibility and threatening to continue acts of martyrdom until all the rights of Palestinians have been restored.  The Israeli cabinet approved a series of very firm measures against the Palestinians in response to the Tel Aviv killings, including banning fuel

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44   Hon Alexander Downer MP, media release FA64, 25 May 2001.

45   Reuters and AFP newswires, 2 June 2001 (story nos. 2928, 2932, 2934).

46   *The Australian*, 4 June 2001, p. 10; Information Division, Israeli Foreign Ministry, Jerusalem, 'Political-Security Cabinet Communique', 2 June 2001.

supplies, sealing the borders and shutting down the Gaza international airport.[47]

## Tensions to the north of Israel

4.49    Meanwhile, although Syria's press likes to paint Hezbollah as an independent resistance movement, the tightly-disciplined militia, drawn from the third of Lebanese who are Shias, draws its support from fellow Shias in Iran,[48] with assistance from Syria to maintain the supply lines.  In return, Hezbollah stokes border tensions in order to demonstrate that, as long as Israel remains in occupation of Syria's Golan Heights, it will continue to attack Israeli positions.  Further tensions in Lebanon are continuing to emerge through growing Lebanese impatience at the continued occupation by the Syrian army, which still maintains around 30,000 soldiers as a 'protection force' in Lebanon.[49]

4.50    The Israeli withdrawal from southern Lebanon was completed unilaterally in March last year, accompanied by the rapid disintegration of the Israeli-allied South Lebanon Army (SLA).  As DFAT indicated in September 2000:

> We have been fortunate that the worst case scenarios for cross-border violence and retribution against former members of the SLA have not been realised.  While the situation on the ground has been relatively calm, however, we cannot say with real certainty that the situation is now stable.[50]

## An Australian perspective

4.51    Within Australia and in international forums, the Government has consistently condemned terrorism in all its forms in the context of the Middle East conflict.[51]  Appendix 9 of DFAT's submission to the Committee provided useful background on Australia's view of politically-motivated violence and trends in international terrorism.[52]

4.52    In the Australian Parliament, bipartisan support has consistently been expressed for negotiation by the parties and condemnation of terrorism.

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47    *The Sydney Morning Herald*, 4 June 2001, p. 11; *The Canberra Times*, 5 June 2001, p. 6.  More recent media reports have noted that Vice President Cheney and Colin Powell have expressed diverging views on Israel's stated policy of targeting suspected Palestinian terrorists in the Occupied Territories (*The Sydney Morning Herald*, 4 August 2001, p. 15).

48    Although Iran is predominantly Muslim, its ethnic source is mainly Persian, not Arab.

49    *The Economist*, 'The curse of strong friends', 21 April 2001, p. 40.

50    DFAT, Submission, p. 2446.  See also Transcript, p. 350.

51    DFAT, Submission, p. 966 and Appendix 8 (p.1057) and Transcript, p. 364.

52    DFAT, Submission, pp. 1061-62.

4.53    Submissions from various sectors of the Australian Arab community were highly critical of what they perceived as bias in the way Australian leaders and the community generally consider terrorism to be predominantly an Arab/Palestinian weapon.  Mr Kazak, for example, cited examples of right-wing Jewish groups past and present (including extremist settler groups) who, in his view, had not been sufficiently recognised in Australia's official commentaries as perpetrators of terrorism.  Similar views were presented in evidence from Deir Yassin Remembered Australia, the Arab Australian Action Network, and the Australian Arabic Communities Council.[53]

4.54    The Committee wishes to state clearly that the use of politically-motivated violence—including terrorism—in any form by any parties in the Middle East conflict has already contributed to an almost total derailment of the peace process, particularly on the Israeli-Palestinian track.

4.55    Immense effort must now be made by all the parties and the international community to bring about a return to negotiation as opposed to direct action and violence.  Australia can help by ensuring that its own official public statements condemning violence in all its forms continue to be framed in terms that clearly apply to <u>all</u> the parties in conflict.  The recent escalation of the violence has only served to emphasise that requirement.

## Recommendation 8

4.56    **The Committee recommends that all Australian political and official public statements condemning terrorism and violence in the context of the Middle East conflict continue to be framed in terms which clearly apply to <u>all</u> the parties in conflict.**

## Arms Spending

4.57    The protracted Arab-Israeli conflict is only one component of the region's instability, with strong demand in the region for military weapons continuing to increase tensions.  American, European and Russian defence industries are increasingly dependent on arms exports to maintain production levels.

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53   Submission No. 40a, pp. 2319-20; see also Mr Asem Judeh, Submission, pp. 1219-21; Arab Australian Action Network, Submission, pp. 316-17; Australian Arabic Communities Council, Submission, p.1134.

4.58    The Middle East is a prime sales target, notwithstanding the shift in regional emphasis from large standing armies towards ballistic and cruise missile technology procurement.  International defence analysts have anticipated that Iran, Israel and Turkey—the three non-Arab military powers in the region—are likely to be the most influential players in the future, as they all have sizeable defence industries.

4.59    Iran, which—with Russian, North Korean and other assistance—is developing a missile-manufacturing capability, is viewed with considerable alarm in the region, and well beyond it.  The Islamic republic has been concentrating on its ballistic missile program, the Shehab-3, with a range of 1,3000 km and a more advanced model, the Shehab-4.  These weapons would be able to strike targets anywhere in the Gulf, Israel and eventually southern Europe.  Financial constraints and international arms embargoes have blocked Iran's modernisation efforts which began at the end of the Iran-Iraq war.[54]

4.60    Israel, the dominant military power in the region, has weapons programs ranging from new tanks to a multi-layered missile defence shield.  Among the most important decisions that have been made, was the reported creation of a strategic command to counter long-range threats from states such as Iran and Iraq.  In Syria, where weapons acquisitions virtually halted with the collapse of the Soviet Union, the navy is rapidly becoming obsolete and the land forces do not possess advanced weapons systems, although Israel still views Syria's ballistic missile arsenal as a serious threat.[55]

4.61    The UAE is currently midway through a 10-year arms procurement and modernisation program under which it plans to acquire equipment worth US$15.0 billion by 2005.  Kuwait has largely rebuilt its armed forces, which were shattered by Iraq's invasion.[56]

## Weapons of Mass Destruction

4.62    The security outlook for any region is greatly influenced by the extent to which it can restrict the proliferation of WMD—a generic term used to describe biological, chemical and nuclear weapons—and their delivery

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54    *Jane's International Defense Review*, Vol. 33, November 2000, pp. 28, 35.

55    ibid, p. 35.

56    ibid, p. 33.

systems. This security concern is particularly true for the Middle East, since the possession of such weapons in a region of endemic tensions invariably magnifies the degree of instability as well as the potential consequences of any armed conflict.[57]

4.63    The international community's efforts to limit the spread of WMD have centred on the negotiation, conclusion and implementation of globally binding and verifiable treaty regimes. Those regimes either ban the relevant class of WMD, as in the case of chemical and biological weapons, or seek to prevent their spread and to achieve their eventual elimination— as is the case for nuclear weapons. DFAT indicated in evidence that security in the entire Middle East would be enhanced considerably by universal participation in these international arms control regimes. Efforts to address proliferation problems in the Middle East have therefore centred mainly on ensuring that all regional states have joined the relevant weapons treaties.[58]

## Nuclear weapons

4.64    From the outset of the nuclear era, non-proliferation of nuclear weapons has been an objective of the highest priority. The almost universal adherence to the non-proliferation regime has been possible because of the realisation by the overwhelming majority of states that their security interests would not be furthered by the acquisition of nuclear weapons. Hence most states have joined the Nuclear Non-Proliferation Treaty (NPT) as non-nuclear weapon states, and have accepted comprehensive safeguards promulgated by the International Atomic Energy Agency (IAEA). These safeguards are currently being strengthened by the introduction of the Additional Protocol and related measures. While the political commitment against proliferation has been the decisive factor, curbing nuclear proliferation has also been helped by the relatively limited spread of proliferation-sensitive technologies (enrichment and reprocessing) and the limited availability in civil programs of weapons-grade nuclear materials.[59]

4.65    The NPT, with its 187 signatory parties, is without doubt the single most important agreement underpinning global peace and security. At the present time, there are only four states which are not members of the NPT regime: India, Pakistan, Cuba and Israel.

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57   DFAT, Submission, p. 969.
58   DFAT, Submission, p. 970.
59   Australian Safeguards and Non-Proliferation Office website:
     *www.asno.dfat.gov.au/nuclear_safeguards.html* (at 4 June 2001).

4.66    The NPT's direct relevance to the Middle East was demonstrated through the 'Resolution on the Middle East' adopted as part of the agreement reached in the context of the indefinite extension of the NPT in 1995. Australia shares the concern expressed in the Resolution about the presence of unsafeguarded nuclear facilities in the Middle East, and urges their placement under 'fullscope' IAEA safeguards as soon as possible.[60]

4.67    While much of the world's attention has been focused on Iraq and its WMD capability, little is known for example of Israel's nuclear capabilities. DFAT stated that Australia has a long-standing position of not commenting on concerns about WMD programs of any country by name. However, at the NPT conference in April-May 2000, the conference members called upon Israel (and the other non-signatories) by name to join the NPT.[61] It is interesting to note that the first public debate in Israel of its top-secret nuclear weapons capability occurred in the parliament in February 2000, when an Arab legislator, Mr Issam Mahoul, asserted that Israel had 300 nuclear warheads, and reminded the legislature of the disclosures by Mr Mordechai Vanunu to the London *Sunday Times* in 1986.[62]

4.68    Successive Australian governments have made the assessment that international arms control instruments, in particular the NPT, when adhered to universally and supported by effective verification regimes, offer significant international security protection. In DFAT's view, Australia's participation in verifiable, global disarmament mechanisms has played a significant role in keeping WMD out of our own region.[63]

4.69    Australia has consistently supported UNGA resolutions calling for the establishment of a nuclear weapon-free zone in the Middle East and expressing concern about the risk of nuclear proliferation in that region.[64] Australia does not believe that the existence of 'special security concerns' by Israel and many other countries around the world, including other non-members of the NPT, should prevent them becoming members of the NPT. Transparency and universality of international anti-proliferation

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60    The 'Final Document of the 2000 NPT Review Conference' called upon the four states by name to accede to the NPT as non nuclear-weapon states, promptly and without condition, and to bring into force the required comprehensive safeguard agreements, together with Additional Protocols on IAEA strengthened safeguards. (DFAT, Submission, pp. 970, 2490).

61    DFAT, Transcript, p. 365.

62    Reported by AFP newswire, 3 February 2000, story no. 5051.

63    DFAT, Submission, p. 970.

64    ibid.

regimes has been seen as the antidote to covert and ambiguous WMD programs.[65]

4.70    The Committee welcomes Foreign Minister Downer's speech to the 2000 Review Conference of the NPT, which identified Cuba, India, Israel and Pakistan as non-members.  On that occasion, Mr Downer added:

> Universal adherence to the NPT remains an urgent priority.  We encourage those yet to join the treaty to do so at the earliest opportunity.  Those already in the treaty can support its objectives by maintaining the strongest possible commitment and vigilance against nuclear proliferation.[66]

4.71    As a further step towards reducing tensions in the Middle East, the prospect of a Fissile Material Cut-off Treaty was mentioned in evidence from DFAT.  In addition to offering broad non-proliferation and disarmament benefits, such a Treaty would have the potential to build confidence in the region if all states were party to it.  Even those states which, because of their regional security concerns, have not acceded to the NPT would be given a degree of assurance about commitment to international efforts to enhance regional and therefore global security.[67]

4.72    Australia's advocacy role in arms control and disarmament has been maintained in support of a number of international initiatives:

- entry-into-force of the Comprehensive Test-Ban Treaty (CTBT);

- commencement of negotiations for a Fissile Material Cut-off Treaty;

- promotion of a 'Code of Conduct' for the prevention of missile proliferation; and

- an international 'Program of Action' to combat the illicit trade in small arms.[68]

## Chemical and biological weapons

4.73    The Middle East's continuing turbulence also raises the spectre of proliferation of chemical and biological weapons.  The international instruments for control of these weapons are the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC).  Iraq

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65    DFAT, Submission, pp. 2489-90.
66    Hon Alexander Downer MP, 25 April 2000.  See also Downer's media release FA54 of 22 May 2000, which outlined Australia's co-authorship (with Japan) of proposals on further measures to implement the NPT.
67    DFAT, Submission, p. 971.
68    Hon Alexander Downer MP, media releases FA55 and FA61, 8 and 22 May 2001, respectively.

is known to have had offensive chemical and biological weapons programs, the full extent of which were hidden from international scrutiny. Iran declared its former chemical weapons program (developed during the Iran-Iraq war) before ratifying the CWC.

4.74    A number of Middle Eastern states have neither signed nor ratified the CWC. Those states are Egypt, Libya and Syria. Israel, the UAE and Yemen have signed the CWC but not yet ratified it. Egypt and Syria have signed but not yet ratified the BWC, which Israel has neither signed nor ratified.

4.75    Australia strongly encourages those states which are not yet parties to the CWC and BWC to accede to those Conventions. While the entry into force of the BWC in 1975 established an international consensus against biological weapons, the treaty does not have a verification mechanism. Australia plays an active role in the Ad Hoc Group negotiating a verification Protocol, and is Vice-Chair of the negotiations.[69] The UN Security Council is the ultimate authority for dealing with breaches of international peace and security, including breaches of actual disarmament agreements.

4.76    The Committee notes that Australia hosted a regional workshop and symposium on 'Cooperation in the Peaceful Uses of Chemistry Under the CWC' in Canberra in April/May 2001 in conjunction with the Organisation for the Prohibition of Chemical Weapons and the Royal Australian Chemical Institute.[70]

4.77    Further demonstration of Australia's contribution to promotion of arms control and disarmament mechanisms was provided by assuming the presidency in December 2001 of the five-yearly Review Conference for the Inhumane Weapons Convention.[71]

4.78    A schedule summarising the Middle East countries which have signed or ratified the NPT, CWC and BWC is provided at Appendix E.

## Conclusions on WMD as destabilising influences

4.79    Australia's record of support for international efforts to curb the threat and proliferation of WMD in our own region and beyond reflects a consistent desire to make a contribution to defusing world tensions. As a responsible member of the international community, Australia has been

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69    ibid; see also media release FA21, Hon Alexander Downer MP, 27 March 2000.

70    Hon Alexander Downer MP, media release FA52, 30 April 2001.

71    Hon Alexander Downer MP, media release FA61, 22 May 2001.

prominent in negotiations for enforcement of international weapons agreements such as the CWC and the BWC, in addition to convening the Australia Group and meetings of the National Consultative Committee on Peace and Disarmament (NCCPD). Originally convened in 1985, the NCCPD is the main consultative forum between the Government, the Parliament and the community on peace and disarmament issues.

4.80    In an era of rapid advances in the field of biotechnology, it is now easier than ever to develop, produce and conceal biological weapons. A robust verification Protocol will advance global security and ensure that Australia's involvement in the BWC pays security dividends, both globally and for Australia as well. Similar conclusions may be drawn in relation to the CWC.

## Missiles

4.81    Not only the proliferation of WMD but the spread of delivery systems capable of carrying them is a further destabilising factor in any region. DFAT expressed Australia's concern that a number of Middle Eastern countries (Iran in particular) are developing or are in the market for ballistic missiles. Because of their reach and ability to deliver a WMD payload, these systems have the potential to reduce dramatically the security of the whole region. Australia has called on all countries in the region to exercise restraint in the development and testing of ballistic missiles, and to apply strict export controls on such technology.[72]

## Verification Mechanisms

4.82    The establishment of international arms control instruments alone is but one step. Making those instruments truly effective mechanisms for international stability and peaceful co-existence is another matter.

4.83    Establishing effective verification mechanisms raises immense difficulties. Iraq presents a unique case of international intervention to combat the threat of WMD in the Middle East. In the aftermath of the Gulf War, the extent of Iraq's clandestine attempts to develop multiple WMD capabilities led to the formation of UNSCOM (and now UNMOVIC) to eliminate such programs in Iraq. However, Iraq was a state party to the NPT and the BWC while pursuing secret nuclear and biological weapons programs, as DFAT confirmed in evidence:

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72    ibid.

> … it is a very difficult and complex thing in terms of being sure that countries are not pursuing [WMD] programs. Iraq, again, was a member of the Biological Weapons Convention and yet had developed biological weapons. … But of course in the case of biological weapons, there is no verification mechanism in place yet. The Chemical Weapons Convention has a verification mechanism but it is a much more recent agreement, and Iraq is not party to it. Iraq … is the only country in the region to have actually used such weapons, which puts it in a more specific position.[73]

4.84    As Defence stated in evidence, the presence of WMD in the Middle East is already an acute destabilising factor, and the potential for further proliferation is very real. Efforts to prevent both 'horizontal' and 'vertical' proliferation are necessary to maintain regional balance:[74]

> Measures to eliminate WMD benefit Australia because they make Australia more secure by removing potential threats not only to our national territory, but also to that of the Asia-Pacific and beyond. In that respect, Australia is committed to ensuring Iraq complies with UN Security Council resolutions relating to the dismantling of its WMD capabilities. The involvement of both the ADF and the Defence Science and Technology Organisation personnel in [UNSCOM operations] exemplifies our support for initiatives to counter WMD in the Middle East.[75]

4.85    Australia's support for international disarmament is complemented at a practical level by export control arrangements such as the Australia Group, the Nuclear Suppliers Group and the Missile Technology Control Regime. These groups place strict controls on the transfer of dual-use technology, which could be used in the production of WMD and ballistic and cruise missiles. Australia played a prominent part in the international community's negotiations on the CWC and BWC protocols, as well as convening the additional control mechanism of the Australia Group.[76]

4.86    In May 2001, Foreign Minister Downer signalled that Australia would use its alliance with the US on the proposed US anti-missile shield to bolster negotiations with the US on the Nuclear Non-Proliferation Treaty and the

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73    DFAT, Transcript, p. 366.
74    In this context, 'horizontal' refers to distribution from one country to another; 'vertical' refers to production capability advances within a particular country.
75    Defence, Submission, p. 1650.
76    DFAT, Submission, p. 970; Dr Rod Barton, Submission, p. 144.

CTBT which the US has not yet ratified.  Australia stood almost alone with India in its strong support for the anti-missile shield.[77]

4.87    The Committee acknowledges Australia's prominent advocacy role in seeking the establishment of effective verification mechanisms for international arms control and disarmament agreements.

**Recommendation 9**

4.88    **The Committee recommends that the Australian Government pursue all available avenues to achieve greater universal application of effective verification mechanisms for international arms control and disarmament in relation to the Middle East, as well as our own region.**

## Political and Economic Factors

4.89    Apart from the impact of the threat of proliferation of weapons in the Middle East, there are political, social and economic factors which could also bring profound changes to stability in the region (and potential sources of friction) in the coming decades.  These factors include the relentless globalisation process, the ever-present water resources issue and rapid population growth in all Arab countries and Iran.[78]

4.90    To many analysts, the most destabilising influences in the Middle East today are poverty, illiteracy and the consequential helplessness that breeds intense dissatisfaction and a resort to desperate remedies.  In a personal view expressed after a private visit sponsored by the Australian Palestinian community in 1998 to Israel and the occupied territories, one of the five federal MP delegates, JSCFADT member Mr Peter Nugent MP, commented on poverty and rising anger among Palestinians:

> It would seem to me … that if you keep a people downtrodden, effectively poor, with minimal political representation and little prospect of improving their lot, and then at the same time gradually, piece by piece, take over their property and their land, you are going to give them no option.  They [the Palestinians] are

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77    *The Sydney Morning Herald*, 14 May 2001, p. 10 reporting Nine Network's 'Sunday' program on 13 May 2001; *The Australian Financial Review*, 7 May 2001, p. 11.

78    DFAT, Submission, pp. 963-64.

> just going to give up in despair and the young hotheads are going
> to indulge in things you might call terrorism.[79]

4.91    Very similar points were made in submissions from the Arab Australian
        Action Network and the Australian Arabic Communities Council, among
        others.

## Water resources issues

4.92    Water is the most precious commodity in a region that is predominantly
        arid, and access to water supplies is a profound concern for most Middle
        East countries.  Several of them depend heavily on water that originates in
        another state's territory, most notably Egypt, where more than 95 per cent
        of its water comes from outside its own borders.  As another example,
        Turkey may become increasingly powerful in the region as a result of its
        control of the Euphrates and Tigris rivers which flow through Syria and
        Iraq.  Throughout the 1990s, the dispute over the Euphrates was a key
        factor behind Syria's support for the Kurdish Workers' Party (PKK) and, in
        1998, it was only the threat of military action by Turkey that forced
        Damascus to expel the PKK leader, Abdullah Ocalan.

4.93    However, for all the discussion about conflict over water, cooperation has
        in fact been quite common, even among countries that deeply dislike and
        distrust one another.  Some analysts would even suggest that where water
        has been the most scarce—in the Jordan River basin and the Arabian
        Peninsula—cooperation has been greatest.[80]  Others, however, are
        adamant that water is an obvious source of conflict in Gaza and the West
        Bank.[81]  The Committee agrees that history has shown that access to scarce
        water supplies in a region such as the Middle East will always have the
        potential to generate and exacerbate conflict.

## Political succession in the region

4.94    The lines of succession in several pivotal states in the Middle East have
        raised significant issues for regional stability.  In Jordan and Morocco, the
        sons of King Hussein and King Hussan ascended thrones which trace their
        lineage and their legitimacy back to the prophet Mohammed.  In Saudi
        Arabia, Crown Prince Abdullah has been the effective ruler since his half-

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79    *The Sydney Morning Herald*, 'Palestinian hardship linked to Terrorism, Australian MP Warns',
      11 May 1998, p. 8; *The Age*, 11 May 1998, p. A10.  These articles were cited in the submission
      from Mr Asem Judeh, Deir Yassin Remembered Australia (Submissions Vol. 6, p. 1353.).

80    'Reflections on Water, *Middle East Quarterly*, op. cit., p. 74.

81    Mr Ali Kazak, citing 'Israeli Pillage of Palestinian Water Resources: A Brief Study on Israeli
      Theft of Palestinian Water 1967-1999', November 1999 (Submissions, pp. 416-427).

brother King Fahd became seriously incapacitated in 1998. The eventual succession could be problematical, due to the existence of various factions within the royal family.[82]

4.95    While hereditary succession has generally been applied to the monarchies of the region, this had not been the case in the largely authoritarian republics until the succession of President Bashar Assad following the death of his father in June 2000. It would seem that other regional republican rulers might also be preparing for a type of 'dynastic' system of succession, among them Presidents Mubarak in Egypt, Saleh in Yemen, Gadhafi in Libya and Saddam in Iraq. These developments could sow the seeds of significant internal tensions at a time when the pressures for political reform are in some cases intensifying.[83]

4.96    As mentioned elsewhere in this report, political changes in Israel following the departure of Mr Barak and the election of Mr Sharon have had profound effects on Israel's relations with its Arab neighbours and the Israeli-Palestinian conflict in particular. Israel's mixed responses to the Mitchell Commission's report on violence in the occupied territories, notably on the settlements and bypass roads, could be said to have revealed significant differences within the Unity Government on its approach to the Palestinian issue.[84]

4.97    Bahrain is one Emirate which has avoided tensions created through the succession of brothers in a ruling dynasty by enshrining the principle of primogeniture. Other Middle Eastern monarchies have followed the path taken by Jordan, in which the ruling monarch appoints his successor. In an unusual development, Sultan Qaboos of Oman has set up a procedure to find a successor, given the circumstance that he is childless.

4.98    An interesting view of dynastic politics in the Middle East was expressed recently in *The Economist*:

> Yet dynastic politics have functioned surprisingly smoothly most of the time. A majority of Arab nations remain fragile polities where loyalty is prized above ability, and the patriarchal family is the strongest state institution. In the case of Arab monarchies, this may be because no others have been allowed to develop; in

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82    *The Economist*, 2 June 2001, p. 46; *SBS World Guide*, 8th edition, pp.648-49 ; *Jane's International Defense Review*, op. cit., p. 29.

83    *Jane's International Defense Review*, op. cit.' p. 29; DFAT, Submission, p. 2447; 'Middle Eastern Dynasties', *The Economist*, 2 June 2001, p. 45-46.

84    For example, see *The Economist*, 26 May 2001, p. 49.

republics, because other institutions have been systematically undermined.[85]

4.99    The next chapter examines the response of the UN and the broader international community to the protracted conflict and instability in the Middle East, as well as Australia's contribution in that context. Particular reference is made to the international sanctions regime imposed on Iraq.

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85    *The Economist*, 2 June 2001, p. 46.

# 5

# The United Nations and the Sanctions Against Iraq

5.1     The historical involvement of the international community, the League of Nations and the United Nations (UN) in the wider Middle East region was outlined in Chapter 2 of this report. As discussed in that Chapter, the Middle East became a focus for international rivalry with the demise of the Ottoman (Turkish) Empire, the period of the French and British Mandates, the UN partition plan for Palestine of 1947 and the post-war creation of the State of Israel in 1948.

5.2     Chapter 2 also outlined developments in the wider Arab-Israeli conflict after World War 2, the path of the multilateral tracks of the Oslo peace process from 1991 onwards and the 'shuttle diplomacy' efforts of the major powers, particularly the United States (US), until the present time.

## The UN in the Middle East

5.3     The UN officially came into existence in October 1945. Australia was one of the original 51 member states. In the post World War 2 environment, one of the earliest UN involvements in the Middle East region involved the former British-mandate Palestine.

5.4     By 1947, Britain had found the Palestine Mandate unworkable and, accordingly, submitted the problem to the UN. The UN General Assembly (UNGA) adopted Resolution 181 in November 1947, which provided for a 'Plan of Partition with Economic Union'. This laid down steps for bringing both Arab and Jewish peoples to independence, with special provisions for Jerusalem. No progress had been made towards implementing the plan before Britain relinquished the Mandate on 14 May

1948 and the Jewish leadership proclaimed the State of Israel. Open warfare immediately developed between Israel and the independent Arab states, whose forces entered 'Palestine' on the following day. As a result of the fighting, Israeli forces not only secured virtually all of the territory allotted to the Jewish people under the UN partition plan but also substantial additional areas:

> Armistice agreements were signed by Israel with Egypt, Lebanon, Transjordan and Syria (but not Iraq) between February and July 1949. Israel surrendered areas of captured territory in southern Lebanon, northern Sinai and the Gaza Strip, but was left in control of over two-thirds of the territory of Palestine.[1]

5.5     On the question of Palestine alone, the General Assembly made 105 Resolutions and the Security Council made 139 Resolutions and Decisions between 1947 and 1975. The list published in 1976 by the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People illustrates the attention focused by the UN on just one element of the Middle East conflict, albeit a major one.[2] To these must be added many more reports, resolutions and decisions for the period since 1975 in relation to all the other components of the Arab-Israeli conflict, as well as the deliberations at the UN since the Gulf War.

5.6     In the context of the overall Middle East conflict, some of the submissions received by the Committee expressed concern at a perceived lessening of the UN's role. Professor Saikal, for example, argued that, since the creation of the state of Israel in 1948, the UN's role had been little more than marginal, increasingly confined to humanitarian spheres. He considered that Australia should advocate a wider (impartial and meaningful) role for the UN in the region, including the elimination of Weapons of Mass Destruction (WMD), promotion of confidence-building initiatives and democratisation, as well as basic human rights.[3]

5.7     A similar view was expressed in a submission from the Council for the Advancement of Arab-British Understanding. The Council deeply regretted that the UN had been 'pushed aside' by US-led initiatives in the search for a solution to the Middle East conflict:

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1     *Britain and the Arab-Israeli Conflict,* Aspects of Britain series, HMSO, London, 1993, p. 8. See also Map 2, Appendix D of this report.

2     UNGA, Committee on the Exercise of the Inalienable Rights of the Palestinian People, 'Resolutions and Decisions of the General Assembly and the Security Council Relating to the Question of Palestine, 1947-75', 5 March 1976.

3     Professor Amin Saikal, Centre for Arab and Islamic Studies, Australian National University, Submission, p. 486.

> There can be no question that the UN is the appropriate forum for
> the resolution of such international disputes and that dispute
> resolution should be based on UN Security Council Resolutions
> and international law.[4]

5.8     Some analysts have concluded that the protracted conflict in the Middle
        East has ultimately contaminated the entire region, and has had a negative
        (uncooperative) effect on several Arab governments which are important
        to the national interest of the US:

> In Arab and other Muslim eyes, the United States is already
> deeply embroiled in the region's problems through its unwavering
> support of Israel:  the $3.0 billion of America's money that goes
> there each year; the faithful backing in the UN Security Council;
> the acquiescence with most Israeli policies.  The Arabs' belief that
> America is unbalanced in its attitude towards Israel is already
> hampering other policies in the area.  It makes it harder, for
> instance, to persuade Iraq's neighbours to stop Saddam Hussein's
> smuggling, and it frustrates attempts to put American-Iranian
> relations on a less hostile footing.[5]

5.9     Since the above submissions were received, however, there has been an
        increased involvement of the international community in attempts to stop
        the violence, particularly in the Israeli-Palestinian conflict in the wake of
        the 'al-Aqsa' uprising.  In Jerusalem at the end of his Middle East visit in
        June 2001, Secretary-General Kofi Annan expressed guarded optimism
        about the Israeli-Palestinian ceasefire, the findings of the Mitchell
        Commission report and the future of negotiations between the parties.[6]

5.10    Australia's consistent support for the UN's peacekeeping and observer
        operations in the Middle East was discussed in Chapter 4.  However, in
        the view of the Australian Council for Overseas Aid (ACFOA), this
        tradition of service has been tarnished in recent years by a decrease in
        Australian support for the UN's multilateral human rights mechanisms in
        favour of bilateral strategies.[7]  These issues are discussed in Chapter 7.

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4    CAABU, Submission, p. 216.
5    *The Economist*, 26 May 2001, p. 9.
6    BBC news, *http://news.bbc.co.uk/hi/english/world/middle_east/* 17 June 2001.
7    ACFOA, Submission, p. 1582.

## UN Peacekeeping and Observer Operations

5.11    Multi-national operations in the Middle East from mid-1990 onwards
        (observer, peacekeeping and inspection missions sponsored by the UN or
        the US) which have included Australian support personnel, were
        discussed in Chapter 4 of this report.  Earlier missions to which Australia
        contributed were:  the UN Yemen Mission (UNYMO) from 1963 to 1964,
        the Second United Nations Emergency Force from 1974 to 1975, the UN
        Disengagement Observer Force (UNDOF) from 1974, the UN Iran-Iraq
        Military Observer Group (UNIIMOG) from 1988 to 1991, and the UN
        Special Coordinator for the Palestinian Territories (UNSCO) from 1984.[8]

5.12    One of the many issues which were raised in evidence related to the long-
        standing nature of many of the Middle East UN operations with which
        Australia is involved.[9]  In response to questioning on whether such
        operations were open-ended, DFAT explained that the mandates for the
        various UN operations are kept under constant review, and that funding
        commitments are examined on an annual basis.  However, DFAT
        acknowledged that very few of the operations in the Middle East have
        been short-term.  Further, DFAT indicated that the situation would
        probably change for operations such as UNTSO, if truces eventually led to
        actual peace treaties.[10]

## International Monitoring Force to Protect Palestinians

5.13    In March 2001, seven nations sponsored a draft Security Council
        resolution calling for an unarmed UN Observer Force to protect
        Palestinians in the West Bank and Gaza.[11]  Israel has consistently opposed
        such a plan for military and police observers in the occupied territories,
        and there were lengthy attempts within the Security Council to achieve a
        compromise proposal.

5.14    The Security Council's formal deliberations took place around the time of
        an Arab League summit meeting in Amman, which had been intended to
        show support for Palestinians in the conflict with Israel.  Although the
        main focus of the summit became the UN's conflict with Iraq, the meeting
        did reiterate support for a UN-sponsored international observer force to

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8   Submissions, pp. 1663-64 and 2571-74 (Defence) and pp. 1635-36 (ACFOA).
9   For example, the Hon Roger Price MP, Transcript, p. 25.
10  DFAT, Transcript, p. 25.
11  Bangladesh, Colombia, Jamaica, Mali, Mauritius, Singapore and Tunisia.

protect Palestinian civilians.  The US, however, eventually used its veto powers in the Security Council to defeat the resolution.[12]

## The Gulf War of 1990-91

5.15    Background to the Iraqi invasion and annexation of Kuwait in August 1990 was provided in Chapter 2 of this report.

5.16    For more than five months after the invasion of Kuwait, the military buildup in Saudi Arabia was parallelled by international diplomatic efforts to resolve the crisis peacefully.  The Soviet Union immediately suspended sales of military equipment to Baghdad and condemned the invasion of Kuwait, as did the Arab League.  The League subsequently voted to send troops to Saudi Arabia, and only Iraq, Libya, and the PLO voted against the proposal.  On 17 January 1991, Operation Desert Storm began as allied aircraft and naval forces launched air and cruise missile attacks on Baghdad and other targets.  As the ground campaign turned into a one-sided slaughter of Iraqi troops streaming north by road, then-President George Bush declared a cease-fire on 28 February 1991.  The Coalition did not press its advantage, and President Saddam therefore emerged from the war with his power relatively intact.

5.17    Encouraged by the US strategy of urging Iraqis to rise against Saddam Hussein, Kurdish and Shi'ite minorities in the north and south of Iraq staged a series of uprisings towards the end of the Gulf War.  Saddam Hussein's response in March 1991 was to launch fierce campaigns to crush the rebellions.  As many as two million Kurds fled to sanctuaries in the mountainous border regions of Turkey and Iran, 'where squalid conditions, disease, hunger and cold claimed thousands of lives before the international community was able to launch a rescue effort'.[13]

## Imposition of Sanctions on Iraq

5.18    On 3 April 1991, the UN Security Council passed Resolution 687, which was the first in a series of resolutions imposing a number of obligations

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12   Reuters newswire, 'UN Council gets text on force for Palestinians', 21 March 2001; *The Sydney Morning Herald*, 27 March 2001, p. 10; *http://news.bbc.co.uk*  'No Agreement on Iraq', 28 March 2001; *The Canberra Times*, 29 March 2001, p. 7.

13   *SBS World Guide*, op. cit., p. 359.

and constraints on Iraq.[14]  These included, in particular, the requirements that the clandestine WMD program be declared and destroyed, that reparations be paid, that plundered items be restored to Kuwait, and that prisoner of war issues be resolved.[15]

5.19    Useful background information about the decade of sanctions and the role of the UN was published by the International Peace Academy in 2000.[16] The various Security Council resolutions on Iraq from 1990 onwards are listed in Appendix F.

## UNSCOM

5.20    Comprehensive sanctions against Iraq have been in place for a decade, since Iraq has not yet complied fully with the terms and conditions of the relevant Security Council resolutions.  The UN inspection organisation initially set up to monitor Iraq's compliance with Security Council resolutions on the elimination of Iraq's WMD was the United Nations Special Commission on Iraq (UNSCOM).  UNSCOM had a dual mandate derived from two Security Council Resolutions—687, previously mentioned—and 715 of October 1991.  Evidence was given to the Committee by a former UNSCOM chemical weapons inspector, Dr Rod Barton, an Australian previously employed by Defence.  He informed the Committee that the initial role of eliminating Iraq's WMD became firmly associated in the public mind with the inspection processes, due to the intransigence of Iraq's leadership.  Nevertheless, Dr Barton considered UNSCOM's achievements to have been significant despite some negative perceptions of its role:

> The popular view appears to be that UNSCOM in the end failed in its task and became an instrument of the US for its own purpose. Whilst there may be some truth in this, the achievements of UNSCOM should not be overlooked.[17]

5.21    In further evidence, Dr Barton informed the Committee that Iraq still retains capabilities in the missile, chemical and biological weapons fields,

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14   http://www.un.org/documents/ provides an easily accessible source of General Assembly and Security Council resolutions.

15   DFAT, Submission, p. 967.

16   D Cortright and G A Lopez, *The Sanctions Decade: Assessing UN Strategies in the 1990s*, Lynne Rienner Publishers, London, 2000.

17   Submission, pp. 139, 140.  Dr Barton was formerly Director of Arms Control Studies in the Department of Defence before serving for several periods with UNSCOM and at the UN in New York from 1991 to 1999.  See also DFAT, Transcript, p. 20.

although in his view these capabilities are only a small fraction of what they were before the Gulf War:

> Largely through the work of UNSCOM, much of Iraq's capabilities in these fields have been eliminated.  While it is not possible to be too definitive as to exactly what percentage of Iraq's capabilities have been eliminated, it is probably in the vicinity of 95 per cent, or more.[18]

5.22    The second aspect of UNSCOM's mandate (under Resolution 715) required monitoring operations to ensure that Iraq's weapons industries were not rebuilt.  Dr Barton's assessment is that, as far as it is possible to judge, UNSCOM was successful (and largely unheralded) in its monitoring role, and that Iraq's cooperation with monitoring operations was significantly better than it had been with respect to UNSCOM's disarmament task.[19]  The greatest successes for UNSCOM occurred in the nuclear weapons and ballistic missiles fields.  Baghdad's uranium enrichment and other nuclear products facilities were identified and destroyed early in the inspection program.[20]

5.23    It is disturbing that there is no completely verified information about whether or not Iraq has continued to develop WMD in the period of more than two years since the UNSCOM inspectors were removed in December 1998.  In DFAT's view:

> Based on experience of the UNSCOM process and the evidence it gathered, it is difficult not to interpret the current refusal of Iraq to allow [its successor] UNMOVIC into Iraq as evidence of ongoing Iraqi interest in the acquisition of WMD capabilities.[21]

5.24    Nevertheless, Dr Barton believes it is probable that no major weapons activity has taken place since the UNSCOM inspectors departed, a view shared by Mr Scott Ritter, former chief weapons inspector for UNSCOM. In an article published last year, Mr Ritter indicated that, by the end of 1998, Iraq had been disarmed to a level unprecedented in modern history. He argued, however, that 'UNSCOM and the Security Council were unable—and in some cases unwilling—to acknowledge this accomplishment'.[22]

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18    Barton, Transcript, pp. 593-94.

19    Barton, Submission, p. 141.  Cortright and Lopez, op. cit., p. 53.

20    The IAEA reported in 1998 that Iraq had satisfactorily completed a full, final and complete declaration of its clandestine nuclear programs (Cortright and Lopez, op. cit., p. 53).

21    DFAT, Submission, p. 969;  see also Transcript, pp. 19-20.

22    Barton, Transcript, p. 594.  Scott Ritter, *Arms Control Today*, 'The Case for Iraq's Qualitative Disarmament', June 2000, p. 10.

5.25 The extent to which Iraq pursued an extensive program of development of chemical, biological and nuclear weapons only became clear as the UNSCOM inspectors carried out on-site inspections and disarmament activities. Iraq denied the existence of most of its clandestine programs and went to elaborate lengths to subvert UNSCOM in its mandated tasks. In late 1998 Iraq, after a series of crises and incidents, refused to permit UNSCOM to continue its activities. The US, supported by Britain, responded to this failure of cooperation with force in the bombing operation referred to as 'Desert Fox' which was conducted from 16 to 19 December 1998.[23] Mr Ritter has written that the 72-hour aerial bombardment of Iraq was not authorised by the Security Council:

> At that time [December 1998], the United States and the United Kingdom had used an UNSCOM report to the Security Council that laid out the record of Iraqi non-compliance with inspections as justification for the bombing—before the Security Council had any chance to deliberate on the report and without any authorisation from that body. The unfortunate fallout from this military action was that Iraq not only refused to allow the UNSCOM inspectors to return, but also rejected any future cooperation with the organisation.[24]

5.26 In an interview with Mr Richard Butler published by the *Middle East Quarterly* in March 2000, he expressed the view that UNSCOM was an extraordinary experiment, in many respects achieving outstanding disarmament results.[25]

5.27 Mr Ritter's views on UNSCOM differ in many respects from those of Mr Butler, his former director. Mr Ritter has advocated adopting 'qualitative' rather than 'quantitative' measures of Iraq's compliance with the relevant Security Council resolutions. In essence, his argument is that the absolute nature of the disarmament obligations required by Resolution 687 meant that anything less than 100 per cent disarmament precluded a finding of compliance, and hence the lifting of the comprehensive economic sanctions.[26]

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23 DFAT, Submission, p. 968.

24 Scott Ritter, 'The Case for Iraq's Qualitative Disarmament', *Arms Control Today*, June 2000, p. 1.

25 *Middle East Quarterly*, 'Why Saddam Husayn Loves the Bomb', Vol. vii, No. 1, Philadelphia, March 2000, p. 65. Richard Butler has been Diplomat-in-Residence at the Council on Foreign Affairs since mid-1999, when he left his position as Executive Chairman of UNSCOM.

26 Scott Ritter, op. cit., p. 2. In the article, he uses 'quantitative' disarmament to refer to 'accounting for every last weapon, component, or bit of related material' and 'qualitative' disarmament to refer to 'the elimination of a meaningful, viable capability to produce or employ WMD'.

# UNMOVIC

5.28    The successor to UNSCOM as the inspection and verification organisation for the UN is the Monitoring, Verification and Inspection Commission (UNMOVIC), which was established by Security Council Resolution 1284 of 17 December 1999.  Once again, provision was made for the new weapons inspection and missile detection organisation to work in conjunction with the IAEA.[27]  Dr Hans Blix was appointed Executive Chairman of UNMOVIC in March 2000, an appointment which was delayed for some months by divisions within the Security Council.

5.29    Mr Ritter has written that Resolution 1284 has actually reduced Iraq's incentive to cooperate with inspections, since it provides that the Security Council will only *suspend* sanctions once Baghdad has complied with inspections, rather than *lift* them as agreed in Resolution 687.[28]

## Staffing assistance to UNMOVIC

5.30    The Department of Defence (Defence) informed the Committee in June 2000 that provision of specialist staffing from Australia for the work of UNMOVIC was under consideration, pending resolution of the difficulties in obtaining cooperation from Iraq.  These specialists would probably include personnel with chemical and biological weapons expertise and others with administrative skills.  If selected, the Australian nominees would become UN employees recruited under Article 100 of the Charter of the UN.[29]

5.31    A contingent of this size would represent a significant and practical Australian contribution to the work of UNSCOM.

## Status of the monitoring and inspection program

5.32    At the time of writing, Iraq had still not accepted the authority of UNMOVIC, nor the right of the UN to continue sanctions.  The deadlock has been exacerbated in recent times by lack of cohesion in applying the sanctions.  Typical of many adverse commentaries on the sanctions was published by *Newsweek* in February this year:

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27   Under Resolution 1284, UNMOVIC and the IAEA had similar arrangements for cooperation as had been instituted under UNSCOM (see paragraphs 12 and 13 of Security Council Resolution 687 of 1991, and paragraph 3 of Resolution 1284).

28   Ritter, op. cit., p. 1.

29   Defence, Transcript, pp. 60, 61.  Following an invitation from Dr Blix, Defence offered the names of 42 Defence personnel as potential UNMOVIC staff.

> The UN economic sanctions on Iraq have become unworkable,
> riddled by smuggling and other illicit commerce. Some good US
> allies have broken ranks with Washington on the sanctions issue.
> Turkey and Jordan cannot get along without the trade in Iraqi oil.
> … European countries, notably France and Russia, are eager to
> resume all-out trade with Iraq, and even Britain, Washington's
> closest ally, wants to revise the sanctions regime. Old enemies of
> Saddam—like Syria, Iran, Egypt and some of the Gulf states—are
> opening up or expanding trade with Baghdad.[30]

5.33 In Mr Ritter's view, the best chance of ending the deadlock with Iraq
would involve redefining Iraq's obligations by replacing Resolution 1284
with one which provides more realistic qualitative benchmarks:

> If the Security Council redefines Iraq's disarmament obligations
> along more meaningful—and politically and technically viable—
> <u>qualitative</u> [emphasis added] standards, UNMOVIC should be
> able to reconstitute UNSCOM's monitoring program and rapidly
> come to closure on all outstanding disarmament issues. If such a
> disarmament program is linked with the lifting of economic
> sanctions upon a finding of compliance, Iraq will almost certainly
> agree to cooperate.[31]

5.34 Given the polarisation that occurred within the Security Council on the
inspections of Iraq's weapons capabilities, there were several features built
into UNMOVIC's charter that were not required of its predecessor. One of
these features is the requirement that inspectors be trained in cultural
awareness of Iraq as well as being qualified technically.[32]

## US and British leadership in maintaining sanctions

5.35 Britain and the US have been the firmest supporters of the sanctions.
Moreover, according to Professor Saikal the US has constantly interfered
in the work of the UN in the management of the sanctions regime, leading
to divisions in the Security Council and, ultimately, the failure of
UNSCOM. He argued also that, despite the excessive length of time
during which the sanctions have been maintained, there has been no

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30  *Newsweek*, 'Bush vs Iraq: The Rematch', 27 February 2001, p. 68. See also Sir Alan Munro, 'Iraq
and the Sanctions Ten Years On', *Middle East International*, 9 March 2001, p.25 and Richard
Butler, *Middle East Quarterly*, Vol. vii, No. 1, March 2000, p. 72.

31  Ritter, op. cit., pp. 2. See also p. 10 of the same article.

32  Paragraph 6 of Security Council Resolution 1284.

lessening of President Saddam Hussein's power and, conversely, an increasing humanitarian problem.[33]

5.36    In May 2001, Britain proposed a draft resolution lifting sanctions on civilian goods entering Iraq, although no change was proposed to the UN financial controls over Iraq's oil revenues or the prevention of smuggling operations. Iraq rejected the proposal, and a statement in June 2001 from the British Permanent Representative in the Council explained that the draft resolution had been designed to allow all but a very limited range of items to be imported by Iraq, namely those which have potential military use. The statement also indicated that the draft resolution would provide flexibility to Iraq in accessing the UN escrow account into which oil revenues are paid.[34]

5.37    In July 2001, the Security Council deferred indefinitely further discussion on the US and British proposal, reportedly as a result of the continuing Russian opposition to the draft resolution. This outcome has opened the way for Iraq to resume oil exports, which were terminated by Iraq in June 2001 in protest at the continuation of the sanctions.[35]

## The 'Oil-for-Food' Program

5.38    In an attempt to alleviate the impact of the sanctions on the civilian population of Iraq, the Security Council established the 'Oil-for-Food' Program under Resolution 986 of 14 April 1995. Under the Program, Iraq is permitted to export oil under processes monitored and controlled by the UN. Proceeds from the sale of oil were intended to be used by Iraq to purchase approved humanitarian goods and services. As DFAT highlighted in evidence, despite the provisions of the 'Oil-for-Food' Program, there is no doubt that the Iraqi economy—which has largely been driven by government expenditure based on oil revenues—has been severely affected by sanctions. In addition:

> The most vulnerable members of the populations have suffered where the Iraqi government has failed to distribute adequately the benefits of the 'Oil-for-Food' Program to the neediest members of the community.[36]

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33    A Saikal, Submission, p. 486.

34    Statement by the British Permanent Representative in the UN Security Council, 27 June 2001.

35    *The Canberra Times*, 23 May 2001, p. 6 and 5 July 2001, p. 9.

36    DFAT, Submission, p. 968.

5.39    The same point was made, even more forcefully, by a range of contributors to the Committee's deliberations on the subject of the economic sanctions regime.  These organisations and individuals included the Australian Council for Overseas Aid (ACFOA), the Australian Arabic Communities Council (AACC), Dr Rod Barton, the Medical Association for the Prevention of War Australia (MAPWA), the Arab Australian Action Network (AAAN) and The Religious Society of Friends.  As MAPWA observed:

> The appalling conditions in Iraq since the imposition of sanctions have been well documented, including by UN bodies, and are generally not disputed, even by the governments of the two countries which insist on maintaining the sanctions—the US and the UK.  …  There is little doubt from UNICEF [United Nations Children's Fund] mortality statistics, that over half a million children have died as a direct result of the sanctions. …
>
> In contrast to the civilian population, the government of Iraq remains relatively unaffected by the sanctions, except that its position is likely to be strengthened by the ability to focus attention on an external enemy.[37]

5.40    If the object of any sanctions is to change the behaviour of political leaders, then the sanctions applied to Iraq have clearly not succeeded.  In the search for possible alternative strategies to sanctions Australia has, according to DFAT, concluded that (short of military measures) there is no more effective means currently available to the international community.  Arguments for lifting sanctions, in DFAT's view, ignore several realities:

- There are no longer any impediments to Iraq exporting oil to the limit of its capacity, or to import medicines and foodstuffs, or to address infrastructure weaknesses;  and

- It is a leap of faith to believe that lifting sanctions would see the Iraqi regime giving priority to addressing the humanitarian needs of the civilian population ahead of resuming WMD programs.[38]

5.41    DFAT informed the Committee that, in the context of the 'Oil-for-Food' Program, the UN has taken account of serious international concerns about the humanitarian impact of the sanctions.  The measures agreed to by the UN included, for example, more liberal application of the controls

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37    MAPWA, Submission, p. 503.
38    DFAT, Transcript, pp. 19, 20.

applied by the Sanctions Committee.[39]  Understandably, no relaxation of the international sanctions against arms sales to Iraq, and other military prohibitions, has ever been envisaged.

## Iraq's ban on oil exports

5.42    On 5 June 2001, Iraq suspended oil exports of around 2.2 million barrels per day in protest at the UN's retention of comprehensive sanctions and extension of the 'Oil-for-Food' Program by one month in order to consider US-British proposals to revise the sanctions regime.  Iraq has steadfastly rejected continuation of the economic sanctions and hence any UN demands for cooperation with UNMOVIC.  Iraq's Trade Minister was reported as announcing during a visit to the UAE that Iraq's oil exports would not resume until the US-British proposals were defeated.[40]

## Halliday and von Sponek

5.43    Until his resignation in October 1998, Denis Halliday was head of the 'Oil-for-Food' Program in Baghdad for a period of 13 months, and was UN Assistant Secretary-General.  He resigned in protest against what he saw as the terrible suffering of the Iraqi civilian population as a direct result of the economic sanctions:

> We are in the process of destroying an entire society.  It is as simple and terrible as that.  It is illegal and immoral.  …  Saddam Hussein himself has undermined the human rights, the political rights of the Iraqi people, but the Security Council has taken away the remaining rights such as food, housing, education, opportunities for employment, and well-being.  It is a tremendous irony.  …  [E]very military attack, every bombing run in the no-fly zones, every extension of the sanctions regime, strengthens Saddam Hussein—both in the country because it diminishes the people, and outside the country in the Arab and Islamic world.[41]

5.44    The Committee met with Mr Halliday during his visit to Australia in April 2000.  His successor as head of the 'Oil-for-Food' Program was Hans von Sponek, who also resigned the position (in February 2000) for reasons similar to those expressed by Mr Halliday.

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39    The range of measures implemented by the UN were listed in DFAT's supplementary Submission 61a (pp. 2447-48).  The Sanctions Committee for Iraq was established by Security Council Resolution 661 of 1990.

40    AP newswire, 'Iraq Continues Freeze on Oil Exports', 17 June 2001.

41    Cited by MAPWA, Submission, pp. 503-04, which reprinted several published articles written by Denis Halliday in 1999 (Submission, pp. 512-15 and 534-42).

5.45    During a news conference at the end of a 10-day visit to Iraq in June 2001, Mr Halliday and Mr von Sponek reiterated their call for an end to the Iraq sanctions on the grounds that the embargos conflict with the UN's charter and are incompatible with both the Universal Declaration of Human Rights and the Geneva Convention.[42]

## 'Smart Sanctions'

5.46    It is certainly arguable that, without the sanctions, Saddam Hussein would not have given even the grudging cooperation with UNSCOM that he did, nor would UNSCOM have achieved the degree of success that it did. Dr Barton, for example, concluded that it was the promise of lifting the sanctions that coerced Iraq's cooperation and that, in the end, it was the belief that sanctions would never be lifted that ended whatever cooperation had been achieved.  UNMOVIC has still not been granted access by Iraq.[43]

5.47    The difficulties with the 'Oil-for-Food' Program and the worsening humanitarian disaster in Iraq have created a need for the international community to consider alternatives to the comprehensive economic sanctions.  The operations of the Sanctions Committee have not been without problems in terms of delays in approving supply contracts, notwithstanding the removal of food, medical supplies and other essential items from the scrutiny of that Committee.[44]  The Uniting Church in Australia, among others, expressed reservations about the efficiency of the Sanctions Committee as well as the Iraqi authorities, and questioned the validity of some of the 'dual-use' items on the proscribed list.[45]

5.48    The term 'smart sanctions' as an alternative to the present regime has gained some currency in recent times, although its precise meaning has not been defined.  DFAT explained that Canada has presented a discussion paper on the broad role of sanctions and options for their modification.  The UN Secretary-General has spoken about the possibility of 'smart sanctions', which have been taken to mean penalties and embargoes targeted more directly towards the leading members of a

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42    AP newswire, 'Former UN Officers say Genocidal Iraqi Embargo Must End', 17 June 2001.
43    R Barton, Submission, p. 143.
44    DFAT, Transcript, p. 5.
45    Uniting Church, Transcript, pp. 96-98, 101-02.

regime, in addition to military prohibitions, thereby lessening unwanted impacts on civilian populations.[46]

5.49     The NGO community, both in Australia and internationally, is aware of the debate but has not reached any firm conclusions about the value of 'smart' sanctions, in the absence of specific detail.[47]  With international support for UN sanctions dwindling, many organisations and commentators would agree that a review of the purpose and effectiveness of sanctions is necessary, and indeed overdue.[48]  Any such review would include examining options for ensuring their impact fell on leaderships rather than on wider populations.  Denis Halliday and others have suggested developing sanctions that target leaderships by controlling finances, imposing aviation restrictions and preventing travel, for example.[49]

5.50     In his evidence, Dr Barton presented the view that, while the theory of targeted or 'smart' sanctions sounded reasonable, in practice they would not be effective if they reduced controls over Iraq's imports:

> The Iraqi Government already sees an erosion of sanctions through leakage, and any apparent formal easing of sanctions would only encourage Iraq to continue with its present policy of rejecting UN resolutions.  Secondly, the dual-use nature of much of the technology Iraq could import through an easing of sanctions could easily be misused by Iraq to add to its weapons capability, especially if there were no monitoring.[50]

5.51     Sanctions can only be as effective as the overall policy they are designed to support and the structures within which they are implemented.  The strategic targeting of sanctions is becoming a crucial element of international policy, as Kofi Annan stated in his 1998 Africa report:

> … 'better targeting of sanctions is necessary to help ensure that they will achieve their intended purpose'.[51]

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46   DFAT, Transcript, pp. 20-21.

47   ACFOA, Transcript, p. 382; World Vision Australia, Transcript, p. 164; National Council of Churches in Australia, Transcript, p. 271.

48   For example, Sir Alan Munro—former British Ambassador to Saudi Arabia at the time of the Gulf War—*Middle East International*, 'Iraq and Sanctions Ten Years On', 9 March 2001, pp. 24-25.

49   Denis Halliday, 'Iraq and the UN's Weapon of Mass Destruction', *Current History*, Vol. 98, No. 624, February 1999, p. 67.  Cortright and Lopez, op. cit., pp. 239 and 244-47.

50   R Barton, Transcript, p. 594.

51   Kofi Annan, 'The Causes of Conflict', paragraph 25, cited in *The Sanctions Decade*, op. cit., p. 223.

5.52    The continuation of comprehensive economic sanctions clearly presents a dilemma for the UN.  On the one hand, the most vulnerable elements of the Iraqi population have borne the brunt of the sanctions.  On the other hand, sanctions are apparently the only lever the UN can use to force Iraq to abandon its WMD ambitions, which were only too evident in the past.[52]

5.53    In a resolution on Iraq last year, the Security Council invited the Secretary-General to appoint a panel of independent experts to prepare a report on the humanitarian situation in Iraq within the framework of the existing sanctions regime.[53]  The report was due in November last year, but the Committee understands that no progress has been possible, due to Iraq's refusal to cooperate by issuing the necessary visas.

## Australia's Response

5.54    Australia is one of a number of countries which have expressed serious concerns about humanitarian impacts resulting from the sanctions. Nevertheless, DFAT gave evidence to the effect that, as a responsible member of the UN, Australia is bound to support implementation of Security Council decisions, including those relating to economic sanctions.[54]

5.55    In his submission, Professor Saikal argued that Australia should advocate a wider role for the UN in the Middle East region, and should actively seek an end to the sanctions in such a way as to maximise the benefits to the Iraqi people while diminishing the capacity of Saddam Hussein to rebuild Iraq's military power.

5.56    It is widely suspected that Israel possesses all kinds of WMD including nuclear weapons.  On this point, Professor Saikal has argued that, to leave Israel's capabilities intact while at the same time insisting on eliminating those of Iraq (or any other Middle Eastern country), is to apply a double standard—one for Israel and the other for the Arab states and Iran.[55]

5.57    The Security Council resolutions which created UNSCOM also called for the establishment of a regional WMD-free zone in the Middle East, which would include banning missile delivery systems and a global ban on

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52    DFAT, Transcript, p. 359; Barton, Transcript, p. 594;  Reuters newswire, 'Iraq, Iran Sanctions Could Ease in 2001', 22 December 2000.  Iraq used chemical weapons against Iranian soldiers and Kurdish minorities during the Iran-Iraq war, with covert support from the West.

53    Security Council Resolution 1302, 8 June 2000, paragraph 18.  DFAT, Transcript, p. 359.

54    DFAT, Transcript, p. 19.

55    A Saikal, Submission, pp. 486-87.

chemical weapons.[56]  There is little evidence of effective pressure being applied to Israel to declare or remove its (undeclared) nuclear weapons capacity.  Until the problem of WMD is clearly recognised as a regional and global one, rather than one particularly specific to Iraq, the sanctions will be seen by many in the Arab world as evidence of bias and a source of increased tension in the Middle East.[57]

5.58    International pressure for removal or modification of the economic sanctions against Iraq appears to be growing, led in the Security Council by France, China and Russia.  Much of the criticism, including from US allies such as Turkey, crystallised in response to the bombing raids by US and British warplanes in February 2001 against allegedly non-military targets in Iraq following incidents in the southern 'no-fly' zone.  The bombing attacks were described as 'understandable' by the Australian Government at the time.[58]

5.59    Dr Barton informed the Committee that, in his view, the wording of Resolution 1284 is ambiguous in relation to the triggers for suspending the sanctions against Iraq.  Part of the text refers to cooperation 'in all respects' *ie* full cooperation, while another paragraph refers to 'assessment of the progress made' by Iraq, implying that consideration would be given to suspending the sanctions as long as some progress was made.[59]

5.60    Australia is not a member of the Security Council.  However, as a responsible member of the international community, Australia has participated in multilateral discussions on Iraq's disarmament, including deliberations at the United Nations.  Hence, Australia could be pro-active in supporting a UN-administered process of WMD disarmament in the Middle East.

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56    Resolution 687 (1991), paragraph 14.

57    See, for example evidence from A Saikal (Submission, pp 485-87) and MAPWA (Submission, pp. 504-05)

58    Munro, op. cit., p.24; Reuters newswire, 18 February 2001 (story no. 1827); AFP newswire, 19 February 2001 (story no. 3210); *The Age*, 19 February 2001, p. 9.

59    R Barton, Submission, p. 143.  See paragraphs 33 and 34 of Resolution 1284.

## Recommendation 10

5.61 **The Committee recommends that, under the auspices of the United Nations, the Australian Government urge the international community to accelerate its review of the sanctions regime currently applied to Iraq. Such a review should include seeking modifications which would target more effectively the Iraqi leadership and would therefore minimise the impact on the civilian population.**

## Recommendation 11

5.62 **The Committee recommends that the Australian Government use its participation in multilateral discussions at the United Nations to ensure the international community considers 'qualitative' as well as 'quantitative' compliance measures in any revision or replacement of Security Council Resolution 1284.**

## Recommendation 12

5.63 **The Committee recommends that the Australian Government support consideration by the international community of practical mechanisms to give effect to the establishment of a Weapons of Mass Destruction-free zone in the wider Middle East region, as originally envisaged in Security Council Resolution 687 of 1991 (paragraph 14).**

# US Policy of Supporting an Iraqi 'Opposition'

5.64 In office, President Clinton stated repeatedly that the sanctions would remain in force until Saddam Hussein was no longer in power. The Iraq Liberation Act of 1998, passed by Congress and signed by President Clinton, set aside US$97.0 million to develop an Iraqi political opposition. However, the President gave the measure only lukewarm support, and very little of the money allocated has actually been spent. The group which has been the main beneficiary is based in London—the Iraqi National Congress—and is described by some commentators as lacking

any social base in Iraq.  Other potential opposition groups have been dismissed as disparate and ineffective.[60]

5.65    The new Bush administration's intentions in relation to the Iraq Liberation Act have not yet been made clear.  However, very little credence is given to the viability of the various exiled and fragmented groups as a political opposition to Saddam Hussein.[61]

60    Anthony Arnove, 'Iraq Under Siege: Ten Years On', *Monthly Review*, December 2000, p. 15; Reuters newswire, 'Iraqi Oppositions says Sending in Agents this Month', 7 February 2001; Nicholas Lemann, *The New Yorker*, 22 January 2001, p. 34; *The Australian Financial Review*, 'Aid for Hussein's Opponents Queried', 20 March 2001.

61    Reuters newswire, 'Ten Years after Gulf War, Saddam Remains Defiant', 12 January 2001.

# SECTION TWO

# Economic and Social Issues

# 6

# Australia's Trade Relationship with the Region

6.1     The Committee received 28 submissions whose main focus was on
        Australia's trade relations with the Middle East.  Four submissions were
        made by companies (Qantas, Kraft Foods, SAGRIC International and
        AWB Ltd), while another four came from individuals with an interest in
        trade.  Twenty submissions came from various organisations with an
        interest in trade issues, both Government and private, such as the
        Department of Foreign Affairs and Trade (DFAT) and the Australian
        Chamber of Commerce and Industry (ACCI).

## Key Findings

6.2     Key findings of the Committee were:

- In trade terms, the Middle East is more important to Australia than we
  are to that region.
    - ⇒ In 1999, the Middle East consumed 4.7 per cent of Australia's
      total exports, while Australia received 0.7 per cent of the
      Middle East's total exports.
    - ⇒ In 2000, Australia had a surplus of exports over imports with
      all countries in the Middle East, except Israel and Qatar.

- An 'increasing mis-match' between Australia and the Middle East was
  identified.  This needs to be reversed.

- Australia's exports in 2000 to the 14 countries of the Middle East
  covered by this Inquiry are relatively small, totalling $5.6 billion—the
  same figure as Australia's exports to Taiwan.

⇒ The Middle East represented 5.1per cent of Australia's total exports. In the last 20 years this figure has fluctuated widely between a high of 8.2 per cent in 1982 and a low of 2.5 per cent in 1995.

⇒ Australia's major export markets in the Middle East in 2000 were: Saudi Arabia ($1.6 billion); UAE ($1.0 billion); Iran ($0.6 billion); and Iraq ($0.6 billion). Exports to Israel totalled $244 million (4.4 per cent of total exports to the Middle East).

■ The USA was by far the biggest supplier to the Middle East in 1999, followed by Japan, the UK, and Germany.

⇒ Australia supplied 1.9 per cent of total imports into the Middle East in 1999. This was slightly less than our market share in 1990.

⇒ Australia has a marginally bigger market share of imports into the Middle East than Canada, Brazil, or South Africa.

■ Australia's exports to the Middle East are dominated by primary products. Passenger Motor Vehicles (PMVs) is the only elaborately transformed manufacture (ETM) which has made substantial inroads.

■ Australia's imports from the region are mainly crude and refined petroleum.

■ The Middle East is a relatively small, but generally high-yield, source of tourists to Australia.

■ Australia attracts less than 1% of Middle East students who study higher education courses overseas.

6.3 The submissions and hearings identified a number of suggestions for improving trade relations between Australia and the Middle East. The Committee has made several recommendations which, if implemented, could result in increased exports by Australia from the Middle East.

6.4 All values in this chapter are expressed in Australian dollars unless otherwise shown. Totals have normally been rounded to one decimal place. Appendix G contains updated Country Fact Sheets from the DFAT website, which include trade data for 2000.

# Australia/Middle East – Direction of Trade

## Bilateral trade

6.5 Australia's trade in 2000 with the 14 countries in the Middle East covered by this Inquiry is shown in Table 6.1 below.

**Table 6.1 Australia's Trade with the Middle East in 2000, by Country, A$ million**

| Country | Exports from Australia | Imports into Australia | Country | Exports from Australia | Imports into Australia |
|---|---|---|---|---|---|
| | *A$m* | *A$m* | | *A$m* | *A$m* |
| Bahrain | 83 | 47 | Lebanon | 53 | 7 |
| Egypt | 554 | 16 | Oman | 194 | 79 |
| Iran | 604 | 31 | Qatar | 81 | 113 |
| Iraq | 590 | 127 | Saudi Arabia | 1,586 | 1,429 |
| Israel | 244 | 418 | Syria | 19 | 1 |
| Jordan | 102 | 3 | UAE | 1,016 | 955 |
| Kuwait | 322 | 160 | Yemen | 129 | 67 |
| **Total all Middle East, above:** | | | | **5,577** | **3,453** |

*Source    DFAT 'Composition of Trade 2000'*

## Relative importance

6.6 In 1999, the Middle East accounted for 4.7 per cent of Australia's exports (5.1 per cent in 2000) while Australia received only 0.7 per cent of their exports.  Table 6.2 shows the figures.  Thus in trade terms the Middle East is more important to Australia than the reverse direction of trade and it is therefore in Australia's interest to nurture and develop this relationship.

**Table 6.2 Middle East/Australia Exports – Relative Importance**

| | 1990 | 1995 | 1999 |
|---|---|---|---|
| Middle East Total Exports (US$m)[1] | 151,500 | 167,100 | 174,800 |
| Middle East Exports to Australia (US$m) | 900 | 1,510 | 1,234 |
| **Percentage to Australia** | **0.6%** | **0.9%** | **0.7%** |
| Australian Total Exports (A$m)[2] | 50,892 | 71,670 | 86,893 |
| Exports to the Middle East (A$m) | 2,371 | 1,772 | 4,049 |
| **Percentage to the Middle East** | **4.7%** | **2.5%** | **4.7%** |

*Source    (1) – IMF 2000 Yearbook;  (2) DFAT 'Composition of Trade 1999'*

## Trade with the Middle East as a region

6.7     Australia's export and import trade with the Middle East region in the
        period 1990–2000 is shown in Fig 6.1 below.  Australian exports to the
        Middle East stagnated in the early 1990s but have shown strong growth
        since 1996.  In contrast, Australia's imports from the Middle East rose in
        most years between 1990 and 1997, then dipped in 1998.  Imports rose
        slightly in 1999 and grew strongly in 2000.

6.8     The right-hand axis of Figure 6.1 shows exports to the Middle East as a
        percentage of total Australian exports in the period 1990-2000.

**Fig 6.1         Australia's trade with the Middle East, 1990–2000, A$m**
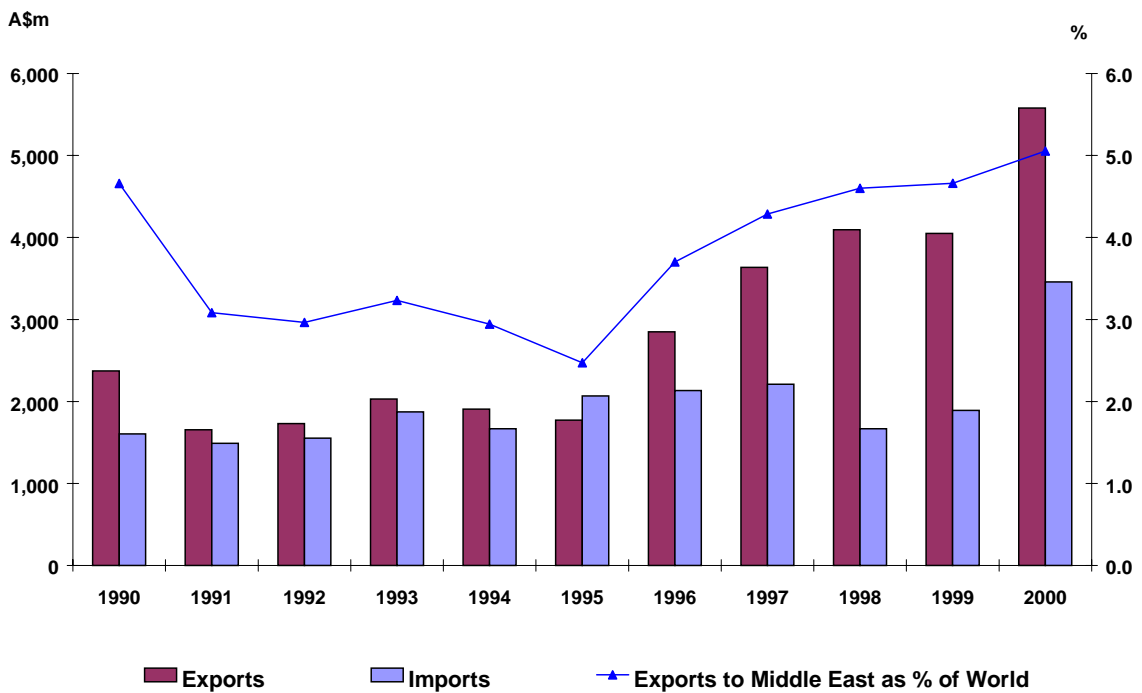
6.9     A significant surplus in trade with the Arab countries of the Middle East is
        now developing in Australia's favour, as pointed out in the submission
        from the Australia Arab Chamber of Commerce and Industry (AACCI).[1]
        This trade imbalance is not an issue in the current era of high oil prices,
        but could cause tension with some countries in the future.

6.10    Table 6.3 below shows exports and imports to the Middle East as a
        proportion of total Australian exports.

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[1]     Submission, p. 228.

**Table 6.3    Australia/Middle East Trade 1981-2000, A$ million**

|  | 1981 | 1985 | 1991 | 1996 | 2000 | 5 year trend 1996-2000 *% growth per annum* | 10 year trend 1991-2000 *% growth per annum* | 20 year trend 1981-2000 *% growth per annum* |
|---|---|---|---|---|---|---|---|---|
| Exports to the Middle East | 1,412 | 2,377 | 1,656 | 2,849 | 5,577 | 21.8 | 11.5 | 4.8 |
| Total Australian Exports | 18,686 | 32,410 | 53,720 | 76,986 | 110,377 | 7.6 | 7.4 | 7.8 |
| Percentage to the Middle East | 7.6 | 7.3 | 3.1 | 3.7 | 5.1 |  |  |  |
| Imports from the Middle East | 1,968 | 1,389 | 1,489 | 2,132 | 3,453 | 5.7 | 5.2 | 2.1 |
| Total Australian Imports | 20,486 | 33,130 | 49,674 | 78,410 | 116,947 | 8.9 | 9.0 | 9.5 |
| Percentage from the Middle East | 9.6 | 4.2 | 3.0 | 2.7 | 3.0 |  |  |  |

*Source      DFAT 'Composition of Trade'*

6.11    The Middle East represented 7.6 per cent of Australia's total exports in 1981, rising to a high of 8.2 per cent the following year.  It then steadily lost ground, reaching a low of 2.5 per cent of total exports in 1995.  A strong performance since 1996, with trend growth for those five years of 21.8 per cent per annum, has seen the proportion of exports to the Middle East rise to 5.1 per cent of total exports in 2000.  However, this very high rate of growth will need to be maintained for the next few years if the Middle East is to regain the share of Australia's total exports it represented 20 years ago.

6.12    To put Australia's exports to the Middle East region into a broader context, Australia's exports to those 14 countries in 2000 totalled $5.6 billion—which was roughly the same value as Australia's exports to Taiwan, or the combined total of exports to the UK and the Netherlands, or 85 per cent of Australia's exports to New Zealand.

## New methodology

6.13    The submission made to the Committee by the Australian Chamber of Commerce and Industry (ACCI) was based on a new and innovative method of analysing trade relationships between countries and regions. The methodology was proposed by the Australian National University,

the data was provided by the Department of Foreign Affairs and Trade, and the analysis and interpretation was undertaken by the ACCI.

6.14    The methodology is complex, as ACCI explained:

> … [I]t draws on several concepts: an overall trade balance; a degree of trade intensity; a degree of country bias; trade complementarity; and impact on world imports. … The measurements … are about ratios—a ratio of exports to imports [by Australia], … by the Middle East, and each with the world.[2]

6.15    The ACCI suggests that Australia's trade relationship with the Middle East is not in good shape.  Based on its modelling and analysis, the ACCI concluded that:

> The general message of our work on the Middle East is one of decline in Australia's trade performance with the Middle East. Our market shares and market match are declining—in our methodology this is called an 'increasing mis-match'.[3]

6.16    This 'increasing mis-match' between Australia and the Middle East seems to reflect a situation where an increasing proportion of Middle East imports is sophisticated manufactured products while Australia's exports to the Middle East are still dominated by primary products.  However, the proportion of ETMs in our exports to the Middle East is growing rapidly (see Table 6.4 below), and gives hope that the mismatch will at least be arrested if not reversed in the future.

6.17    The ACCI's work provides a valuable indicator for understanding the reality of the underlying trade relationship between Australia and the Middle East.  The methodology used enables one to step back from the traditional and simple analysis of bilateral figures and has the potential to provide a much deeper insight into the true nature of a trade relationship.

6.18    The ACCI's methodology is still being refined.  It relies on the availability of reliable trade statistics compiled under the auspices of the IMF.  The limitations of some of the available statistics has meant that several countries in the Middle East have had to be omitted from the study.  It is hoped that the issue of reliability of the data will diminish over time.

6.19    The Committee congratulates the ACCI on its pioneering work in developing this new methodology and believes that it has the potential to provide a useful new tool for analysing and understanding Australia's trade relationships.

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[2]    Transcript, 20 March 2001, p. 632.

[3]    ibid.

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**Recommendation 13**

6.20    **The Committee recommends that the Department of Foreign Affairs and Trade examine the methodology developed by the Australian Chamber of Commerce and Industry for analysing trade relationships, with a view to incorporating it in all future departmental reviews and briefs.**

## Australian imports

6.21    Australia's imports from the Middle East represented 9.6 per cent of total imports in 1981.  The Middle East's share of total imports then declined, reaching a low of 1.7 per cent in 1998.  Imports increased in 1999 and jumped in 2000, when the Middle East represented 3.0 per cent of total imports.  Table 6.7 shows Australia's imports from the Middle East by major product category.

# Australia/Middle East - Composition of Trade

## Broad categories

6.22    Australia's exports to the Middle East are still dominated by primary products, although ETMs have taken an increasing proportion of total exports in recent years, as shown in Table 6.4:

**Table 6.4     Australia's Exports to the Middle East by broad category, per cent**

|                                          | 1991 | 1996 | 2000 |
|------------------------------------------|------|------|------|
| Primary Products                         | 86.0 | 86.0 | 66.4 |
| Simply Transformed Manufactures          | 5.8  | 2.0  | 2.3  |
| Elaborately Transformed Manufactures     | 7.9  | 11.3 | 29.3 |
| Other                                    | 0.2  | 0.7  | 2.0  |
| **TOTAL EXPORTS**                        | 100% | 100% | 100% |

*Source     DFAT, TREC Report*

6.23    The category 'Primary Products' comprises Unprocessed Primary and Processed Primary.  Unprocessed Primary includes products such as wheat and live animals.  Processed Primary includes products such as meat, dairy products, and alumina. 'STM' covers products such as

precious and semi-precious stones, alloys of metal, and chemicals. 'ETM' was mainly Passenger Motor Vehicles, and also covers products such as machinery and equipment and parts. 'Other' covers non-monetary gold and special transactions.

## Top ten exports

6.24    Australia's top 10 exports to the Middle East by product category are shown in Table 6.5.

Table 6.5    Australia's Top Ten Export Categories to the Middle East, A$ million

|  | 1996 | 1998 | 2000 | Percentage increase 1996-2000 |
|---|---|---|---|---|
| Confidential items | 1,590 | 1,698 | 2,413 | 52 |
| Passenger Motor Vehicles | 121 | 554 | 1,323 | 993 |
| Live animals | 231 | 268 | 366 | 58 |
| Cheese and curd | 94 | 132 | 179 | 90 |
| Coal | 103 | 134 | 139 | 35 |
| Meat (excluding bovine) | 85 | 110 | 131 | 54 |
| Milk and cream | 30 | 69 | 103 | 243 |
| Non monetary Gold | 16 | 223 | 95 | 494 |
| Fresh vegetables | 56 | 49 | 89 | 59 |
| Butter | 49 | 82 | 84 | 71 |
| **Total – Top 10 Major Categories** | **2,375** | **3,319** | **4,922** | **107** |
| **Total – all exports to the Middle East** | **2,859** | **4,106** | **5,577** | **96** |
| **Percentage of Top Ten of all exports** | **83%** | **81%** | **88%** | |

*NOTE*:    *Confidential items is believed to comprise mainly wheat and alumina.*

*Source*    *DFAT 'Composition of Trade 2000'*

6.25    In 2000, the top 10 product categories represented 88 per cent of total exports to the region, which illustrates how narrow the range of products is in Australia's exports. Only one of the Top Ten export categories was an ETM (*ie* passenger vehicles). Much more work needs to be done to broaden the range and size of ETMs exported to the Middle East.

6.26    The Middle East is a very important market for Australian exporters of wheat, alumina, live animals, processed cheese, milk powder, butter, and passenger motor vehicles. Food and consumer items have a positive future in the Middle East due to the high population growth rate. According to Austrade, more companies should now be positioning their brands in that market:

> The Middle East has a population of over 250 million and a population growth rate of 3 per cent, making the supply of sufficient good quality food a real priority.  It is significant to note that the demographics of the region are changing, with an emerging young and affluent society demanding more sophisticated goods, both in specialised processed foods and other elaborately transformed products.[4]

6.27    For example, Egypt's population is expected to be 90 million by 2025, Syria's 34 million, Jordan's 10 million and Israel's 7 million.[5]

6.28    Exports of PMVs from Australia to the Middle East started in earnest in 1996 and since then this product category has been the major driver of growth in ETM exports.  In 2000, PMVs represented about 85 per cent of ETM exports to the Middle East.[6]

6.29    This is a remarkable success story.  The export figures are provided in Table 6.6:

**Table 6.6      Exports of Passenger Motor Vehicles (PMVs) to the Middle East, A$ million**

|  | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|---|---|
| Exports of PMVs | 1 | 121 | 340 | 567 | 808 | 1,325 |
| Percentage increase over previous year |  | # | 179% | 64% | 47% | 64% |

*# = very large increase*

*Source      DFAT 'Composition of Trade 2000'*

6.30    The Committee congratulates the car manufacturers, especially General Motors Holden (GMH) and Toyota on their success in developing such an excellent market in the Middle East for Australian-built cars.

6.31    However, the Committee understands that the GMH vehicles are sold in the Middle East with American badging.  The VT Commodore is sold as a Chevrolet Lumina and the Statesman as a Chevrolet Caprice.  The Committee believes that it is important that a market for distinctly Australian brands be developed and would prefer to see these cars carry Australian badging.

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4    Austrade, Submission, p. 845.
5    DFAT, Submission, p. 963.
6    Austrade, Exhibit 36.

6.32    It is noteworthy that, although exports of PMVs to the Middle East were valued at $1.3 billion per annum in 2000, the export of automotive components from Australia to the Middle East totalled only $40 million, or 3 per cent of PMV exports.  In contrast, Australia's exports of PMVs to the USA were valued at $371 million while the export of automotive parts was almost as much at $322 million.  The Committee suggests that Austrade examine the apparent untapped potential for Australian manufacturers of automotive parts and accessories in the Middle East.

6.33    The Committee received a submission and then evidence from Kraft Australia and was impressed to learn of Kraft's success in building an important business for its branded processed cheese products in the Middle East.  This business is now worth over $100 million per annum.[7]

6.34    Australia needs to develop other product areas to duplicate the excellent examples provided by Kraft and the car manufacturers.  More companies should build long-term markets for Australian-made, value-added, branded products, as Kraft has done so successfully.

6.35    The recent growth in exports of ETMs to the Middle East is a step in the right direction, as these are products for which demand is growing in the Middle East.  However, the reality is that Middle East imports of ETMs from Australia still only represent a very small proportion of their total imports of ETMs.

6.36    'Passenger Motor Vehicles' is the only ETM category where Australia has made a really significant impact, with exports of that product category now worth well over one billion dollars per annum.  Australia urgently needs to duplicate this experience with other ETMs.

## Confidential items in trade statistics

6.37    In 2000, 43 per cent of exports to the Middle East were classified as 'Confidential Items'.  The Australian Bureau of Statistics classifies products under a general 'Confidential Items' heading if there are only a few exporters of that product involved in the trade.  This is done so that competitors are not able to ascertain easily the make-up of exports and therefore able to calculate the performance of their fellow exporters.

6.38    With the 'Confidential Items' category becoming so large, meaningful analysis of Australia's export statistics becomes increasingly difficult.  This situation does not apply only to the Middle East.  For example, 'Confidential Items' represented a huge 53 per cent of exports to Canada

7    Submission, p.835 and Transcript, 25 July 2000, p.170.

and 54 per cent of exports to South Africa in 2000. Furthermore, it was by far the largest single export category to the USA.

6.39    The size of 'Confidential Items' in import statistics is becoming an issue as well. In 2000, imports classified under 'Confidential Items' were valued at $231m or 7 per cent of total imports from the Middle East (see Table 6.8 below).

6.40    The use of the 'Confidential Items' category is meant to hide details of traded goods. But the reality is that, with a little effort, exporters and other interested parties can obtain relevant statistics by examining the import statistics of recipient countries as other countries are not bound by the ABS restrictions. Similarly, importers in Australia could search supplier-country export statistics to obtain those statistics.

## Recommendation 14

6.41    **The Committee recommends that the Department of Foreign Affairs and Trade discuss the use of the category 'Confidential Items' for both exports and imports with the Australian Bureau of Statistics, to produce more meaningful trade statistics.**

## Composition of imports

6.42    If Australia's exports to the Middle East are not sufficiently diversified, the region's exports to Australia are even more concentrated. The top five product categories in Australia's imports from the Middle East represented 83 per cent of total imports from the Middle East in 2000. With the exception of Israel, which supplies a wider range of products to Australia, the other countries of the Middle East need to diversify their exports even more urgently than Australia does. The relevant figures are provided in Table 6.7, which follows:

**Table 6.7    Australia's Top Five Imports from the Middle East, A$ million**

|  | 1996 | 1998 | 2000 | Percentage increase 1996-2000 |
|---|---|---|---|---|
| Crude petroleum | 1,080 | 680 | 1,963 | 82 |
| Refined petroleum | 362 | 175 | 404 | 12 |
| Confidential items | 171 | 156 | 231 | 35 |
| Fertilisers (excluding crude) | 84 | 83 | 144 | 71 |
| Liquefied propane and butane | 45 | 42 | 130 | 188 |
| **Total – Top Five** | **1,742** | **1,136** | **2,872** | **65** |
| **Total – All imports from the Middle East** | **2,134** | **1,669** | **3,453** | **62** |
| **Percentage – Top Five of all imports** | **82%** | **68%** | **83%** | |

*Source      DFAT 'Composition of Trade 2000'*

# Imports into the Middle East

## Australia's market share

6.43    The submissions from DFAT and Austrade generally painted a positive and up-beat picture of Australia's trade with the Middle East.  However, the submission from the Australia Arab Chamber of Commerce (AACCI) and Industry took a far less sanguine view, with the observation that Australia's overall share of Middle East imports is poor.[8]

6.44    The Committee believes that the AACCI is on the right track—that to really understand how well Australia is doing one needs to look at market share.  Market share shows how Australia has performed in relation to other suppliers, rather than just looking at our own exports and how they have moved year to year.

6.45    The Australian Chamber of Commerce and Industry made this point succinctly when discussing its new approach to analysing trade statistics:

> I do not have to tell a politician that it is not how many votes you get, it is your market share that really matters at the final point.[9]

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[8]    AACCI, Submission, p. 228.

[9]    ACCI, Transcript, 20 March 2001, p.631.

6.46     Table 6.8 shows the import volumes generated by particular countries in the Middle East and Australia's share of those imports in 1990, 1995 and 1999:

**Table 6.8     Middle East imports in US$ million, and percentage from Australia**

| Country | 1990 | | 1995 | | 1999 | |
|---|---|---|---|---|---|---|
| | *Value of total imports US$m* | *% of total imports from Australia* | *Value of total imports US$m* | *% of total imports from Australia* | *Value of total imports US$m* | *% of total imports from Australia* |
| Bahrain | 3,711 | 5.2 | 3,716 | 4.8 | 2,803 | 1.6 |
| Egypt | 9,216 | 4.2 | 11,739 | 1.1 | 15,962 | 2.7 |
| Iran | 15,903 | 3.0 | 12,313 | 3.3 | 11,953 | 2.6 |
| Iraq | 6,526 | 2.9 | 665 | 0.8 | 1,513 | 12.0 |
| Israel | 15,338 | 0.3 | 28,218 | 0.3 | 31,093 | 0.3 |
| Jordan | 2,607 | 0.4 | 3,660 | 1.1 | 3,791 | 1.8 |
| Kuwait | 4,066 | 0.7 | 7,771 | 1.1 | 7,616 | 3.2 |
| Lebanon | 2,515 | - | 6,670 | 0.2 | 5,730 | 0.4 |
| Oman | 2,726 | 2.3 | 4,253 | 2.7 | 4,674 | 2.7 |
| Qatar | 1,696 | 2.4 | 1,929 | 2.0 | 2,781 | 1.6 |
| Saudi Arabia | 24,081 | 1.2 | 27,449 | 0.8 | 28,031 | 2.2 |
| Syria | 2,401 | - | 4,709 | - | 5,333 | 0.3 |
| UAE | 11,472 | 1.9 | 20,984 | 1.3 | 33,040 | 1.9 |
| Yemen | 2,385 | 5.6 | 1,578 | 0.4 | 2,587 | 3.8 |
| **TOTAL** | **104,643** | **2.0** | **135,654** | **1.2** | **156,907** | **1.9** |

*Source     IMF 2000 Yearbook*

6.47     The above table shows that Australia is indeed a small player on the Middle Eastern trade scene, contributing only 1.9 per cent of the total imports in 1999 and taking only 0.7 per cent of the region's total exports.

6.48     Australia had a market share of imports greater than 2 per cent in only six of the 14 specified countries in the Middle East in 1999. By far the highest market share achieved was in Iraq, where Australia supplied 12 per cent of imports. Unfortunately this was not the result of some brilliant new marketing strategy to increase exports to Iraq. Only one commodity was involved—wheat—supplied by AWB Ltd under the UN's 'Oil for Food' program. This result is a great tribute to AWB Ltd's excellent customer relations throughout the Middle East, including with Iraq, since other

companies such as Kraft Foods, have found it very difficult to access that market.[10]

## Growth markets

6.49    Table 6.9 shows how the value of imports to the markets of the Middle East changed over the ten years from 1990 to 1999:

**Table 6.9    Percentage change in total imports, 1990 to 1999**

| Bahrain | -25% | Lebanon | 128% |
|---------|------|---------|------|
| Egypt | 73% | Oman | 72% |
| Iran | -25% | Qatar | 64% |
| Iraq | -77% | Saudi Arabia | 17% |
| Israel | 103% | Syria | 122% |
| Jordan | 45% | United Arab Emirates | 188% |
| Kuwait | 87% | Yemen | 9% |

*Source    IMF 2000 Yearbook*

6.50    The markets which experienced the strongest import growth over that period were UAE, Lebanon, Syria and Israel, while the markets of Iraq, Iran and Bahrain actually shrank in size.

6.51    From a trade development perspective it would make sense for Australia to focus its representation in those markets which are experiencing the highest growth, at the expense of markets with slower growth or which are contracting in size.  For example, Austrade could look at the feasibility of switching some resources from Iran to establish a presence in Syria which is experiencing fast import growth and where Australia only has a 0.3 per cent share of imports at present.

6.52    Austrade needs to be very flexible in order to respond quickly to changing market dynamics; to maximise the flow of intelligence and well-defined opportunities for the benefit of Australian business.

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[10]    Kraft Foods Ltd, Transcript, 25 July 2000, p.170.

# Benchmarking Australia's performance

6.53    The largest suppliers to the Middle East are the USA and Japan, followed by a number of European countries such as the UK, Germany, Italy and France.  The major growth in Middle East imports in recent years has been in defence and transport equipment and other sophisticated manufactures. In comparison with these big players, Australia is very much a 'second tier' supplier.

6.54    It would not be very meaningful to compare Australia with these major suppliers.  It is more realistic to benchmark Australia's performance against other 'second tier' suppliers to the Middle East, such as Canada, Brazil and South Africa.  Table 6.10 provides the relevant figures:

**Table 6.10    Comparison of Market Share of Middle East Imports**

| Country | 1990 | | 1995 | | 1999 | |
|---|---|---|---|---|---|---|
| | US$m | Per cent share | US$m | Per cent share | US$m | Per cent share |
| Australia | 2,071 | 2.0 | 1,591 | 1.2 | 2,921 | 1.9 |
| Canada | 1,016 | 1.0 | 1,320 | 1.0 | 1,572 | 1.0 |
| Brazil | 1,239 | 1.2 | 1,634 | 1.2 | 1,923 | 1.2 |
| South Africa | 222 | 0.2 | 529 | 0.4 | 920 | 0.6 |
| **Total all Imports** | **104,643** | **100** | **135,654** | **100** | **156,907** | **100** |

*Source    IMF 2000 Yearbook*

6.55    The statistics in Table 6.10 above are shown in graph form in Figure 6.2 on the next page.  It is some consolation that Australia has generally achieved a slightly greater market share than Canada, Brazil or South Africa—but in reality none of these four suppliers has much to celebrate, with such small market shares.

**Figure 6.2    Share of Middle East imports—South Africa, Canada, Brazil, Australia**
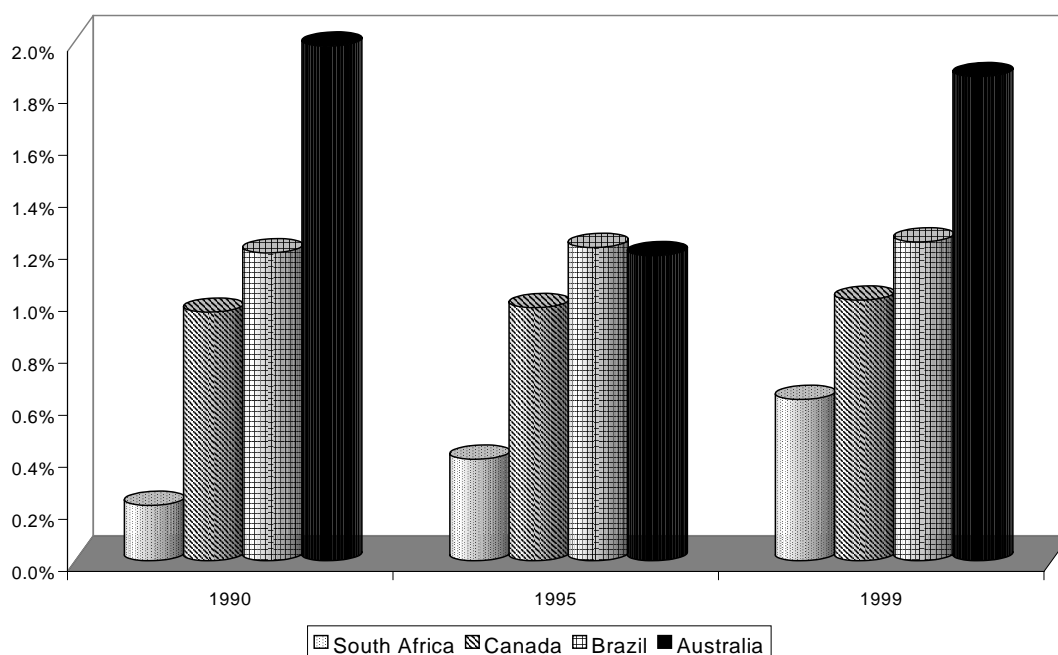


*Source    IMF 2000 Yearbook*

6.56    Canada and Brazil were able to maintain steady market shares over the decade of the 1990s, while Australia's fluctuated quite widely.  The fluctuations reflect Australia's vulnerability in relying on a few major product categories.  If problems occur in one or two key product categories, they can have a big impact on exports and on market share.  Australia needs to diversify the range and size of exports to the Middle East to be able to survive better the problems that inevitably occur in all trading relationships from time to time.

6.57    South Africa managed to increase its market share in the Middle East steadily over the course of the 1990's.  In fact it was the only one of the four countries to increase its market share during this period.  South Africa has made good gains, but from a very small base.  It will be interesting to see if South Africa is able to continue to grow its share of the market at the same rate in the future.

6.58    As shown in Table 6.8 above, there are four major import markets in the Middle East, namely Egypt (US$16 billion), Israel (US$31 b), Saudi Arabia (US$28 b), and the UAE (US$33 b).  In 1999 these four markets represented 70 per cent of total imports into the Middle East.  The following graphs benchmark Australia's performance in these markets against Canada, Brazil and South Africa, respectively:

## Egypt

**Figure 6.3    Share of Egyptian imports**
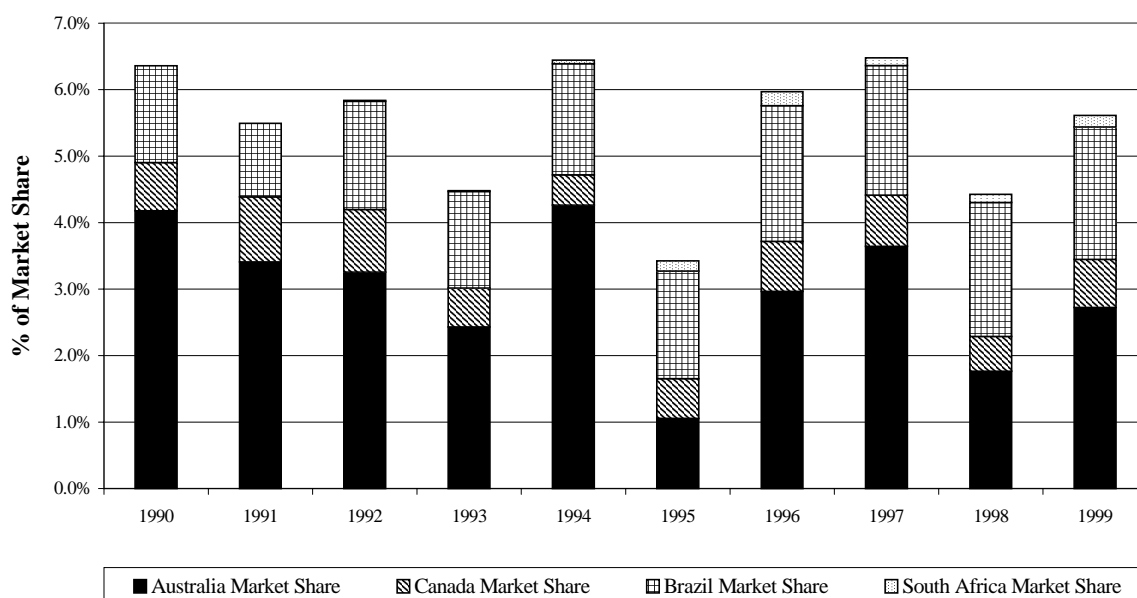


*Source    IMF 2000 Yearbook*

6.59    Total imports into Egypt increased by 73 per cent between 1990 and 1999, while imports from Australia rose by only 13 per cent in that decade.

6.60    Australia's share of the Egyptian market has fluctuated between a high of 4.3 per cent in 1990 and a low of 1.1 per cent in 1995.  Australia finished the decade with a respectable 2.7 per cent market share.  However, our long-term market share shows a declining trend, which does not augur well for the future.

6.61    The major export categories from Australia to Egypt in 2000 were: Confidential Items ($257million, believed to be mainly wheat) which was 46 per cent of total exports, live animals ($141m), dairy products ($61m), and fresh vegetables ($48m).

6.62    Egypt is clearly a very important market for a range of Australian primary products, but there is a need to diversify exports to include more ETMs. There is quite a large community in Australia of Egyptian origin that, one might have thought, would have facilitated a broader range of bilateral commercial ties.

6.63    Imports into Australia from Egypt in 2000 totalled a very small $16 million, being mainly floor coverings and textiles.

# Israel

**Figure 6.4    Share of Israeli imports**
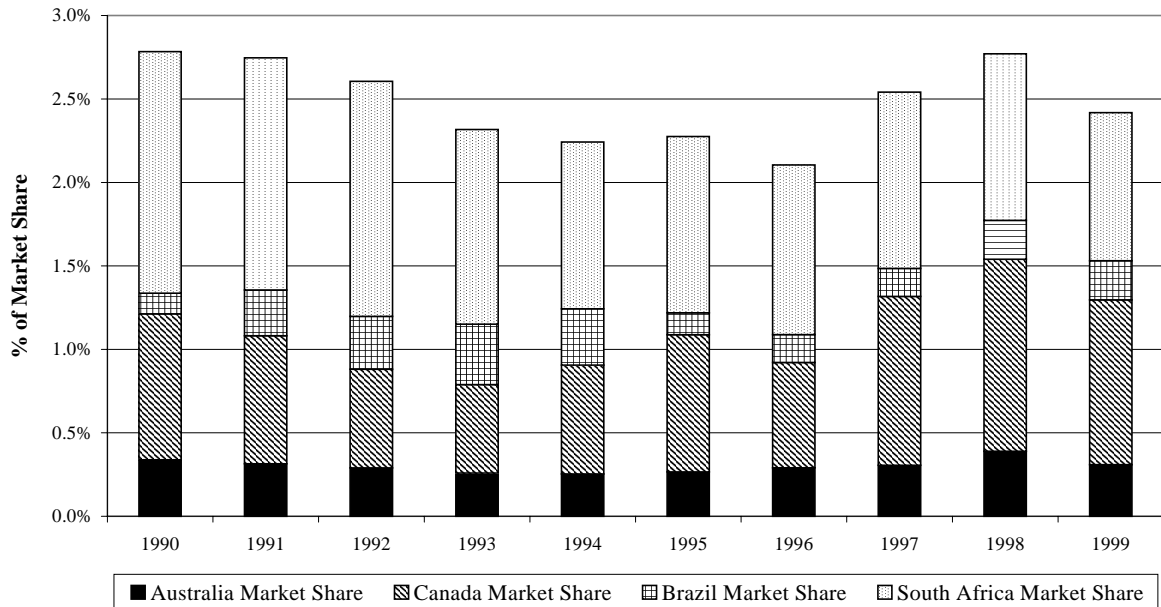
6.64    Australia's share of Israel's imports has been a steady 0.3 per cent over the past decade, marginally larger than Brazil but significantly smaller than both Canada and South Africa.  While Israel's imports over the decade of the 1990s grew by dynamic 103 per cent, Australia was not able to increase its market share.  This is a very disappointing, given the energetic activities of the Australia Israel Chamber of Commerce and the existence of close community ties.

6.65    The range of Australian products exported to Israel is narrow.  In 2000, three products represented 73 per cent of total exports—Coal ($100m), Confidential items ($41m), and Aluminium ($37m).  ETMs represented only about 10 per cent of total exports to Israel

6.66    In 2000, Israel and Qatar were the only two countries in the Middle East with which Australia had bilateral trade deficits—Australian exports to Israel were valued at $244m, and imports $418m.

6.67    Major import categories from Israel were pearls and gems ($83m), and telecommunications equipment ($59m).

## Saudi Arabia

**Figure 6.5 Share of Saudi Arabian imports**
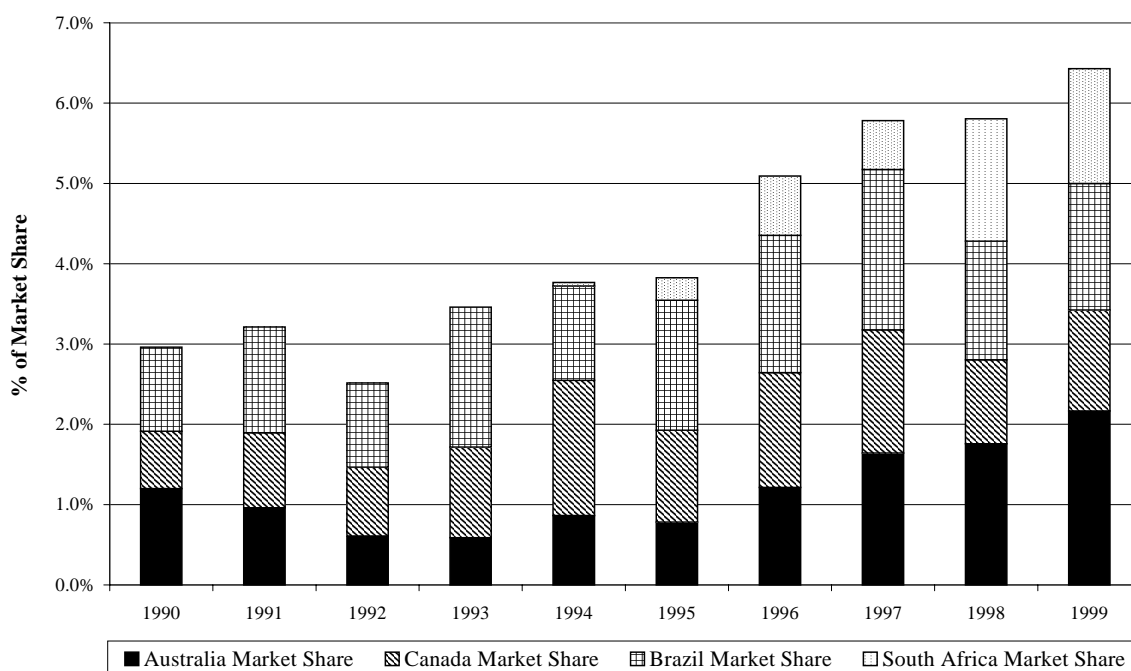


*Source IMF 2000 Yearbook*

6.68 While Saudi Arabia is a huge import market, valued at US$28 billion in 1999, total imports only registered a small increase of 17 per cent over the past decade.

6.69 Australia's share of Saudi Arabian imports declined between 1990 and 1995. That trend was reversed, thanks almost entirely to the increase in Passenger Motor Vehicle exports, and Australia ended the decade with a market share of 2.2 per cent.

6.70 Canada's market share fluctuated between 0.7 per cent and 1.7 per cent and Brazil's between 1.1 per cent and 2 per cent. South Africa did well, capturing a 1.5 per cent share after only six years trading with Saudi Arabia.

6.71 In 2000, Australia's main export categories were PMVs ($895m), Confidential items ($244m, believed to be mainly barley and sugar), and cheese ($113m). These three categories represented 79 per cent of Australia's total exports to Saudi Arabia.

6.72 Imports from Saudi Arabia were mainly crude petroleum ($802m) and refined petroleum ($351m).

## United Arab Emirates

Figure 6.6    Share of UAE imports
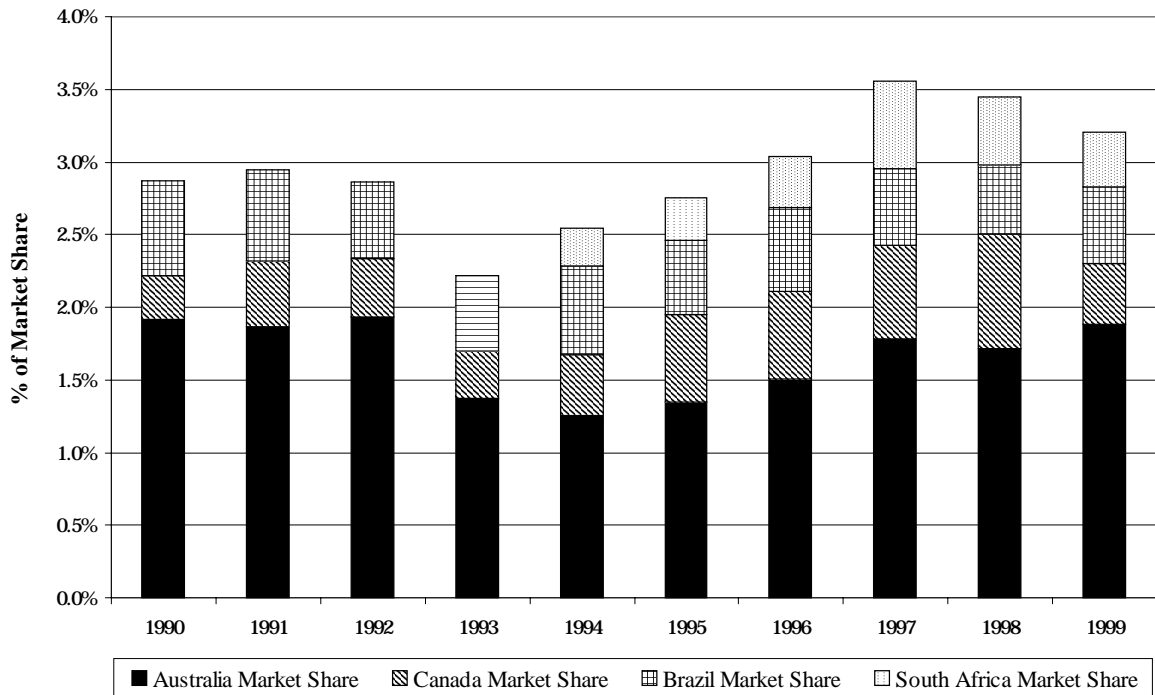


Source    IMF 2000 Yearbook

6.73    Between 1990 and 1999, imports into the United Arab Emirates grew from US$12 billion to US$33 billion, or 188 per cent. This was by far the highest rate of growth of imports in the Middle East region, and is a reflection of the UAE's important entrepot role in Gulf trade.

6.74    Australia started the decade with a 1.9 per cent share of UAE imports. That declined to 1.3 per cent in 1994, before returning to 1.9 per cent in 1999. Australia's exports over the 10 years grew by 182 per cent, enabling us to maintain market share. Canada's share was fairly stable around 0.4 per cent, while Brazil lost ground slightly going from 0.7 to 0.5 per cent. South Africa came into the market in 1994 and is now supplying 0.4 per cent of the market.

6.75    In 2000, Australia's major export categories were—Confidential items ($465m), passenger motor vehicles ($176m), non-monetary gold ($58m), dairy products ($40m), and non-bovine meat ($40m). These five categories represented 77 per cent of Australia's total exports to the UAE.

6.76    Two products represented 90 per cent of Australia's imports from the UAE in 2000—crude petroleum ($856m), and refined petroleum ($53m).

# A New Approach

6.77    The Middle East is a huge market.  In 1999 imports into the Middle East totalled US$157 billion, of which Australia supplied US$2.9 billion or 1.9 per cent.  Table 6.8 shows that Australia's share of this dynamic region started the decade of the 1990s with a 2 per cent share of imports, decreased to 1.2 per cent by 1995, and then finished the decade back up to 1.9 per cent in 1999.

6.78    Despite all the trade policy and market development work undertaken by Australian Government agencies and private companies, Australia's share of the Middle East market has not increased.  In fact, Australia is only now recovering the market share we had 10 years ago.  It is apparent that past promotional efforts have not been successful in achieving increased market share.  This suggests that new strategies need to be devised to achieve significant and sustained increase in our share of Middle East imports.

6.79    Australia already has significant resources devoted to the Middle East, but perhaps these resources need to be coordinated and directed more effectively.

6.80    DFAT has seven embassies in the Middle East located in Abu Dhabi, Amman, Beirut, Cairo, Riyadh, Tel Aviv and Tehran.  These are staffed by 31 Australians and 44 locally-engaged employees.  The DFAT submission states that *market development* is the top priority in the Middle East, so one could presume that at least a quarter of those resources should be devoted to that task:

> By far the most important focus of Australia's missions in the Middle East is market development.[11]

6.81    Austrade has four offices managed by Australian trade commissioners located in Cairo, Dubai, Riyadh, and Tehran, three sub-offices managed by locally-engaged managers in Amman, Beirut, and Tel Aviv, and two trade consultants located in Jeddah and Abu Dhabi.  Austrade has 30 staff in the Middle East focused on trade promotion and development.[12]

6.82    Thus, in total, the Commonwealth Government has close to 50 personnel located in the region dedicated to the development of Australia's trade with the Middle East.  DFAT and Austrade have another 10 or so staff based in Canberra with a focus on the Middle East.

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[11]    DFAT, Submission, p. 995.

[12]    Austrade, Exhibit 36.

6.83    Some of the States, particularly Victoria, Queensland, South Australia and Western Australia also have dedicated resources working on the Middle East. In addition, the private sector has a number of Chambers as well as other service providers such as airlines and shipping companies, all focused on promoting the Middle East region to Australian exporters.

6.84    It is apparent from the trade figures that past efforts have only just managed to maintain Australia's share of the Middle East market. There must be better ways to harness the energy and intellect of all these resources devoted to promoting exports and investment with the Middle East for greater impact and result.

6.85    The Committee believes that the Government should consider the establishment of a Middle East 'Business Advisory Group' (BAG) led by DFAT in association with Austrade and representatives of the key Chambers of Commerce, in appropriate national groupings.

6.86    The BAG could be divided into two sub-groups—one involving regional trade experts representing the AACCI, and the other involving bilateral trade experts representing the Australia Israel Chamber of Commerce (AICC). The sub-groups would normally work independently, but there may be occasions when they might be able to cooperate. That approach could even break down some of the barriers between the various business communities in Australia.

6.87    The BAG would promote a stronger 'Team Australia' approach, with a very sharp trade focus. It would be charged with developing new strategies to enhance Australia's exports to the Middle East. DFAT and Austrade could each provide 40 per cent of the funding requirement with 20 per cent from private sector groups. Direct private sector involvement and funding is vital to ensure that the BAG has a practical work agenda and is outcome-focused.

6.88    The AACCI suggested in its submission that the 'Supermarket to Asia' strategy could have application in the Middle East.[13] This is the kind of practical suggestion the BAG would be well placed to evaluate in relation to Australia's trade with the Middle East.

6.89    DFAT should be in a position to provide secretariat support to the BAG, given that market development is a stated priority. The role of coordinating the BAG would fit comfortably with DFAT's key priority in the region and ensure the full and enthusiastic involvement of all Australian Embassies.

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[13]    AACCI, Submission, p. 228.

6.90    At present, DFAT's approach to trade seems to be largely Canberra-centric.[14]  It will be vital that all staff, both in Australia and overseas, are fully committed to achieving real gains in market development.

6.91    To give it the status required to achieve a real turn-around in our trade performance in the Middle East, the BAG should report twice-yearly to the Market Development Task Force which is chaired by the Secretary of DFAT and includes senior officials of DFAT, Austrade, the Department of Industry, Science and Resources, and the Department of Agriculture, Forestry and Fisheries.[15]  It could record its achievements in the annual Trade Outcomes and Objectives Statement and also make an annual appearance before the Joint Standing Committee on Foreign Affairs, Defence and Trade to report progress and discuss issues.

6.92    The Australian Arabic Council, in its submission and also during a public hearing, presented a strong argument for the establishment of an Australian Arabic Foundation to oversight the development of closer economic, cultural and political ties:

> The Foundation's purpose would be to broaden the relationship between Australia and the Arab World by encouraging and supporting increasing levels of knowledge and understanding and cooperation between Australians and Arabs.[16]

6.93    The Committee recognises that a number of such Foundations or Councils have been established under the coordination of the Department of Foreign Affairs and Trade, covering countries such as Indonesia, Japan, Korea, and China which are seen as important to Australia's national interest.

6.94    The Committee fully supports the formation of an Australian Arabic Foundation and recommends such a course in Chapter 8 in relation to enhancing social and cultural linkages.  The Committee believes that a body such as the proposed 'Business Advisory Group' would be a complementary strategy.  Economic linkages covering two-way trade, investment, tourism and education need to be further developed and cemented.  To do this effectively requires a separate and focussed agenda. The Committee believes that the proposed Foundation could address cultural, academic, student and youth exchanges, while the BAG would maintain a very narrow focus on matters related solely to trade and

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14    DFAT, Submission, p. 990.
15    ibid., p. 930.
16    AAC, Submission, p. 1807 and Transcript, 24 July 2000, p. 136.

investment. The two bodies would, of course, work together on relevant projects.

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**Recommendation 15**

6.95 **The Committee recommends the Department of Foreign Affairs and Trade establish a Business Advisory Group on the Middle East, comprising the Department of Foreign Affairs and Trade, Austrade, and relevant Chambers of Commerce, to more effectively coordinate export strategies for the region.**

6.96 The Committee notes that the Australian Ambassador in Riyadh is also accredited to Kuwait, Qatar, Bahrain, Yemen, and Oman while the Ambassador in Abu Dhabi is only accredited to the UAE.[17] It may be more efficient to spread the load more evenly, with Abu Dhabi taking on responsibility for neighbouring countries such as Oman, Qatar and Bahrain.

6.97 Austrade, in its organisational structure, has Israel as part of its Europe Region while in DFAT's structure Israel comes under the responsibility of the Middle East Branch. The manager of Austrade's Tel Aviv office reports to the Executive General Manager Europe who is based in Frankfurt. This seems to be a historical hang-over from a time when travel to Israel was restricted and difficult.

6.98 The Committee feels that Austrade should transfer responsibility for Tel Aviv to the Middle East/Indian Ocean Region. The Executive General Manager of that region is based in Dubai. Today there is ready entry to Israel through Cairo and Amman, so access should no longer be an issue. It is felt that such a move would enhance coordination within Austrade of all the countries in the Middle East, and also between Austrade and DFAT. Aligning organisational structures becomes even more important in light of the recommendation to establish a 'Business Advisory Group' to coordinate Australia's trade efforts in the Middle East.

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[17] DFAT, Submission, p.1053.

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**Recommendation 16**

6.99    **The Committee recommends that:**

- **the Department of Foreign Affairs and Trade spread the load more evenly between the Australian embassies in Riyadh and Abu Dhabi; and**

- **Austrade include Israel in the Middle East/Indian Ocean Region, to enhance coordination within the region, and with the Department of Foreign Affairs and Trade.**

## Market Development

## Trade and other agreements

6.100    DFAT, in its submission, outlined Australia's current trade agreements with countries in the Middle East in the following terms:

> Australia has trade and economic agreements with Bahrain (1979), Egypt (1988), Iran (1974), Iraq (1980), Israel (1951), Jordan (1988), Kuwait (1982), Oman (1982), Saudi Arabia (1981), and UAE (1985). An agreement signed with Lebanon in 1997 is yet to enter into force.  These agreements, some of which have been in existence for some time, provide a basis for formal treaty-based consultations on a regular basis or as agreed between the parties, often taking the form of Joint Ministerial Commissions which are coordinated by DFAT.[18]

6.101    The general subject of trade agreements has had a much higher public profile in recent times with talk of Australia negotiating Free Trade Agreements (FTAs) with Singapore and the USA.  Many countries are becoming impatient with the slow progress made in multinational or regional forums and are opting instead for bilateral FTAs.  A number of submissions suggested that the Middle East is no exception in this regard, with a growing network of bilateral and regional free trade arrangements. Given these developments, it would have been appropriate for the DFAT submission to provide an in-depth analysis of the possible implications of these trends for Australian trade.

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[18]    DFAT, Submission, p. 991.

6.102　The Committee hopes that DFAT will not be distracted by groupings such as the Indian Ocean Rim Association for Regional Cooperation.[19] No doubt the aims of this Association are laudable, but experience in other regional-type groupings has demonstrated how difficult it is to achieve real progress. The Committee acknowledges that the World Trade Organisation should be the major multilateral focus, but suggests that much quicker gains can be made through bilateral negotiations such as those the Government is pursuing with Singapore and the USA.

6.103　DFAT refers to the age of some of the bilateral agreements Australia has in the Middle East.[20] The Committee regards this as a serious issue. The two most recent agreements are already 12 years old, and several of the other eight agreements are much older than that. In other words, none of these agreements reflect the tremendous changes which have taken place in information and communications technology particularly in the last decade. The Committee urges DFAT to re-visit these agreements to ensure that they reflect fully Australia's priorities in the 21st Century.

6.104　The DFAT submission described the important role of Joint Ministerial Commissions (JMCs) as instruments of engagement for Australia with trading partners in the Middle East:

> JMCs are important mechanisms which allow both parties to review their performance in the context of the articles of the bilateral trade or economic relationship, to address potential irritants in the relationship, and to agree on forward-looking measures to foster the bilateral economic relationship.[21]

6.105　Five JMCs have taken place since 1996—with Saudi Arabia in Canberra (October 1996); with Iran in Tehran (March 1999) and in Canberra (April 2000); with the UAE in Melbourne (September 1998) and in Abu Dhabi (March 2000).[22] JMCs appear to be a useful process. The Committee feels that these conferences should be held more regularly, especially with countries such as Saudi Arabia with which Australia has experienced a range of market access issues. JMCs should also be held with a broader range of countries in the Middle East, such as Egypt, as they would ensure that relationships are kept relevant and dynamic.

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[19]　DFAT, Submission, p. 993.
[20]　ibid, p. 991.
[21]　ibid.
[22]　DFAT, Exhibit 33.

6.106    The submission from the AICC points out that Israel has negotiated a number of FTAs, and suggests that Australia examine the prospects of concluding such an agreement with Israel:

> Israel is in a unique position with free trade agreements in place with three major economic blocs: North America, the European Union, and the European Free Trade Association. Further to this, agreements are in place with a number of countries including Canada and Turkey.[23]

6.107    As discussed in the earlier section on benchmarking, Australia has a larger market share than Canada in every major market in the Middle East except Israel, where Canada's share of the market is three times that of Australia. The Committee believes that Canada's better performance in Israel is no coincidence, and strongly recommends that a FTA be negotiated to give Australian suppliers equal access.

6.108    At the same time the Committee believes that DFAT should commence negotiations on a FTA with the Gulf Cooperation Council (GCC), comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE. According to DFAT, the GCC aims to introduce a unified customs tariff by March 2005 and has the intention of then negotiating a FTA with the European Union.[24] Austrade made the following comment on this issue:

> While this agreement between the GCC and the EU has the potential to make it more difficult for Australian exporters to compete for market share with European exporters, long term implications can not be measured at this time.[25]

6.109    The Committee considers that it is a fair assumption that the long term implications of a FTA between the GCC and the EU will not be good news for Australia. Australian exporters of ETMs (other than PMVs) have struggled to make inroads into the markets of the Middle East. Their prospects will be even more limited if their European competitors have preferred access to those markets.

6.110    The Committee believes that the Government should anticipate this challenge and move now to ensure that Australian suppliers have equal access. It could even be that Australia's hard-won markets for passenger vehicles might be threatened if European manufacturers get preferential treatment. It would be wrong to delay taking action—it would be much better if Australia were proactive in this instance.

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[23]    AICC, Submission, p. 819.
[24]    DFAT, Submission, p. 1014.
[25]    Austrade, Submission, p. 852.

6.111    Only a small number of Australian companies have invested in Israel and established joint ventures or opened branch offices. There appears to be greater movement the other way. The submission from the AICC outlines the growing presence of Israeli companies in Australia:

> There are now 34 Israeli companies (compared with less than 10 in the mid-90s) which have established either regional headquarters or local offices in Australia, distributed across most States.[26]

## Double taxation issues

6.112    The AICC believes that two-way investment would be encouraged if a double taxation agreement were in place:

> It is recommended that an agreement is established in order to remove the possibility of double taxation, and therefore increase business activity between Australia and Israel.[27]

6.113    The Committee pursued this issue further at a public hearing, during which the AICC identified a double taxation agreement as a top priority:

> In order to enhance trade between Australia and Israel, the message I am getting from industry is that we need a double taxation agreement fast. A lot of trade is going through third countries and not directly between the two countries.[28]

6.114    In his submission, Mr Joe Hassan, a Certified Practising Accountant and a Past–President of the Australia Lebanon International Business Council, commented that the establishment of a double taxation agreement between Australia and Lebanon is long overdue and would be a significant boost to bilateral commercial relations:

> It is considered that a double tax treaty network will not only encourage economic and commercial activities between the two countries, it will also provide a powerful platform for the further investment of capital into Lebanon and an incentive for the movement of human capital between the two countries.[29]

6.115    The Committee fully supports the negotiation of double taxation agreements—certainly with Israel, but also with other countries in the Middle East such as Saudi Arabia and the UAE which are major overseas investors, as well as with countries such as Lebanon and Egypt where

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[26]    AICC, Submission, p. 808.

[27]    Ibid., p. 820.

[28]    AICC, Transcript, 25 July 2000, p. 190.

[29]    Hassan J., Submission, p. 432.  See also AAC, Submission, p. 1803.

Australia has significant local populations. The need for proper Investment Protection Agreements with these countries should also be examined.

**Recommendation 17**

6.116   **The Committee recommends that**

- **Joint Ministerial Commissions be held more frequently and with more countries;**

- **The Government negotiate free trade agreements with Israel and with the Gulf Cooperation Council; and**

- **The Government negotiate double taxation agreements and investment protection agreements with key countries in the Middle East.**

## Research and development

6.117   The Australia Israel Chamber of Commerce suggested both countries would gain from closer cooperation in research and development:

> The Australia Israel Chamber of Commerce is very keen to see collaborative R&D between the two countries. The benefit to Australian companies is clear – gain access to Israeli technology and also likely to derive commercial advantages from Israel's free trade agreements with the USA and EU.[30]

6.118   Israel has signed Research and Development Agreements with a large number of countries, but in some cases they have taken this an important step further with the establishment of joint R&D funds to provide funding for collaborative projects. Such funds have been established with the USA, Canada, the UK, Singapore and South Korea:

> The primary reason why these countries have entered into Agreements and Funds with Israel are the ensuing advantages of shared costs and minimisation of the inherent risks involved in industrial R&D. These advantages benefit both the cooperating parties and improve the prospects for successfully marketing and supporting the developed product or service internationally.[31]

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[30]   AICC, Submission, p. 817.

[31]   ibid.

6.119   The US/Israel Fund, called the Binational Industrial Research and
        Development Foundation (BIRD) was established in 1977 and has been
        notably successful in stimulating cooperation between high-tech
        companies.

6.120   The US/Israel Binational Agricultural Research and Development Fund
        (BARD) was established specifically to support R&D in agriculture.[32]  In
        describing BARD the Chamber notes:

> This has been a very successful Fund, and has a strong Australian
> connection.  Professor Bruce Stone of Melbourne University has
> been an independent auditor for the program since its inception.[33]

6.121   Given Israel's strong reputation in the high-tech and agricultural sectors,
        the Committee believes that the Australian Government should definitely
        look at establishing Research and Development Funds, particularly in
        these two sectors which are also top priorities for Australia.

6.122   Furthermore, the Committee understands that a number of other countries
        in the Middle East are conducting excellent research in a number of
        agricultural areas such as dry-land farming.  Scientific cooperation in these
        areas could be of great benefit to Australia.  The Committee strongly
        suggests that appropriate agreements be put in place where such
        opportunities for cooperative research and development are identified.

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**Recommendation 18**

6.123   **The Committee recommends that**

- **Research and Development Funds be established to foster
  cooperation, particularly in information technology and
  agriculture, between Australia and Israel; and**

- **Opportunities to develop closer research and development
  links in agriculture with other countries in the Middle East be
  actively pursued.**

## Common food standards

6.124   Kraft Foods, in its submission, noted that complying with different food
        standards across the Middle East can impose significant additional costs
        on food exporters doing business in that region.  A welcome development

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[32]   See  www.bard-isus.com
[33]   AICC, Submission, p. 818.

has been that the countries of the GCC are now working towards common food standards.[34]

6.125    Kraft believes that Australia has valuable expertise in this area, especially through the Australian Quarantine and Inspection Service and the Australia New Zealand Food Authority, and it may produce quicker and better results for Australia if these agencies assist the GCC in its work on food standards.[35]

6.126    Australia could send expert speakers to participate in technical meetings and conferences in the Middle East, and invite relevant officials and academics to visit Australia to learn of our approach in this area.  Once the GCC has established good common food standards, Australian missions should actively encourage and facilitate the adoption of these same standards by other countries in the region.

6.127    The establishment of common standards is the first step.  But the subsequent application and interpretation of those standards is also vitally important.  Australian agencies have good experience in that regard and much to offer.

6.128    DFAT identified several issues related to food standards—specifically quarantine standards, interpretation and labelling—as major trade barriers.[36]  DFAT gave three actual examples, including the following example regarding offal exports:

> … [W]e are currently having problems with offal exports into Saudi Arabia.  The Saudi Arabia Standards Organisation is developing processes in conjunction with Australian counterparts for quality control of Australian offal exports, which are worth about $40 million a year.  It is quite a substantial trade.  The Saudi Standards Organisation, however, is short of technical expertise and equipment to undertake testing that would benefit our export efforts.[37]

6.129    The Committee supports the practical suggestions from Kraft Foods, and also notes the concerns raised by DFAT.  It is obvious that the Middle East will present very significant opportunities for Australian exporters of unprocessed and processed foods into the foreseeable future and any assistance Government agencies can provide to facilitate access into those markets should be vigorously pursued.

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34    Kraft, Submission, p. 836.

35    Kraft, Transcript, 25 July 2000, p. 168.

36    DFAT, Transcript, 14 September 2000, p. 370 – 372.

37    ibid, p. 372.

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**Recommendation 19**

6.130    **The Committee recommends that the Department of Foreign
         Affairs and Trade, in conjunction with relevant agencies such as
         the Australian Quarantine and Inspection Service, be proactive in
         assisting the Gulf Cooperation Council establish common food
         standards, including quarantine.  DFAT should then encourage
         the adoption of those standards by other countries in the Middle
         East.**

## Cost of legalising documents

6.131    In its submission, the South Australian Exporters Association (SAEA)
         commented on the high costs involved in legalising export documents to
         some countries in the Middle East:

> When an order is finally gained and the goods shipped, it
> invariably requires the shipping documentation to be legalised by
> both a Chamber of Commerce as well as an Arab Embassy or
> Consulate in Canberra.  The costs from both a money and time
> perspective can be quite onerous, especially in the case of the
> United Arab Emirates.

> From South Australia it can take up to four working days to have
> documents relayed to Canberra, be legalised, and returned to the
> exporter for further action.  From a cost viewpoint exporters are
> looking at Bank Cheque Fees, Courier Fees (both to and from
> Canberra) as well as the legalisation costs.[38]

6.132    Many countries have a requirement that documents be legalised or
         authenticated.  There are often charges levied to cover the cost of
         legalising documents and such requirements and associated charges are
         today an accepted part of international trade.  DFAT charges between $10
         and $30 for this service.  The AACCI charges a flat fee of $20 for members
         and $40 for non-members to legalise documents.

6.133    In comparison, the charges levied by the Embassy of the United Arab
         Emirates seem excessive—$30 to legalise a single Certificate of Origin or a
         Packing List.  To legalise a commercial invoice, the Embassy applies a
         sliding fee scale based on the value of the invoice itself.  For example, if
         the value of the contract is less than $3,333 the charge is $60; between

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[38]    SAEA, Submission, p. 17.

$3,334 and $10,000 the charge is $120; between $10,001 and $20,000 the charge is $240; and so on up to contracts valued at more than $333,334 which attract a charge of $1,200 to legalise the invoice. These charges can add up to substantial amounts.

6.134 The Committee has also learned that the Embassy of the Islamic Republic of Iran applies very high charges, around $750 per page, to legalise documents. The Embassy of the Arab Republic of Egypt is understood to have recently increased its charges to $100 per page.

6.135 It can be argued that these high charges act as a form of non-tariff barrier, imposing an additional cost on Australian exporters, and impeding trade. The Committee urges DFAT make vigorous representations to the respective Governments on the issue of their fees, with a view to obtaining a reduction to more normal levels. This is the type of practical business issue which the proposed 'Business Advisory Group' could identify and champion on behalf of Australian exporters.

**Recommendation 20**

6.136 **The Committee recommends that the Australian Government direct the Department of Foreign Affairs and Trade to formally raise with the representatives in Canberra of the UAE, Iran and Egypt the level of charges for legalisation of commercial documents**

## The Internet

6.137 The Committee was disappointed that more submissions did not include a discussion of the Internet and e-commerce and the potential impact of the 'Information Age' on trade and general awareness-raising in the Middle East. The DFAT and Austrade submissions barely touched on this subject.

6.138 The advent of e-commerce was referred to very briefly in the report published in the second half of 2000 by DFAT's East Asia Analytical Unit (EAAU) titled *Accessing Middle East Growth*. The reference to 'Information Age' developments was made while describing the expansion of free trade zones in the UAE:

> In addition, Dubai is developing a free trade zone for technology, e-commerce and media, the so-called Internet City. … Thus far, Oracle has confirmed a move in its Europe and Middle East

headquarters from Vienna to Dubai, with IBM and Sun Microsystems also negotiating to establish in the zone.[39]

6.139    The Committee received a comprehensive submission on this subject from Mr Wehbe Abdo of Altona Meadows, Victoria.  Mr Abdo is knowledgable on Internet matters, especially in relation to Arab countries and the Arabic language.  He is Treasurer of the Australian Arabic Council.

6.140    Mr Abdo made the point that over 60 per cent of the population of the Middle East is under 21 years of age.  This generation is embracing global trends far more rapidly than its parents.  The Internet will have an enormous impact in the Middle East as geographical, cultural and political barriers are minimised.  Australia should position itself now to take full advantage of this new technology:

> There are opportunities for Australia to market its States, businesses, education, health & medicine, tourism, manufacturing, etc. to the Arab countries by utilising the Arabic language as a business tool through the establishment of Australian-based bilingual Internet portals for information, interaction and e-commerce.[40]

6.141    The Committee reviewed the DFAT and Austrade websites in May 2001. It commends Austrade on its web pages on the Middle East which are generally comprehensive and up-to-date.  Similarly the UAE page on the DFAT web site is impressive.  However, many of the pages covering other countries in the Middle East could be improved.  DFAT is urged to upgrade the other pages on the Middle East to the same standard as those on the UAE.  Hyperlinks should also be included to directly link the Austrade and DFAT country pages.

6.142    The Committee noted that some of the information on the DFAT and Austrade websites was quite dated.  For example, Austrade's Beirut page promotes a trade directory, Australian Exports 1996, which is now five years old.  Austrade's Cairo page lists a Post Manager who was replaced three years ago.  DFAT's UAE page also includes some data relating to 1996.

6.143    It is important that information on Internet web pages be current.  A minimum standard for which to aim would be to feature only information which is less than 12 months old.  Discipline is required to set and

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[39]    *Accessing Middle East Growth: business opportunities in the Arabian Peninsula and Iran,* September 2000, p. 104.

[40]    W Abdo, Submission, p. 2253.

maintain a rigorous standard, but such standards are essential in the 'Information Age' to build credibility and trust.

6.144    DFAT's web pages usually show the 'date of last update', and it is suggested that Austrade follow the same good practice.  In some cases however, the Committee found that part of a DFAT page had been updated, and the new date shown, but other parts of the page did not reflect the latest available information.  It is important that all the information on a page is updated at a given point in time.

6.145    The Internet is a very powerful communications tool.  The Committee believes that Austrade and DFAT should develop and maintain joint, high-quality, in-country web sites for reference by local importers and other businesses.  The feasibility of bilingual sites should be assessed. Funds should be allocated for regular local campaigns to publicise the existence of these sites.  In-country pages should include information on the procedures for obtaining visitor visas to Australia.

6.146    Austrade's Saudi Arabia web page is directed towards local importers who may be looking to source goods and services from other countries. This page is much better than Austrade's other in-country pages and therefore a good model.

6.147    When the Committee examined the Austrade website in May 2001, it was noted that there was no page for Iran.  This seems to have been an oversight, as all the other major markets had sites targeting importers and residents in those countries.  It was also noted that Austrade's Israel page directed importers to Austrade's Milan office for assistance.  The Committee feels that Austrade's Tel Aviv office is in a better position to answer local inquiries and that Israeli importers would be more inclined to approach the local office for assistance.

6.148    A combined DFAT/Austrade strategy is required to maximise for Australia the opportunities presented by the Information Age.  The development of such a strategy, its implementation, coordination and maintenance could be another priority task of the proposed 'Business Advisory Group'.

**Recommendation 21**

6.149   **The Committee strongly recommends that DFAT and Austrade develop a joint strategy to utilise fully the power of the Internet to:**

- **promote Australia and Australian products and services in the Middle East, and**

- **publicise the export opportunities identified by Austrade staff.**

## Trade missions

6.150   A number of submissions made the point that trade missions seem to work particularly well in the Middle East, and especially when they are led by a senior Government Minister.  Austrade has organised a number of missions in recent years, often in association with Joint Ministerial Commission meetings.[41]  JMCs usually alternate between Australia and the partner country.  Private sector involvement in JMCs is important in achieving practical outcomes, and when they are held overseas the JMCs provide an excellent opportunity to put in place a formal trade mission.

6.151   Austrade organised a trade mission led by the Minister for Trade, the Hon Mark Vaile MP, which visited Saudi Arabia, Kuwait and the UAE in February/March 2000.  Sixty companies participated, the biggest trade mission for many years.  According to Austrade:

> The Minister for Trade's profile enabled members of the business delegation access to high profile government officials.  This kind of access in the Middle East is extremely advantageous as government officials play a crucial role in commercial affairs.[42]

6.152   The active Australia Israel Chamber of Commerce has organised an annual trade mission to Israel every year since 1989.  These missions are normally led by a prominent business or government identity and are organised around themes such as 'high tech', or 'medical technologies'.  The Chamber believes that missions are very effective in fostering commercial linkages:

> Commercial outcomes derived from these missions extend beyond the bilateral trade statistics, as they include joint ventures, technology transfer agreements, academic exchanges, partnerships

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[41]   DFAT, Submission, p. 991.

[42]   Austrade, Submission, p. 850.

in third countries, cooperation agreements between Australian and Israeli business associations, and an increase in trade industrial products.[43]

6.153    The Chamber reports that there has been a noticeable increase in recent years in the number of inbound trade missions and individuals from Israel to Australia:

> In addition, there have been a growing number of individual visits by high-profile Israeli business leaders and government representatives in recent years.  An example was the visit in February 2000 by Israel's Chief Scientist, Dr Orna Berry.[44]

6.154    A significant number of trade missions are organised by Australian State Governments each year, particularly to the Persian Gulf countries.  In its submission, the AACCI highlighted fragmentation as a problem area:

> Another point made quite often over the years is the fragmented approach Australia takes in its marketing effort. … [W]e still see States and State Departments taking trade missions into the region sometimes hot on the heels of Commonwealth missions.  These various missions tend to call on the same industry groups and regional government departments and do little to assist a 'Market Australia' approach to our overseas customers.[45]

6.155    The AACCI gave evidence at a public hearing of the Committee held in Canberra on 20 March 2001.  It made the following comments on the subject of missions:

> We talk to our sister Chambers in the Middle East, which are huge organisations, and they say that they probably see more Australian trade missions in a year than from any other country … they keep asking "Which one is the real delegation?" … we believe that this is a major issue.  We addressed it back in the early 1990s and started to get some regimentation into trade missions.  We need to address that from Australia's point of view so that we have one message selling Australia.[46]

6.156    The Committee is sympathetic to AACCI's position.  There would be benefits in achieving a greater degree of coordination of trade missions, particularly to ensure a uniform 'Market Australia' selling message and to avoid clashes in timing.  Coordination should not come at the expense of

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[43]    AICC, Submission, p. 803.

[44]    ibid, p. 804.

[45]    AACCI, Submission, p. 231.

[46]    AACCI Transcript, pp. 606 and 607

restricting the number of missions which visit the Middle East, however. Missions are obviously a very effective trade promotional tool in the region and should be encouraged. This coordination function is another role that could be undertaken by the proposed 'Business Advisory Group'.

## Recommendation 22

6.157 **The Committee recommends that the proposed Business Advisory Group establish mechanisms to enhance the coordination of trade missions, particularly to the Persian Gulf region of the Middle East.**

# Promoting the Middle East in Australia

## Seminars and workshops

6.158 The 'Link West' series of seminars run by Austrade around Australia in 1997, 1998 and 1999 were very successful in raising awareness of the Middle East in the Australian business community.[47] The Committee appreciates that this program required a break after three successive years, but this is the kind of focused and practical activity which needs to be built into long term promotional strategies.

## Utilising the Internet

6.159 As acknowledged above, the Internet is a very powerful communications tool which should be utilised fully by Austrade and DFAT in their efforts to promote the Middle East to companies and Chambers around Australia. The Committee is aware that Austrade is currently revamping its website in the hope that both established and new exporters will find the new site of more benefit in their international trade efforts.

6.160 Webcasting, a technology which combines the Internet with satellite, is an efficient new way to bring the message of exporting and specific trade opportunities to a wide audience particularly to companies in regional Australia. The Committee understands that Austrade is installing satellite dishes and related computers in 31 offices around Australia. It is hoped that the Austrade offices in the Middle East will maximise the use of this new technology when it is fully functional.

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[47]   Austrade, Submission, p. 850.

6.161   The Committee understands that Austrade's 100 offices around the world regularly send back well-defined trade opportunities that are circulated to potential suppliers in Australia.  There should be a special page on the Austrade website that features these trade opportunities.

6.162   Details of opportunities would be added every day as they are received from overseas, and would be deleted automatically after a specified period, say 10 days.  Such a service would give all Australian companies a chance to participate in the opportunities identified by Austrade.

6.163   Some might say that posting these opportunities on a website could provide information to foreign competitors.  In reality international commerce moves so quickly these days that third parties would have difficulty keeping up, even in the unlikely scenario that the Austrade office was the only agency in that country to identify that particular import opportunity.

## Export opportunities

6.164   One of the best ways to promote a region within the Australian business community is to provide a steady stream of well-defined export opportunities.  Trade missions and seminars are all worthwhile, but nothing captures the attention of a business person more quickly than a sound commercial opportunity.

6.165   Austrade advised the Committee that its offices in the Middle East forwarded 450 export and investment opportunities to Australian companies in 2000-01.[48]  These opportunities covered a range of sectors including automotive, agribusiness, oil and gas, building and construction and information technology.

6.166   The number of opportunities distributed to companies suggests that Austrade marketing staff in the Middle East are averaging about one business opportunity per fortnight.  It would have been interesting for the Austrade submission to have provided more details of this important aspect of the Commission's work, especially Austrade's experience in converting opportunities into actual business.  Austrade needs to be 'opportunity-driven'.  There is no doubt that the Middle East region will very quickly capture the attention of the Australian business community if large numbers of positive business opportunities can be identified.

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48   Austrade, Exhibit 36.

## Visits by Austrade marketing specialists

6.167    The Committee believes that all marketing specialists based in Austrade offices overseas should visit Australia at least once a year.  At present there is provision for Trade Commissioners to come back to Australia annually, but it is at least as important that the local marketing specialists, the staff who really know and understand the local business scene, are able to obtain regular exposure to Australia.

6.168    As part of their visits, local marketing specialists could hold workshops to brief companies on how best to capture the business opportunities which they had identified and referred back to Australia.

6.169    Austrade's overseas marketing specialists should be encouraged to bring with them key importers and buyers when they visit.  Meeting actual overseas buyers in their own offices or factories in Australia is of great benefit to Australian exporters.  Most overseas buyers appreciate being escorted, especially if it is their first visit to Australia, and it also forms closer bonds between the Austrade marketing specialist and the overseas buyer.

## Recommendation 23

6.170    **The Committee recommends that Austrade develop proactive strategies to promote the Middle East region to Australian exporters— incorporating seminars and workshops, webcasting, the Internet, export opportunities, and regular visits by marketing staff and overseas buyers.**

## Sponsored visitors

6.171    As an important part of its public diplomacy activities, DFAT brings influential people to Australia under its Special Visits Program (SVP) and International Media Visits program.

6.172    The Committee understands that each geographic division in DFAT is entitled to sponsor six or seven visitors per annum under the SVP program.  In the last four years the Middle East Branch has only sponsored four visitors—one each from Egypt and Lebanon in 1998, one from the Palestinian Territories in 1999, and one from Iran in 2000.[49]

6.173    The Committee feels it should be a priority of DFAT's Middle East Branch to ensure that all entitlements are taken up each year under the SVP

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[49]    DFAT, Exhibit 33.

program. That would mean at least two, and possibly more, visitors per annum. While not a great number, over several years it would create a sizeable group of influential people in the Middle East who really know and understand Australia and hopefully are well disposed towards it.

6.174    In the 2000/2001 financial year, DFAT brought a total of 26 foreign journalists to Australia under its International Media Visits program. Seventeen journalists came from Asia, seven from Europe, and one each from North and South America. The editor of an Israeli newspaper was invited, but had to cancel his visit.[50]

6.175    The Committee feels that greater effort should be made to bring media representatives from the Middle East to Australia under the International Media Visits program. Journalists from business and trade-related media should be targeted, to develop awareness in the region of the products and services Australia has to offer.

## Recommendation 24

6.176    **The Committee recommends that the Department of Foreign Affairs and Trade arrange a minimum of two visitors per annum from the Middle East under both the Special Visits Program and the International Media Visits program, as part of a comprehensive public affairs strategy for the region.**

## Recognition of importers

6.177    The Australia Israel Chamber of Commerce in its submission lists 86 Australian companies which were recipients of the 1999 Israel Trade Awards.[51] The Israel Trade Awards are presented annually to Australian companies that have demonstrated outstanding effort and achievement in representing and distributing Israeli products. The winners are chosen by Israel's trade representative in Australia, who is based in the Israeli Consulate General in Sydney. The awards are presented at formal dinners held by branches of the Chamber of Commerce around Australia.

6.178    The Committee knows that Austrade, jointly with the ACCI, conducts the annual 'Export Awards' which recognise outstanding achievement by

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[50]    DFAT, Exhibit 33. The Committee understands the criteria used by DFAT in selecting journalists for this program include the experience and standing of the person, and the circulation and reputation of their newspaper.

[51]    AICC, Submission, p. 821.

Australian exporters. The Export Awards is a very important program in raising community awareness of the importance of export to the nation.

6.179 There are always two sides to a business deal—the exporter must have an importer or buyer at the other end to conclude a transaction. The Israeli approach recognises the vital role played by the importer or foreign buyer and seeks to develop closer relationships and ties by acknowledging publicly their important contribution.

6.180 Australia can learn from Israel in this instance, and the Committee recommends that Austrade examine the feasibility of introducing a similar scheme to recognise the contribution made by importers/buyers to Australia's export success. Apart from publicly recognising active importers/buyers, it is suggested that the top half-dozen should be rewarded in practical ways, for example in the form of two business class tickets to anywhere in Australia.

## Recommendation 25

6.181 **The Committee recommends that Austrade introduce an award scheme to recognise the vital contribution made to Australia's export success by outstanding overseas importers.**

# Tourism

6.182 The latest statistics available for the number of short-term visitor arrivals from the Middle East and North Africa is shown in Table 6.11 below. The figures include North Africa, but very few visitors come from countries such as Morocco and Algeria so the bulk would be from the Middle East. Israel is shown separately. The major sources of tourists in the Middle East, apart from Israel, are UAE, Saudi Arabia, and Kuwait:

**Table 6.11 Short Term Visitor Arrivals from the Middle East & North Africa, 1 August 1999 to 31 July 2000**

| | Israel | | | Other Middle East & North Africa | | |
|---|---|---|---|---|---|---|
| | *No of Arrivals* | *% change over previous 12 months* | *% of total* | *No of Arrivals* | *% change over previous 12 months* | *% of total* |
| Holiday | 6,103 | 12 | 48 | 18,992 | 13 | 49 |
| Visit Friends & Relations | 2,959 | 0 | 24 | 10,129 | 15 | 26 |
| Business | 1,302 | -15 | 10 | 2,897 | 3 | 7 |
| Conventions & Conferences | 511 | 37 | 4 | 1,184 | -16 | 3 |
| Other | 1,739 | 1 | 14 | 5,713 | -18 | 15 |
| **Total** | **12,614** | **5%** | **100%** | **38,915** | **6%** | **100%** |

*Source    Australian Bureau of Statistics Catalogue 3401.1*

6.183    Short term departures from Australia to the Middle East in the 12 months to June 2000 totalled 60,900, of which 18,900 listed their principal destination as Lebanon and 8,300 as Israel.

6.184    For marketing purposes, the Australian Tourist Commission (ATC) divides the Middle East region into two parts: 'Arab Middle East' and 'Israel'.  Both have distinctive characteristics.

6.185    The major characteristics of short-term visitors from Arab Middle East may be described as follows:

■    Represents three-quarters of short term arrivals from the Middle East and North Africa.  Main markets are UAE, Saudi Arabia, and Kuwait

■    Key target is high-yield Arab families for their summer holidays. Popular destinations have been Europe and Florida.  Mainly interested in Sydney, Melbourne and Gold Coast.  Tend to stay several weeks and their expenditure is much higher than the average short term visitor.

■    There is also an 'expatriate market' in the Middle East of professionals from Europe and the Indian sub-continent who are working in the region. [52]

6.186    Visitors from Israel represent about 25 per cent of short-term visitors from the Middle East.  They are predominantly under 35, many are back-

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[52]    ATC, Submission, p. 236.

packers, although there is also a small, high-yield, over-50s group who come to visit friends and relatives.

6.187    Table 6.11 above shows that the reasons for travel to Australia are remarkably similar for visitors from Israel and the Arab countries—almost half come for holidays, another quarter come to visit friends and relatives, and about 10 per cent come for business.

6.188    The median stay for short-term visitors from the Middle East is 27 nights and their average expenditure in Australia itself is $5,587—more than twice the average figure for tourists from all countries.  The Middle East is one of the highest-yielding sources of tourism into Australia.[53]

6.189    The ATC has appointed marketing agencies in Tel Aviv, Cyprus and Dubai.

6.190    The ATC has a limited, but effective, promotional program which focuses on participating in regional travel trade shows, encouraging travel agents from the Middle East to attend trade shows in Australia, and bringing travel journalists to Australia:

> Over the last five years we have had something like 43 journalists come from the Middle East to Australia sponsored by us and the airlines.  They have come from Bahrain, Egypt, Israel, Saudi Arabia, and the United Arab Emirates.  For this year, 2000-01, we plan to bring out an additional 10 journalists in conjunction with Gulf Air.[54]

6.191    The ATC has a useful website—www.australia.com—which it promotes widely throughout the region.  Utilisation of the web site is growing rapidly, as shown in the following figures:

Table 6.12    Australia.com web site: user sessions and pages delivered

| | User sessions | Pages delivered | |
| --- | --- | --- | --- |
| | May 2000 to April 2001 | May 2000 to April 2001 | % change over previous 12 months |
| Israel | 6,642 | 46,497 | 55% |
| Other Middle East & North Africa | 49,614 | 347,301 | 90% |

Source    Australian Tourist Commission, May 2001

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[53]    ATC, Transcript, p. 343.

[54]    ibid, p. 341.

6.192   Worldwide, the australia.com website attracted 4.04 million user sessions in the year to 30 April 2001, an increase of 72 per cent on the previous 12 months. The Middle East represented only 1.2 per cent of total world user sessions, but it is growing fast (the USA represented 40 per cent of total user sessions, with Australians representing 16 per cent). There is no doubt that the Sydney 2000 Olympics generated a lot of interest, but the ATC is confident that interest in Australia will continue at a high level.

6.193   ATC's australia.com website is presented in a number of languages: English, Japanese, Chinese, Korean, German, Italian, French, Spanish, and Portuguese. The Committee believes that it would make sense for an Arabic version to be included. This would make Arabic speakers feel more welcome, and encourage them to explore further what Australia has to offer.

6.194   The expansion of air services has been one of the key factors behind the strong growth in tourism between Australia and the Middle East in recent years.[55] The current schedule of direct flights is shown in Table 6.13 below:

Table 6.13     Schedule of direct flights between Australia and the Middle East, May 2001

| Air Line | Departure–Arrival | Frequency | Departure–arrival times | Stop Over |
|---|---|---|---|---|
| Emirates Airlines | Melbourne–Dubai | Daily | 19:20/05:10 +1 | Singapore |
| | Sydney – Dubai | Mon, Wed, Fri, Sun | 20:15/06:35+1 | Singapore |
| Gulf Air | Sydney–Bahrain | Tues, Thurs, Fri, Sun | 21:20/10:20+1 | Sydney via Melbourne/ Singapore |
| Egypt Air | Sydney–Cairo | Wed, Sat | 20:00/09:15+1 | Singapore |

*Source     Airline Schedules, May 2001*

6.195   Emirates Airlines has indicated that it is considering direct flights to Perth and possibly also to Brisbane at some time in the future, which would give a boost to those cities, both in terms of more direct tourism and also better access to air freight capacity. There are also frequent connections through Singapore and Kuala Lumpur.

6.196   Partly in response to the arrival of illegal boat people, the Department of Immigration and Multicultural Affairs (DIMA) has expanded its presence in the Middle East and now has staff in Tel Aviv, Cairo, Beirut, Amman,

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[55]   ATC, Submission, p. 240.

Riyadh, Dubai, and Tehran. These offices also process short-term visa applications, which has reduced processing delays for intending tourists.

6.197 In order to facilitate the processing of visas, DIMA has authorised thirteen travel agents to handle visa applications. These agents are located in Abu Dhabi, Bahrain, Dubai (two agents), Kuwait (three agents), Muscat, Oman, and Saudi Arabia (agents in Riyadh, Jeddah, Dharan, and Damman).[56] These authorised agents hold stocks of visa application forms and visas. An intending visitor completes an application form which the agent faxes to DIMA in Dubai or Athens for processing. The agent is advised if the application is approved, and he then inserts the actual visa in the traveller's passport.

6.198 The agency system seems to be working well. The big advantage is that intending travellers do not need to send their passports away with their application to secure a visa.

6.199 Visitors from the Middle East are normally given a multiple entry visa valid for 12 months. Where DIMA is convinced of bona fides, multiple entry visas valid for five years are now becoming readily available.

6.200 The spread of DIMA personnel, together with the expanded agency system, should do much to address the requirements of short term visitors to Australia. Citizens of some countries may still experience delays in processing visa applications, but that is due to the requirement for security checks rather than DIMA's administrative procedures.

6.201 Despite relatively high rejection rates by DIMA of short term visitor visa applications, overstay or non-return rates are still significant for several Middle East countries as shown in Table 6.14 below:

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56    DIMA, Exhibit 38.

**Table 6.14    Middle East countries Rejection Rates and Non-Return Rates, (per cent)**

| Country | Rejection rate | Non-Return rate | Rejection rate | Non-return rate |
|---|---|---|---|---|
| | *July 1999 - June 2000* | | *July 2000 - April 2001* | |
| Egypt | 26.36 | 14.64 | 41.62 | 12.81 |
| Iran | 51.66 | 20.20 | 48.73 | 14.59 |
| Iraq | 58.52 | 17.67 | 37.36 | 18.40 |
| Israel | 3.74 | 7.92 | 4.84 | 6.84 |
| Jordan | 41.85 | 13.29 | 44.03 | 18.28 |
| Lebanon | 47.67 | 17.38 | 33.03 | 13.28 |
| Syria | 49.72 | 22.46 | 52.32 | 20.86 |

*Source    DIMA, Supplementary Submission 80(b)*

6.202    The rejection rates and non-return rates for the Gulf countries are mostly below 1 per cent, with the highest being 2.49 per cent.  Yemen is the exception, with rates comparable to some of the figures shown in Table 6.14.

6.203    The ATC's submission identified the cost of obtaining an Australian visa as a possible impediment to tourism.[57]  DIMA contends that Australian visitor visas are not expensive in comparison with the charges levied by most other tourism destinations.  DIMA provided the following figures based on a survey undertaken by their offices in the Middle East:

**Table 6.15    Comparative costs of short term visas**

| Country | Cost of visa application A$ equivalent | Country | Cost of visa application A$ equivalent |
|---|---|---|---|
| Australia | $60 | New Zealand | $48 |
| Canada | $70 | South Africa | $60 |
| Germany | $60 | UK | $110 |
| France | $60 | USA | $60 |

*Source    DIMA, Supplementary Submission received 18 June 2001*

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57    Submission, pp. 238 – 39.

6.204    The Visa Application Charge has not risen since July 1999 and falls in the Australian dollar have kept Australia's visitor visa application charges competitive.[58]

6.205    Agents charge service fees to their clients to assist them with visa applications and processing, which can increase the final cost significantly. However, there is no mandatory requirement that intending visitors use agents—they can, if they so choose, lodge applications directly with the nearest DIMA office.[59]

6.206    The issue of the cost of visas was raised by the Committee with the ATC during the public hearing on 27 July 2000. At that time, ATC admitted that the cost of obtaining visas was not as important as the delays involved in the actual process of applying for a visa.[60]

6.207    DIMA has taken reasonable steps to facilitate the issue of visas to short term visitors. However, processing times need to be carefully monitored to ensure that the new procedures are working efficiently and achieving the desired results. The Committee has every confidence that inbound tourism from the Middle East will continue to show steady growth in the future.

**Recommendation 26**

6.208    **The Committee recommends that the Australian Tourist Commission add an Arabic version to the australia.com website.**

## Overseas students in Australia

### Size of the market

6.209    A very significant number of students from the Middle East complete at least some of their studies overseas. DETYA's submission contained a table which showed that 34,172 students from the Middle East undertook higher education courses in four major English-language countries in 1998-99—the USA, the UK, Canada and Australia. Australia was the

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58    DIMA, Supplementary Submission received 18 June 2001
59    ibid.
60    ATC, Transcript, p. 346.

destination for just 0.8 per cent of these students, as shown in Table 6.16 below:

Table 6.16    Number of Middle East students studying higher education courses in the USA, UK, Canada and Australia in 1998-1999

|  | USA | UK | Canada | Australia |
|---|---|---|---|---|
| Egypt | 1834 | 200 | 146 | 15 |
| Iran | 1660 | 849 | 453 | 90 |
| Israel | 3098 | 1996 | 159 | 54 |
| Jordan | 2039 | 733 | 140 | 1 |
| Kuwait | 3013 | 689 | 129 | - |
| Saudi Arabia | 4931 | 1466 | 426 | 2 |
| United Arab Emirates | 2524 | 912 | 36 | 75 |

*Source    DETYA, Submission, p. 1711*

## Number of students from the Middle East in Australia

6.210    Table 6.17 shows the numbers of students from the Middle East who studied in Australia from 1996 to 2000:

Table 6.17    Overseas Students, by Country

| Country | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|---|
| Iran | 480 | 331 | 189 | 144 | 125 |
| Israel | 49 | 55 | 95 | 115 | 146 |
| Jordan | 42 | 63 | 87 | 114 | 260 |
| Lebanon | 24 | 27 | 30 | 92 | 232 |
| United Arab Emirates | 155 | 230 | 249 | 252 | 239 |
| Egypt | 32 | 27 | 26 | 53 | 65 |
|  |  |  |  |  |  |
| **Total all Middle East** | **782** | **733** | **676** | **770** | **1,067** |
| **Total all Countries** | **147,789** | **154,728** | **151,444** | **162,865** | **188,277** |

*Source    Overseas Student Statistics Collection 2000, Australian Education International*

6.211    The number of students from the Middle East totalled 1,067 in 2000, including 146 undertaking higher education courses offshore.  The Middle East represented just 0.6% of the 188,277 overseas students in Australia. By way of comparison, Australia's major sources of overseas students in 2000 were Singapore (20,866), Hong Kong (20,739), Malaysia (19,602) and Indonesia (17,868).

6.212     There has been a sharp decrease in student numbers from Iran. Most Iranian students are funded by government scholarships and, as that regime becomes more flexible, a greater number of these students are choosing to study in the USA. A strategy should have been devised to retain a continuing interest in, and commitment to, Australia. Numbers from all the other countries in the Middle East have increased as shown in Table 6.17 above, but the overall numbers are still disappointingly small.

6.213     Previously DETYA had an educational counsellor based in the Australian Consulate General in Dubai. The position became vacant in early 2000 and a review was undertaken. DETYA decided to appoint a locally engaged officer to fill the position and is finalising negotiations with Austrade to permit that person to operate out of the Austrade office, commencing in August 2001.

6.214     Well over 30,000 students from the Middle East undertake higher education studies in English-speaking countries every year. After several years of trying, Australia still has a market share of less than one per cent. The Committee believes that a three per cent market share should be an achievable target in the medium term given the combined promotional activities in the region of DETYA, Austrade, IDP Education Australia, and the University of Wollongong. The oil-rich States of the Gulf should clearly be the priority target markets.

6.215     DETYA is urged to develop a business plan to achieve a three per cent market share within three years. If that target is achieved, and continuing the momentum generated, a market share of five per cent within five years would be very achievable. The business plan should be compiled in close cooperation with Austrade, IDP Education Australia, and the University of Wollongong to take full advantage of the significant on-the-ground experience these organisations have obtained in the region.

6.216     It is obvious that Australia's past marketing efforts have had very limited success. However, IDP has now established a presence in the region supported by an active marketing program (see section on IDP Education Australia below) which will give a major boost to Australia's efforts in the region.

6.217     In order for Australia to significantly increase its market share, DETYA has to play a strategic coordinating and leadership role. New promotional strategies must be instituted on a 'Team Australia' basis. If the targets set in the three year business plan are not achieved, the DETYA position in Dubai should be withdrawn and those resources put into more responsive markets.

## Types of courses

Table 6.18 Overseas students, by major country and type of course, 2000

| Country | Higher Education | | Vocational Education | School Education | ELICOS* | Total |
|---|---|---|---|---|---|---|
| | On-shore | Off-shore | | | | |
| Iran | 85 | 4 | 7 | 4 | 25 | 125 |
| Israel | 106 | 10 | 22 | 4 | 4 | 146 |
| Jordan | 43 | 3 | 35 | - | 179 | 260 |
| Lebanon | 73 | 8 | 42 | 1 | 108 | 232 |
| United Arab Emirates | 88 | 121 | 8 | 1 | 21 | 239 |
| Egypt | 11 | 0 | 42 | 4 | 8 | 65 |
| | | | | | | |
| **Total Middle East** | **406** | **146** | **156** | **14** | **345** | **1,067** |
| **Total all Countries** | 72,717 | 34,905 | 30,759 | 13,129 | 36,767 | 188,277 |

* ELICOS = English Language Intensive Courses for Overseas Students

*Source     Overseas Student Statistics Collection 2000, Australian Education International*

6.218   Table 6.18 above shows the types of courses undertaken by students from the Middle East.  The spread of courses undertaken by students from the Middle East mirrors fairly closely the distribution of all overseas students.

## Geographic distribution

6.219   NSW is by far the most popular destination for students from the Middle East, with 53 per cent choosing to study there, compared to an overall average for all foreign students of 31 per cent.  Table 6.19 shows the geographic distribution of students from the Middle East around Australia:

Table 6.19     Overseas students, by major country and State/Territory, 2000

| Country | NSW | Vic | Qld | WA | SA | ACT | Tas | NT | Off-Shore | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Iran | 54 | 14 | 15 | 10 | 17 | 7 | 4 | - | 4 | 125 |
| Israel | 54 | 61 | 10 | 6 | 3 | 2 | - | - | 10 | 146 |
| Jordan | 206 | 11 | 25 | 5 | 1 | 6 | - | 3 | 3 | 260 |
| Lebanon | 173 | 28 | 10 | 2 | 3 | 5 | - | 3 | 8 | 232 |
| United Arab Emirates | 27 | 33 | 26 | 5 | 1 | 8 | 18 | - | 121 | 239 |
| Egypt | 51 | 9 | 1 | 4 | - | - | - | - | - | 65 |
| | | | | | | | | | | |
| **Total all Middle East** | **565** | **156** | **87** | **32** | **25** | **28** | **22** | **6** | **146** | **1,067** |
| **Percentage** | 53 | 15 | 8 | 3 | 2 | 3 | 2 | 0.6 | 14 | 100% |
| **Total Overseas Students Percentage** | 31 | 23 | 13 | 9 | 3 | 2 | 1 | 0.2 | 19 | 100% |

*Source    Overseas Student Statistics Collection 2000, Australian Education International*

## IDP Education Australia

6.220    IDP Education Australia (IDP) is the international marketing arm of universities in Australia.  On behalf of the universities, IDP seeks overseas students to undertake higher education courses in Australia and also seeks consultancy projects that can be undertaken by universities on a commercial basis.

6.221    IDP opened its own office in Dubai in January 2000 and has since established representation in Bahrain, Kuwait, and Oman, and Saudi Arabia through a network of local partners.

6.222    IDP uses a range of proven marketing strategies to promote study in Australia, including education exhibitions, advertising in media, sponsoring school events, and organising roadshows and interview programs.  These promotions are conducted in conjunction with the marketing departments of interested universities.  IDP is planning a major 'Study Australia' promotion in October 2001 to be held in Bahrain, Kuwait, Oman, Abu Dhabi, Dubai as well as, for the first time, in three major centres in Saudi Arabia.[61]

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61   IDP website July 2001:  www.idp.edu.au/exhibitions/

6.223    The government of Dubai has given IDP approval to conduct short-course training programs there.  IDP is also examining the feasibility of establishing English teaching centres in the region.

## Visa regulations for overseas students

6.224    Some disquiet has been expressed about aspects of the new visa conditions for overseas students that came into force on 1 July 2001.[62]  The National Liaison Committee for International Students in Australia conference held in Canberra in July 2001 criticised the fact that students from different countries were assessed against different criteria, and that visas were automatically cancelled if students did not respond to a 28-day notice.[63]

6.225    IDP Education Australia has identified three other areas of special concern with the new visa regulations:

- It is mandatory for students to achieve a minimum level in an IELTS (International English Language Testing System) test, even if their prime purpose in coming to Australia is to learn English;

- All the Persian Gulf States are classified as Risk Category 2, except Oman and Qatar which by have been designated Risk Category 3. Conditions are similar across the Gulf and both countries should be in Risk Category 2;

- Only parents are now able to sponsor student children, whereas previously siblings and close relatives could also do so.  The cultural norms of the Middle East mean that often the extended family holds wealth, and this should be taken into account for sponsorship purposes.[64]

## Recommendation 27

6.226    **The Committee recommends that the Department of Immigration and Multicultural Affairs review some of the new visa regulations for overseas students, particularly as they pertain to the Middle East.**

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62    The new visa regulations are explained on DIMA's website: www.immi.gov.au/students/whatsnew
63    *The Canberra Times*, 7 July 2001, p. 4.
64    IDP Education Australia, Exhibit 40.

## University of Wollongong

6.227   The University of Wollongong (UoW) established the Institute for Australian Studies in Dubai, UAE, in 1993. In December 1999, UoW was granted a licence by the UAE Ministry for Higher Education and Scientific Research to operate a fully-fledged university campus.[65]

6.228   The UoW is the first foreign university to be granted a licence to operate in the UAE. The licence enables the Dubai Campus to advertise its courses, sponsor visas for foreign students, and have its courses formally recognised for appointment and promotion purposes in the public sector.

6.229   Dubai was selected as the site for UoW's campus because of its standing as a leading industrial, commercial and trading centre servicing a large regional population in an oil-rich area. It has political and financial stability, an open pro-business regulatory climate, and sound infrastructure including advanced communications.

6.230   UoW plans to invest more than $2 million over two years to improve facilities and infrastructure of the existing Dubai Campus, with the long-term goal of achieving a purpose-built campus. English-language enrolments are 850 in 2001 and these numbers will double in the next four years. Academic enrolments are expected to increase from 378 in 2001 to over 1,600 in 2005. The Dubai Campus currently has 65 staff and more are being recruited.[66]

6.231   The academic programs offered by the Dubai Campus are also offered by the main Wollongong Campus and have undergone the same approval and quality assurance process. Course and subject descriptions are based on those provided to students undertaking the same course in Australia. The Dubai Campus currently offers the following courses:

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65    University of Wollongong, Exhibit 28.
66    Ibid.

**Table 6.20    Courses offered by UoW's Dubai Campus in 2001**

| Undergraduate | Graduate |
| --- | --- |
| Bachelor of Business Administration | Graduate Certificate in Business Administration |
| Bachelor of Commerce | Graduate Certificate in Quality Management |
| Bachelor of Computer Science | Graduate Diploma in Business Administration |
| Bachelor of Internet Science and Technology | Master of Business Administration |
| | Master of International Business |
| | Master of Quality Management |

*Source    University of Wollongong, Exhibit 28*

6.232    The Dubai Campus also offers Islamic Studies (Culture) which is designed to familiarise students with Islamic teaching, culture and tradition.  UoW is proposing to add two new courses in 2001:  a Bachelor of Arts undergraduate course, and a Master of IT Management graduate course.

6.233    Previous attempts by Australian institutions to recruit students from the Middle East have not proven very effective.  The Committee commends the University of Wollongong for taking an innovative and far-sighted approach to establishing a presence in this region and wishes it every success in its future endeavours.

# 7

# Promotion and Protection of Human Rights in the Middle East

> Australia believes that the implementation of international human rights standards is the best available safeguard for the rights and freedoms of individuals, and that the challenge is how to encourage change in deep-seated cultural attitudes that may be at variance with those standards.[1]

7.1    Amnesty International's annual report of 2001 documented human rights issues of concern to the organisation worldwide during the year 2000. It also outlined the activities that Amnesty International (AI) had undertaken during the year to promote human rights and to campaign against specific human rights abuses. The report contained a summary of human rights violations for the Middle East and North Africa regions, ranging from extrajudicial executions to widespread use of torture and unfair trials, harassment and intimidation of human rights defenders. AI reported that freedom of expression and association continues to be curtailed and that the climate of impunity remains, so that victims of human rights abuse must continue to wait for justice.[2]

7.2    Each year, the US State Department publishes 'country reports' on human rights practices around the world. For the Middle East region up to the end of year 2000, the report on the occupied territories of the West Bank and Gaza, for example, described the overall human rights record of the Israeli authorities as 'poor':

> Israeli security forces committed numerous serious human rights abuses during the year. Security forces killed 307 Palestinians and

1    DFAT, Submission, p. 973.
2    Amnesty International, *Annual Report 2001*, website: *www.amnesty.org/index.html* (at 19 June 2001).

four foreign nationals and injured at least 11,300 Palestinians and other persons during the year.  Israeli security forces targeted for killing a number of Palestinians whom the Israeli Government stated had attacked or were planning future attacks on Israeli settlements or military targets.  Since the violence began [in September 2000] Israeli security units often used excessive force against Palestinian demonstrators.[3]

7.3     The same report made similar criticisms of the human rights record in areas controlled by the Palestinian Authority (PA).

## The UN Human Rights Framework

7.4     The Committee's recent report on Australia's role in reform of the UN included a chapter on the international human rights system.  The treaty system established by the UN seeks to prevent the abuse of human rights, to encourage governments to protect human rights and to act as an early warning system for the international community on potential sources of disagreement on human rights practices.  To achieve these ends, specific human rights covenants and conventions which define international standards have been negotiated, and six treaty bodies have been established to monitor compliance.  The Commission on Human Rights (UNCHR) was established in February 1946, and its early work involved the negotiation of the human rights covenants:

> The process of definition, of negotiating agreed international standards, and of encouraging ratification of treaties occupied much of the early years of the Human Rights Commission.  The compliance system has grown up haphazardly behind it.[4]

7.5     The Office of the High Commissioner for Human Rights was established following the 1993 World Conference on Human Rights, which was held in Vienna.  The main purpose in establishing the Office was to coordinate and integrate the various activities which had evolved since the commencement of UNCHR.

7.6     The international human rights treaty system and its administrative mechanisms were discussed in detail in two previous Committee reports—the report on UN reform, previously cited, and an earlier one

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3     US Department of State, *Country Reports on Human Rights Practices - 2000* (Occupied Territories), February 2001, published at: *www.state.gov/g/drl/rls/hrrpt/2000/nea/* (29 June 2001).

4     JSCFADT, *Australia's Role in United Nations Reform*, June 2001, p. 134.

relating to regional human rights dialogue.[5]  The *Universal Declaration of Human Rights* of 1948 gave rise to two specific treaties, which are the *International Covenant on Civil and Political Rights* (ICCPR) and the *International Covenant on Economic, Social and Cultural Rights* (ICESCR). The three documents together form what is known as the International Bill of Rights.

7.7     Two protocols have been developed as optional additions to the ICCPR: the First Optional Protocol entitles individuals to make complaints to the monitoring committee, and the Second Optional Protocol is aimed at abolition of the death penalty.

7.8     A number of Conventions have been established to articulate in more detail specific rights outlined in the two major Covenants:

- International Convention on the Elimination of All Forms of Racial Discrimination (CERD), adopted in 1965;

- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted in 1979;

- Convention Against Torture and Other Forms of  Cruel, Inhuman and Degrading Punishment (CAT), adopted in 1984; and

- Convention on the Rights of the Child (CROC), adopted in 1989.

7.9     Although a number of other treaties deal with matters of human rights, they are not strictly within the UN system monitored by the UNCHR. These include the Geneva Conventions, the Convention Relating to the Status of Refugees, the Slavery Convention and numerous ILO conventions protecting the rights of workers.  Further conventions are under discussion; for example, draft conventions on the rights of indigenous people and on the right to development.

7.10    Some treaties allow reservations to be made.  A reservation is a declaration by which a state purports to exclude or alter the legal effect of some provisions of the treaty in its application to that particular state. Certain Middle Eastern states, for example, have made reservations to CEDAW.  Amnesty International Australia (AIA) argued that such reservations significantly undermine the object and purpose of the Convention, since they imply that women's rights to freedom from

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5    JSCFADT, op. cit., and *Improving, but…: Australia's Regional Dialogue on Human Rights*, June 1998, Chapter 6.

discrimination are not inherent, but contingent upon other factors such as religious, tribal, familial or cultural prerogatives.[6]

## Terms in common use

7.11    There are a number of commonly-used terms which relate to the UN treaty system, and international law generally.  In essence, the term 'treaty' is a written agreement between states, and includes international instruments such as charters, conventions, covenants, protocols, pacts and exchanges of notes.[7]

7.12    A 'signatory' is a state which has signed an agreement.  A 'state party' means a state which has consented to be bound by a treaty which is in force.  'Ratified' means that signature has been confirmed by a relevant national representative body such as a parliament and signifies the intention to be bound by the provisions of a treaty.  The term 'in force' means that the required number of signatory state parties have amended their domestic legislation and are therefore bound by the provisions of the treaty.[8]

7.13    'Accession' is the act whereby a state accepts the offer or the opportunity to become a party to a treaty already negotiated and signed by other states.  It has the same legal effect as ratification.[9]

## Treaty monitoring committees

7.14    States which are parties to the major human rights treaties are required to produce reports to the relevant treaty committees on their compliance with treaty obligations.  The six treaty committees which have been established under the UN human rights framework are shown in the following table:

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6    AIA, Submission, pp. 1899-1901.  Recent Australian media articles on cultural and other interpretations of human rights have included P Bone, *The Age*, 'No Honour in Barbarism', 25 January 2001 and T M Franck, *Australian Financial Review*, 'Without Exception', 16 February 2001.

7    JSCFADT, *Improving, but … :Australia's regional dialogue on human rights*, June 1998, p. 96, citing Senate Legal and Constitutional References Committee.

8    DFAT, Exhibit 35.

9    UN international law website: *www.untreaty.un.org/English/guide.asp#accession* (at 25 June 2001).

**Table 7.1      UN Human Rights Treaty Bodies**

| Treaty | Entry into Force | Monitoring Committee | Reporting Period |
|---|---|---|---|
| | *(No of parties required)* | | |
| International Covenant on Civil and Political Rights (ICCPR) | 1976 *(35)* | UNCHR | Every five years |
| International Covenant on Economic, Social and Cultural Rights (ICESCR) | 1976 *(35)* | CESCR Committee | Every five years |
| International Convention on the Elimination of All Forms of Racial Discrimination (CERD) | 1969 *(27)* | CERD Committee | Every two years |
| Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) | 1971 *(20)* | CEDAW Committee | Every four years |
| Convention Against Torture and Other Forms of  Cruel, Inhuman and Degrading Punishment (CAT) | 1987 *(20)* | CAT Committee | Every four years |
| Convention on the Rights of the Child (CROC) | 1989 *(20)* | CROC Committee | Every five years |

*Source      JSCFADT, Australia's Role in United Nations Reform, June 2001, p. 141.*

7.15      While the provisions of the human rights treaties are part of international customary law, and legally binding on state parties, they are not legally enforceable:

> The human rights treaty system of the UN is … a self-regulating system; governments set the rules, governments agree to abide by the rules and governments establish a system for monitoring the rules.  The role of the state remains paramount.[10]

7.16      The urgent need for reform of the UN treaty bodies in response to criticisms and weaknesses was discussed at length in the Committee's UN report previously cited.  Backlogs in the formal reporting obligations to the relevant monitoring committees, and the need for a considerable increase in the resources allocated to human rights administration from the core budget of the UN, were just two of the major shortcomings identified in the Committee's report.  The Committee recommended that Australia should demonstrate its belief in the validity/legitimacy of international scrutiny of human rights by encouraging other member states to ratify the conventions and to participate fully in the workings of the UNCHR.[11]

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10    JSCFADT, *Australia's Role in United Nations Reform*, op. cit., p.139.

11    ibid, pp. 153-54.

7.17    While not specific to the Middle East, the Committee's UN report nevertheless states important principles for the promotion and protection of human rights in that region as part of the wider global community.

7.18    Not one of the countries in the region has ratified all of the major international human rights instruments. Seven Middle East countries have ratified the two major UN covenants—ICCPR and ICESCR—and a number of others have ratified some of the other international human rights instruments.

7.19    The only instrument to which Oman has acceded is CROC, which was effected on 9 December 1996. Yemen hosted a UN Inter-Sessional Workshop in Sana'a in February 2000 on economic, social and cultural rights, and the right to development. The UN designated the year 2001 as the International Year for Dialogue Among Civilisations, an initiative of Iran's President Seyed Mohammad Khatami.[12]

7.20    Appendix H shows details of the ratification status of the six major human rights treaties in the Middle East, with relevant dates.[13]

## The International Criminal Court

7.21    In support of strengthening the machinery which underpins the UN's human rights system, Australia has been a strong advocate for adoption of the statute to establish an International Criminal Court (ICC) and has been actively encouraging other Member States to become signatories to the statute. Jordan decided as long ago as October 1998 to sign the statute, which is known as 'The Rome Statute'.[14] Australia currently chairs the 'Like-minded Countries' group of 60 nations committed to the establishment of the ICC.

7.22    Notwithstanding the generally supportive stance of the international community, several prominent nations have expressed reservations. The US and Israel have signed the Statute, but are unlikely to ratify it, while China has refused to be a signatory.

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12    Embassy of the Islamic Republic of Iran, Submission, p. 445.

13    DFAT, Exhibit 35.

14    The Statute (*The Statute of the International Criminal Court*) prescribes the manner in which the ICC will operate. It details the establishment and composition of the Court, its jurisdiction, and the principles of law that will govern proceedings. The ICC will come into existence once 60 states have ratified the Statute (32 have already done so). When established, the ICC will be an independent, standing court with appropriate powers of investigation and prosecution.

7.23    In its recent report on UN reform, the Committee commended the
        Australian Government's contribution to the development of the ICC and
        recommended that Australia ratify the Rome Statute as soon as possible.
        The Committee further recommended that the Australian Government
        pursue with reluctant member states clarification of outstanding issues of
        concern to them, as well as use its good offices to persuade member states
        to ratify the Statute.[15]

7.24    In addition to Jordan, the following Middle Eastern states have signed, but
        not yet ratified the Rome Statute—Bahrain, Iran, Israel, Kuwait, Oman,
        Syria, the UAE and Yemen.  At the time of writing, Australia had the same
        status of signatory only, and the Committee considers that Australia
        should ratify the Rome Statute as soon as possible.

## Recommendation 28

7.25    **As recommended in the Committee's recent majority report on United
        Nations reform, the Committee urges the Australian Government to
        ratify as soon as possible the Rome Statute, to establish the
        International Criminal Court.**

# Australia's Surveillance of Human Rights Practices

7.26    DFAT monitors the human rights situation in the Middle East by using
        Australia's diplomatic missions there, in addition to drawing on
        information provided through a number of other channels.  These
        channels include NGOs, academic institutions and the wider community,
        and particular note is taken of the regular country reports of the US State
        Department and leading NGOs such as Amnesty International.

7.27    It is the Australian Government's stated policy to take up individual
        human rights cases when it is satisfied there are valid grounds for an
        inquiry.[16]  Australia was one of a few countries which continued to have a
        representative at Shiraz during the trial in Iran of 13 Jews and four
        Muslims accused of espionage.  The trial was conducted in a closed court,

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15  JSCFADT, op. cit., pp. 157-160.  In that report (p. 173), the Committee documented a number of
    perceived weaknesses in the Statute; for example, the ICC's reliance on State cooperation to
    exercise its jurisdiction and to enforce judicial decisions, and the potential for 'rogue' states to
    deny the jurisdiction of the Court.

16  DFAT, Submission, p. 973.

and there were concerns about the validity of some of the confessions used in evidence. Ten of the 13 Jews were convicted, as were two of the four Muslims. Sentences ranged from two to 13 years' imprisonment.[17]

7.28    The US State Department's most recent report on Iran criticised the strong influence exerted over the judiciary by government and religious forces, and described the trial procedures in Shiraz as unfair and in violation of numerous internationally-recognised standards of due process.[18] Foreign Minister Downer made five representations at ministerial level dealing with Australia's concerns about the trial.

7.29    As DFAT stated in evidence, Australia remains concerned about continuing human rights abuses in the region, in particular the wide-ranging use of the death penalty, torture and ill-treatment of prisoners, 'disappearances', the treatment of women, the lack of religious freedom and curtailment of freedom of expression. These concerns are pursued bilaterally and, in the case of Iran, there has been progress towards an agreement between the two governments to establish a formal dialogue on human rights issues.[19]

7.30    As well, senior level visits from the region provide the opportunity for Australia to raise human rights issues with key decision-makers; for example, the visit in April last year by the Governor of Riyadh, Prince Salman bin Abdul Aziz, when the issue of the treatment of women in Saudi Arabia was discussed at some length. DFAT informed the Committee that, although such discussions are not public, human rights issues are nevertheless pursued vigorously by these means.[20]

7.31    The progress in discussions with Iran could be a useful indicator to similar developments which Australia could pursue with other regional governments.

## Recommendation 29

7.32    **The Committee recommends that the Australian Government pursue bilateral discussions with governments in the Middle East, with a view to establishing formal dialogue mechanisms on human rights matters similar to the arrangements which have been discussed with Iran.**

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17    DFAT, Transcript, pp. 6, 11 and 350.
18    US Department of State, *Country Reports on Human Rights Practices - 2000* (Iran), February 2001.
19    DFAT, Submission, pp. 973-74.
20    DFAT, Transcript, p. 11.

## Multilateral initiatives

7.33    Multilaterally, Australia has co-sponsored resolutions in the Third
        Committee of the UN General Assembly and the UNCHR on the human
        rights situation in Iran and Iraq and on Israeli settlements in the occupied
        Arab territories.  Australia has also co-sponsored resolutions on CEDAW
        as well as the Convention on the Elimination of All Forms of
        Discrimination Based on Religion or Belief.  Through regional UN
        meetings and programs, Australia has promoted the establishment of
        national human rights institutions by providing legal technical assistance
        to countries seeking to establish an environment in which the human
        rights of citizens can be protected more effectively.

7.34    DFAT did acknowledge, however, that the Government's focus had been
        applied primarily to Australia's immediate region, in the form of
        participation at the Asia Pacific Forum of National Human Rights
        Institutions.  Some Middle East countries attend as observers at meetings
        of the Forum, thereby gaining useful exposure to international human
        rights mechanisms and agreed international standards.  Australia
        provides funding for the Forum Secretariat.[21]

7.35    Iran is the only Middle Eastern state to have shown evidence of
        establishing an independent national human rights organisation, the
        Islamic Human Rights Commission.  In the occupied Arab territories,
        there is what is called the Palestinian Independent Commission on
        Citizens' Rights, while in Jordan there is a Royal Human Rights
        Commission.  As DFAT stated in evidence:

> While these institutions may not fit within the ambit of the UN-
> endorsed 'Paris Principles' (which outline the role, composition,
> status and functions of national human rights instruments) in that
> they must be independent and pluralistic, their establishment and
> subsequent activity may prove to have been positive
> developments in the strengthening of human rights.[22]

7.36    The Australian Council for Overseas Aid (ACFOA) and Australian People
        for Health, Education and Development Abroad (APHEDA) strongly
        recommended that Australia give greater support to the development of
        human rights organisations in the Middle East by undertaking a specific
        program with a focus on that region.[23]

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21   DFAT, Submission, p. 974 and Transcript, p. 12.
22   DFAT, Submission, p. 974.
23   ACFOA, Submission, p. 1599; APHEDA, Submission, p. 1528.

7.37    The Committee agrees with this view and considers that such developments should be encouraged further, since they would assist in raising the profile of human rights practices and the promotion of a human rights culture in the Middle East region.  One of the avenues within which such a program might be pursued effectively is the Human Rights Strengthening project, HURIST.  This UN initiative began in 1999 as a joint endeavour of the High Commissioner for Human Rights and the United Nations Development Program.  It is designed to enhance opportunities for developing national capacity for promotion and protection of human rights in the planning of sustainable development.[24]

## Recommendation 30

7.38    **The Committee recommends that the Australian Government increase its commitment to the development of national human rights organisations in the Middle East by providing technical and other assistance to multilateral programs such as the UN Human Rights Strengthening project (HURIST), and by promoting such initiatives in bilateral dialogue with countries of the region.**

# Views of Australian NGOs and Community Groups

7.39    A wide range of NGOs and community groups presented evidence to the Committee on the human rights situation in the Middle East.  Many of them made suggestions on how Australia should respond.  Although the focus for concern by various community organisations often depended on the viewpoint of the particular community organisation, evidence to the Committee from the NGOs generally expressed such concerns in the context of the entire region, based on reputable reports from international monitoring agencies such as AI, the US State Department and Human Rights Watch (HRW).

7.40    The submission from ACFOA made the link between human rights abuses throughout the region and failure to resolve the Arab-Israeli conflict:

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24    The HURIST program was developed to promote human rights at global, regional and sub-regional levels.  The aims, objectives and achievements of the program have been reported in various UN General Assembly and Economic and Social Council documents since 1999. During the year 2000, for example, HURIST activities were reported in Yemen and Jordan.

> … [T]he resolution of the Arab-Israeli conflict and the
> humanitarian crisis in Iraq, linked as they are to peace and security
> throughout the Middle East, remain in jeopardy while
> fundamental human rights are denied.[25]

7.41    In relation to the human rights record of both the PA and the Israeli
        Government in the occupied territories, ACFOA drew the Committee's
        attention to authoritative, documented reports of ongoing violations
        through torture, ill-treatment of prisoners, administrative detentions and
        restrictions on freedom of movement and expression.  Further evidence
        from ACFOA emphasised its view that Australia has a moral
        responsibility to continue to pursue respect for human rights:

> Australia's proud human rights tradition at the international level
> imposes on it a strong moral obligation to continue to push for
> respect for human rights in the [Middle East] region, in particular
> by supporting United Nations bodies which have responsibility in
> this area.[26]

7.42    Evidence from AIA had a primary focus on two fundamental human
        rights—the right to freedom from arbitrary detention and torture, and the
        right of women to freedom from discrimination and persecution.  These
        two basic freedoms were selected by AIA because they illustrate how
        states in the Middle East respond to political dissent and demonstrate how
        issues of local culture and practice can be invoked as reasons to disregard
        the universality and indivisibility of human rights.  AIA highlighted the
        difference between human rights theory and practice by reminding the
        Committee that, despite the increasing ratification of international human
        rights conventions by Middle Eastern states, abuse of human rights in the
        region remains rife.  Moreover, AIA maintained that the full extent of
        human rights abuse is difficult to confirm, given the only limited access
        that monitoring organisations have to detainees, for example.[27]

7.43    AIA's submission also highlighted concerns regarding continuing torture
        of detainees (in prisons, police and army camps, as well as detention
        centres).  Rape is a form of torture which can occur even outside places of
        detention, and continuing discrimination against and persecution of
        women in a number of Middle East states has been widely reported by the
        international monitoring agencies.

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25   ACFOA, Submission, p. 1551.

26   ACFOA, Transcript, p. 379.  See also website reports from the Israeli Centre for Human Rights
     in the Occupied Territories (B'Tselem), *www.btselem.org (*at 25 June 2001).

27   AIA, Submission, p. 1895.

7.44    The practice of torture and other inhuman or degrading practices is one consequence of justice systems that are unaccountable and which fail to guarantee minimum international standards of justice and fair trials. In recommending that Australia urge all states in the Middle East to improve their human rights practices, AIA also recommended in its submission that the Australian Government elevate human rights concerns to a higher priority in developing Australia's foreign relations with the Middle East.[28]

7.45    The Australian Arabic Council (AAC) reminded the Committee that it is easy to forget the steady erosion of human rights in the region under the pressures exerted by continual setbacks to the peace process. Echoing the views expressed in some other submissions from community groups, the AAC urged Australia to take a more strategic view of its overseas aid program by linking development assistance to improvements in human rights practices.[29]

## The Palestinian Refugees

7.46    The world tends to focus on a few refugee tragedies at a time—for example, East Timorese escaping violence; ethnic Albanians driven from Kosovo; and other humanitarian disasters in succession. However, the refugee crisis is broader and more persistent than the daily headlines might suggest. World-wide, the UN counts more than 11 million people as refugees—people forced from their countries to escape war or persecution due to race, nationality, religion, or political opinion. Another 17 million or more are displaced within their own countries.

7.47    Palestinians are the largest group of refugees in the world, reaching an official 3.8 million last year. A third of these refugees still live in camps constructed after the 1948 Arab-Israeli War.[30]

7.48    As a humanitarian issue, the scale of the Palestinian refugee problem is enormous. The issue of the Palestinian refugees in the context of the Middle East conflict was discussed at some length in Chapters 2 and 3.

7.49    The Committee agrees with the consistent view expressed in submissions that, without a comprehensive settlement of the Palestinian refugee

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28    AIA, Submission, pp. 1901-02 and Transcript, p. 393.
29    AAC, Submission, p. 1833.
30    'Plight of the Refugees', published as a supplement to *National Geographic*, December 1999.

situation (including resolution of the 'right of return'), there is little chance of achieving a long-term regional peace.[31]

## The role of UNRWA

7.50    In response to the refugee crisis created by the 1948-49 war, the UN established a specialised agency, the Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which was originally envisaged as a temporary organisation.  Under UNRWA's operational definition, Palestinian refugees are persons whose normal place of residence was Palestine between June 1946 and May 1948, who lost their homes and means of livelihood as a result of the 1948-49 Arab-Israeli conflict, and who took refuge in Jordan, Lebanon, the Syrian Arab Republic, the Jordanian-ruled West Bank or the Egyptian-administered Gaza Strip.[32]

7.51    The majority of refugees live in purpose-built camps, which for the most part are over-crowded and squalid, with totally inadequate basic services such as sanitation and roads.  UNRWA is responsible for health and rehabilitation services, education and training, sanitation, building control and, in some areas, water and electricity.  Its services are available to all persons who meet the operational definition, who are registered with the Agency and who need assistance.  UNRWA's definition of a refugee also covers the descendants of persons who became refugees in 1948.

7.52    US academic, Donna E Arzt wrote in 1997 that a little over half of all Palestinians throughout the world were registered with UNRWA.  In January 1996, UNRWA had a total registry of 3,246,044 refugees, approximately 33 per cent of whom still resided in the 59 official camps located in Jordan, the West Bank, Gaza, Syria and Lebanon.  The number of registered refugees living in camps as a percentage of the total registered refugees was at that time highest in Gaza (55 per cent) and lowest in Jordan (19.3 per cent).[33]  The number of registered Palestine refugees grew from 914,000 in 1950 to more than 3.6 million in 1999, and continues to rise due to natural population growth.

7.53    Ten of the 59 camps were established in the aftermath of the 1967 war in order to accommodate a new wave of displaced persons, both refugees and non-refugees.  Refugees who do not live in the camps reside in and

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31    For example, this view was succinctly expressed by ACFOA: Submission, p. 1575 and Transcript, p. 378.

32    The official UNRWA website is located at *www.un.org/unrwa/index.html.*

33    Donna E Arzt, *Refugees into Citizens: Palestinians and the End of the Arab-Israeli Conflict,* Council on Foreign Relations, New York, 1997, pp. 36-37.

around the cities and towns of the host countries, and in Gaza and the West Bank.

7.54     Most of UNRWA's facilities such as schools and health centres are located inside the camps, although a number are sited nearby.  All of UNRWA's services are available to both camp and non-camp refugees who are registered with UNRWA.

7.55     In recent years, UNRWA's funding support has been under severe strain due to a relative decline in financial contributions from donor countries and, simultaneously, pressure for humanitarian and emergency relief for a wider group of Palestinians in the wake of the 'Al-Aqsa' uprising in the West Bank and Gaza.[34]

## Australia's response

7.56     In evidence, ACFOA and others reminded the Committee of the plight of Palestinian refugees and displaced persons who fall outside the UNRWA definition, and who therefore are not eligible for any assistance from that agency.  Particular note was taken of the most vulnerable groups, who are unregistered refugees living in camps in Lebanon and Gaza where poverty and unemployment are extremely high.  The Arab Australian Action Network (AAAN) and APHEDA highlighted the overall size of the Palestinian refugee problem, its post-1948 and post-1967 dimensions, and in particular the dismal prospects for refugees in Lebanon who have no civil rights and are denied access to many forms of employment.[35]

7.57     UNRWA's website reports that all 12 of the official refugee camps in Lebanon suffer from serious problems—no proper infrastructure, overcrowding, poverty and unemployment.  Lebanon has the highest percentage of Palestinian refugees who are living in abject poverty and who are registered with the Agency's 'Special Hardship' program:

> Palestine refugees in Lebanon face specific difficulties.  They do not have social and civil rights, and have a very limited access to public health or educational facilities.  The majority rely entirely on UNRWA as the sole provider of education, health, relief and social services.  Considered as foreigners, Palestine refugees are prohibited by law from working in more than 70 trades and

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34    See UNRWA website: *www.un.org/unrwa/finances/note.html* (at 27 June 2001); APHEDA, Submission, pp. 1530-32.  In a press briefing on 6 December 2000, the Commissioner-General of UNRWA, Mr P Hansen, revealed that only US$38 million had been received against UNRWA's 'very modest and meagre' annual budget of US$311 million.

35    ACFOA, Transcript, p. 385; AAAN, Submission, pp. 311-14; APHEDA, Transcript, p. 241.

professions. This has led to a very high rate of unemployment amongst the refugee population.[36]

7.58    A number of indigenous and international NGOs are active in the Lebanon camps and their environs. These include Al-Najda, Beit Atfal Al-Soumoud, Save the Children, Al-Quds, and the Al-Wazir foundation. The services they provide include cash assistance to orphans, kindergarten facilities, training centres and rehabilitation services.

7.59    Australia's aid program to the Middle East, and its primary focus on humanitarian and other assistance to Palestinian refugees, is discussed in detail in Chapter 10. The Committee has recommended in that Chapter that the Australian Government urge the international community to reverse the decline in financial donations to UNRWA.

# The Human Rights Situation in Iran and Jordan

7.60    While a catalogue of human rights practices and violations for each country in the Middle East is readily obtained from the reports of major international monitoring organisations, direct evidence to the Committee's inquiry did not provide a comprehensive coverage of human rights practices across the entire region. In the next section, the Committee has given particular attention to two members of the regional community—Iran and Jordan—which, to some extent, illustrate the diversity of human rights problems in the Middle East.

## Developments in Iran

7.61    The Islamic Republic of Iran was established in 1979 after a populist revolution toppled the Pahlavi monarchy. The constitution ratified after the revolution established a theocratic republic and declared its purpose as the founding of institutions and a society based on Islamic principles. The government is dominated by a Shi'a Muslim clergy. The Head of State, Ayatollah Ali Khamenei, is the Supreme Leader of the Islamic Revolution, with direct control of the armed forces, the internal security services, and the judiciary.

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36    Official UNRWA website, *www.un.org/unrwa/refugees/lebanon/rashidieh.html*. Rashidieh Camp, for example, was heavily affected by the conflict between 1982 and 1987, which resulted in the total or partial destruction of nearly 600 shelters and the displacement of over 5,000 refugees. With 24,009 registered refugees in the camp, the single health centre handles on average 122 patients each day.

7.62    All legislation passed by the popularly-elected 290-seat Islamic
        Consultative Assembly (Majles) is reviewed for adherence to Islamic and
        constitutional principles by a Council of Guardians.  The six clerical
        members of the Council are appointed by the Supreme Leader and the six
        lay jurists are appointed by the head of the judiciary and approved by the
        Majles.[37]

## Social and political reform in Iran

7.63    The re-election of President Seyed Mohammad Khatami for a second four-
        year term in a landslide victory on 8 June 2001 was welcomed by Arab
        leaders in the Middle East as a sign of improving prospects for regional
        cooperation.  The vote was viewed around the world as demonstrating a
        strong mandate for continuation of social, cultural and political reforms in
        Iran which have been resisted by the powerful clerical establishment.

7.64    The issue for the future seems to be not whether Iran will embrace lasting
        reform, but rather how the change process will unfold.  However, some
        commentators have warned that Iran lacks the secure economic and social
        foundations it needs for a smooth transition, after decades of
        mismanagement and the inevitable social consequences.  Layered onto
        these pressures are the significant strains produced by huge population
        increases during the 1980s, which have resulted in greater expectations
        now that the 18 million Iranians born in that period represent some 25 per
        cent of the population.[38]

7.65    Ironically, it is in Iran—largely reviled in the past by others in the region
        for its Islamic fundamentalism and espousal of revolution since 1979—
        where parliamentary democracy in practical terms is beginning to take
        root.  The election of the moderate cleric, Mohammad Khatami as
        President in 1997, followed by his reformist supporters' majority in the
        Majles, have given strong encouragement to the view that these events
        (reinforced by Khatami's re-election in 2001) have symbolised a
        fundamental desire for change.[39]

7.66    In his evidence, Professor Saikal made similar observations:

        There is a more liberal climate in Iran for expression of opinion, for
        debate of major issues and development of opposition to the
        clerics from within.  … As long as the Iranian population

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37   US Department of State, *www.hrw.org/mideast/* 'Country Reports on Human Rights Practices
     (Iran)', February 2001.

38   AFP newswire, 10 and 11 June 2001 (story nos. 3224 and 3902); *The Economist*, 'Khatami faces a
     treacherous second term', 9 June 2001, p. 49.

39   *Jane's International Defense Review*, November 2000, p. 29.

> continues to provide the overwhelming support that they have to the process of reform, it is not going to be easy for the factional opponents of Khatami to reverse the course of reform. …

> I think there are two possibilities.  One is that the present process will continue and will take longer.  It will be tedious and painful, for both the Iranians and the outside world for some time, until the moderates or the reformists succeed in taking over more instrumentalities of state power, particularly gaining influence within the armed and security forces and within the judiciary.  Or, alternatively, a number of their factional opponents will realise that they are fighting a futile battle and some of them may decide to defect to the side of the reformists.[40]

## 'Dialogue Among Civilisations'

7.67    Australia is following with interest an initiative by President Khatami for a 'Dialogue Among Civilisations', which promotes an understanding of Iranian society and Islam in the international arena.  During the Committee's inquiry, the Ambassador of the Islamic Republic of Iran made a written submission and forwarded a copy of a collection of essays and papers written by President Khatami, entitled *Islam, Dialogue and Civil Society*, published in 2000 by the Australian National University.[41]

7.68    The Ambassador's submission highlighted social, political and 'generational' changes at work in Iran, as well as the President's broadly-based reform program:

> … socially and politically, a great civil movement in Iran that seems irreversible is under way.  …  President Khatami's drive to enhance Islamic civil society and the rule of law, with the principles of dialogue and cooperation, has now gathered more pace than ever before.[42]

7.69    The ANU publication sets out the President's call for collective effort to strengthen friendly relations and cooperation among nations, to remove threats to peace, to promote and encourage universal respect for human rights and fundamental freedoms for all, and to foster international cooperation in resolving issues relating to economic, social, cultural and humanitarian problems.  In the same context, the Ambassador's

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40    A Saikal, Centre for Arab and Islamic Studies, ANU, Transcript, p. 617.

41    Exhibit 3:  Mohammad Khatami, *Islam, Dialogue and Civil Society*, published by the Centre for Arab and Islamic Studies, ANU, Canberra 2000.

42    HE Dr Gholamali Khoshroo, Submission, p. 443.

submission to the Committee made the observation that, in the field of human rights, it would appear that the international community is gradually embracing a more cooperative approach based on constructive engagement and understanding, rather than exclusion and conflict:

> Pluralism, acceptance of diversity and dialogue among cultures and civilisations in this pivotal area of international affairs, will undoubtedly enhance the universality of human rights instruments, making them more readily acceptable and implementable globally. The successful seminar on this subject convened last year by the UN High Commissioner for Human Rights on the proposal of Iran as chairman of the Organisation of the Islamic Conference, constitutes a major and valuable first step in this regard.[43]

## Slow progress on human rights

7.70    Despite popular support for the President's reform agenda, opposition to the implementation of his programs remains entrenched. According to reports from AI and HRW, the heart of Iran's human rights problem is the judiciary, which is not sufficiently independent.[44]

7.71    In its reports, HRW has noted the pivotal role of the Council of Guardians in vetting the 'fitness for office' of prospective candidates for elective office, including the recent presidential elections. The Middle East and North Africa Division of HRW expressed concern that such a process ensured that elections in Iran have been largely limited to competition among those supporting the clerical leadership.[45]

## Human rights initiatives

7.72    On a more positive note, Iran hosted the Sixth UN Asia Pacific Workshop on Regional Cooperation for the Promotion and Protection of Human Rights in Tehran in 1998. At that meeting, participating countries managed to overcome fundamental differences in perspectives and agreed on a modest framework for human rights capacity-building in the Asia Pacific. This framework gave emphasis to national institutions, human rights education and the development of national human rights action plans.

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43    HE Dr Gholamali Khoshroo, op. cit., p. 448.

44    HRW, 'Election Marred by Human Rights Attacks', *www.hrw.org/mideast/* (at 27 June 2001).

45    ibid.

7.73    Iran is the only nation in the region which has established anything like a recognised national human rights commission, although the Islamic Human Rights Commission of Iran does not meet the requirements of the Paris Principles, referred to in paragraph 7.35 above.

## Other concerns

7.74    Repression of the right to dissent and of the independence of the press in Iran continues to cause international concern.  The independent print media, the major engine of the reform movement, has been subjected to sustained attack.  Since April 2000, more than 35 independent newspapers and magazines have been extinguished in Iran, usually by order of the judiciary.  These closures did not comply with Iran's press laws, which require formal charges to be lodged before action is taken.  The closures also contravened Iran's obligations as a state party to ICCPR.  Dozens of leading journalists and activists for reform have been detained and imprisoned in recent years, the most prominent case being the sentencing by the Tehran Press Court of the investigative journalist, Akbar Ganji, editor of *Fath* newspaper.[46]

7.75    Five people, including one woman, were hanged publicly in Tehran in March 2001, having been executed less than four weeks after their arrest on drug trafficking charges.  The executions focused the attention of human rights groups on Iran's strict adherence to Sharia law and on the situation of 800 other convicted drug traffickers awaiting execution whose cases would be re-examined, according to contemporary media reports.[47]

7.76    It is Australia's policy to oppose the use of the death penalty.

## Developments in Jordan

7.77    AI's report for the period to December 2000 presented the following overview of human rights violations in Jordan:

> Hundreds of people, including prisoners of conscience, were arrested for political reasons.  Trials of most of those charged with political offences continued to be heard before a State Security Court where procedures did not meet international fair trial standards.  Reports continued of torture or ill-treatment of

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46    *The Economist*, 14 April 2001, p. 45;  HRW, *World Report 2001 (Iran)*, 'Muzzling the Press' (Section IV) and 'Silencing Critics' (Section V).

47    AFP newswire, 'Five, including a woman, hanged in public', 20 March 2001.

detainees by members of the security services.  There were reports
of the refoulement (forcible return) of asylum-seekers at risk of
serious human rights violations.  At least 10 people were executed
and at least 12 people were sentenced to death.  Four people were
unlawfully killed by public security police.  There were at least 21
cases of family killings (also known as 'honour' killings).[48]

7.78    In March 2000, a Royal Human Rights Commission headed by Queen
Rania was established.  There is little information available as yet about
the workings of the Commission.

## 'Honour' killings

7.79    Jordan's upper house in the National Assembly voted in December 2000 to
repeal Article 340 of the Penal Code which exempts from penalty (or
provides lenient sentences for) males who injure or murder female
relatives on grounds of adultery or accusation of bringing the family
honour into disrepute.  The Jordanian lower house twice failed to pass the
repeal legislation, despite the fact that Jordan ratified the ICCPR and
CEDAW in 1975 and 1992 respectively.[49]

## Democratic processes in Jordan

7.80    The dynastic nature of political leaderships in various parts of the Middle
East was commented upon briefly in Chapter 5.  A recent article in *The
Economist* drew attention to the stabilising effect of patriarchal succession
in countries such as Jordan:

> Patriarchal rule has its advantages.  Countries such as Jordan and
> Kuwait, whose borders are the product of imperialist cartography,
> draw a sense of identity from their royal families.  The forward-
> looking rulers of Oman, Qatar and Bahrain have been able to push
> through radical reforms, precisely because their positions are
> respected.  … Family rule has even brought stability of a kind to
> Syria and Iraq, each of which endured decades of coups before
> succumbing to what appear to be hereditary dictatorships.[50]

7.81    Jordan is arguably one of the most democratic countries in the region,
with relatively free and fair parliamentary elections, legalised political
parties and a program for democratic reform.  Yet, despite these and other
positive indicators, repressive practices persist.  More than 1,700 people

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48   AI, *Annual Report 2001*, 'Jordan', *www.amnesty.org/* (at 28 June 2001).
49   HRW, 'Jordanian Parliament Supports Impunity for Honour Killings', 27 January 2000.
50   'Middle Eastern Dynasties', *The Economist*, 2 June 2001, p. 46.

were arrested for political reasons during 2000, and many were held in prolonged incommunicado detention by the General Intelligence Department, according to AI.  Some were later released without charge and others were brought to trial.[51]  Writing in 1999, Quintan Wiktorowicz concluded:

> As in other Middle East countries, democratic reform in Jordan was initiated from above as a tactical strategy to maintain social control in the face of severe economic crisis.  Political change was driven by a stability imperative, not by a benevolent desire for enhanced political participation.  As a result, the regime attempts to limit political participation to a narrow, relatively stable political space comprised predominantly of formal political institutions such as parties, elections, and Parliament.  Political activism outside this space is discouraged, by regulative and repressive state practices.  … Jordan now enjoys far greater freedom than its Arab counterparts, but it suffers from many of the limits of democracy common in the region.[52]

## Treatment of Women in the Middle East

7.82    As previously discussed in this Chapter, the status and rights of women continue to be key issues in many countries of the Middle East, despite ratification of, or signature to CEDAW by various Middle Eastern countries.[53]  International human rights agencies have consistently reported severe forms of institutional and societal discrimination in nearly every aspect of women's lives, particularly in the form of unequal personal status laws and the lack of legal redress in cases of domestic violence:

> Despite some positive initiatives, tens of millions of women throughout the region continue to be denied full equality, a fact that was reflected in high rates of illiteracy and maternal mortality and low rates of political participation, and was justified in terms of religion, culture and tradition.[54]

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51   AI, loc. cit.
52   Quintan Wiktorowicz, 'The Limits of Democracy in the Middle East: The Case of Jordan', *Middle Eastern Journal*, Vol. 53, No. 4, Autumn 1999.
53   See ratification status schedule in Appendix H.
54   HRW, *World Report 2001*, 'Middle East and Northern Africa Overview', *www.hrw.org/wr2k1/mideast/index.html* (at 27 June 2001).

7.83    The Committee unreservedly condemns the widespread violation of the rights of women and other vulnerable groups in the Middle East, and does not accept the proposition that particular religious or cultural beliefs can be used to discriminate against sectors of the population.  Passages can be found in the Bible and the Qur'an, for example, which have been used by advocates for differential treatment of human rights to justify discriminatory interpretations of the universal human rights principles.[55]

7.84    Some positive indicators have been noted, however.  In Iran, women have provided very strong support for the reformist movement and in fact there were two women candidates in the recent presidential elections.  In Saudi Arabia, only a handful of women have access to professional employment, although that situation is increasingly being recognised as wasteful as well as discriminatory, as DFAT explained:

> A society which is keen to bring itself into the WTO, as willing to accede to the CEDAW, is aware that there is an issue out there of gender which needs to be addressed.  We are seeing an internal debate, a debate within closed doors, about what sort of society they wish to be.  This can only be to the benefit of women's rights.[56]

## Australia's Opportunities to Promote Human Rights

7.85    Many contributors to the Committee's inquiry stressed the opportunity for Australia to use its good offices and international human rights reputation to promote the advancement of human rights, including women's rights, in dialogue with countries of the Middle East. AusAID, through NGOs, continues to give emphasis to specific development projects in the region which work towards the empowerment of women within society.[57]

### Aid and human rights

7.86    AIA synthesised the views of most of the NGOs and community groups in suggesting that Australia should elevate human rights concerns to a higher priority in foreign policy decision-making and should urge all governments in the Middle East to institute major changes to their human rights practices.[58]  Linked with this approach was consistent support from

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55    P Bone and T M Franck, op. cit.
56    Transcript, p. 370.
57    AusAID, Transcript, p. 21.
58    AIA, Submission, pp. 1901-02.

NGOs and community groups for sustained effort to ensure Australia's aid program reinforces the promotion and protection of human rights in the region.

7.87    The Committee noted the Statement to Parliament made in 1998 by the Foreign Minister in relation to Australia's overseas aid program. That Statement endorsed a strong focus on human rights, and outlined a framework for supporting human rights through the aid program. The following principles were enunciated in the Statement:

- High priority would be given to human rights, with equal emphasis on civil/political rights and economic/social/cultural rights;

- Activities would continue to address specific rights directly;

- Emphasis would be given to practical and achievable outcomes;

- Activities would be developed primarily through consultation with partner countries on human rights initiatives;

- Considerable care would be applied to the use of 'sanctions' associated with human rights concerns; and

- AusAID would continue to work closely with other arms of government on issues relating to governance and human rights.[59]

7.88    These and other issues were pursued during a public seminar conducted by the Committee in July 2001 which examined the links between aid and human rights. A report on the seminar is expected to be released in September this year.[60]

7.89    Human rights concerns should be given greater emphasis in promoting Australia's foreign policy strategies with all dialogue partners. In bilateral discussions, Middle Eastern countries should be made aware of practices and policies which Australia considers to be contrary to the spirit or intention of international human rights standards. Expression of these concerns should include discussion of the undermining effect of reservations to the major international human rights agreements and the relevant optional protocols—especially the two Optional Protocols to the ICCPR. The first Optional Protocol entitles individuals to make complaints to the monitoring committee concerning violations of their

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59    Hon Alexander Downer MP, *Eighth Annual Statement to Parliament on Australia's Development Cooperation Program*, December 1998, pp. 6-7.

60    On 14 September 2000, the Minister for Foreign Affairs referred to the Committee an inquiry into Australia's efforts to advance human rights of developing nations through the use of foreign aid.

civil and political rights. The Second Optional Protocol is aimed at the abolition of the death penalty.

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**Recommendation 31**

7.90 **The Committee recommends that the Australian Government enhance the priority given to human rights concerns in formulating foreign policy with Middle East states, including active pursuit of ratification of the international human rights treaties and the relevant optional protocols—especially the two Optional Protocols to the International Covenant on Civil and Political Rights. The first Optional Protocol entitles individuals to make complaints to the monitoring committee concerning violations of their civil and political rights. The Second Optional Protocol is aimed at the abolition of the death penalty.**

## Responsibilities of Australian Businesses

7.91 AIA presented the Committee with a copy of a framework document entitled *Just Business: a human rights framework for Australian companies*, which had been launched by Amnesty International at the Australian Stock Exchange in mid-2000.

7.92 The document is designed to educate Australian businesses about observance of the international human rights environment which, in AIA's view, should govern the overseas operations of Australian companies. Emphasis is given in the document to persuading Australian businesses of the need to ensure that overseas trading partners are not associated with policies or practices that contravene international human rights standards.[61]

7.93 The Committee welcomes the initiative undertaken by AIA, and supports the broad intent of the framework document.

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61 AIA, Transcript, p. 394 and Exhibit 19.2.

# 8

# Social and Cultural Links Between Australia and the Middle East

8.1     This Chapter examines the social and cultural links which have been established between Australia and the Middle East region, and how these links might be enhanced.

8.2     Social, cultural, educational and other links between Australia and the Middle East have been underpinned by the contribution made to Australia's social and cultural life by migrants from many countries of the region.  For most communities from the Middle East, migration to Australia on a large scale has been a fairly recent phenomenon, influenced by major upheavals or historical events—for example, the protracted Arab-Israeli conflict, the 15-year civil war in Lebanon, the Gulf War and the emergence of fundamentalist Islamic states.  Against this background, prospective migrants from the region, as from other parts of the world, have been attracted by the opportunities presented by Australia's immigration program.

## Migration to Australia from the Middle East

8.3     According to data derived from the 1996 census,[1] the countries that represent the most significant sources of migration from the Middle East, as a percentage of the total Australian population, are Lebanon, Egypt, Iran, and Iraq.  Table 8.1 overleaf shows the size of relevant populations:

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1     The latest census was conducted in August 2001.

**Table 8.1    Populations born in the Middle East, 1986 and 1996**

| Country of Birth | 1986 Census | 1996 Census | Percentage of Total Australian Population in 1996 |
|---|---|---|---|
| Bahrain | (a) | 58 | (b) |
| Egypt | 30,633 | 34,139 | 0.19 |
| Iran | 7,498 | 16,244 | 0.09 |
| Iraq | 4,518 | 14,027 | 0.08 |
| Israel | 7,004 | 6,234 | 0.03 |
| Jordan | (a) | 2,831 | 0.02 |
| Kuwait | (a) | 1,599 | 0.01 |
| Lebanon | 56,342 | 70,237 | 0.39 |
| Oman | (a) | 144 | (b) |
| Qatar | (a) | 163 | (b) |
| Saudi Arabia | (a) | 1,136 | 0.01 |
| Syria | 864 | 5,936 | 0.03 |
| United Arab Emirates | (a) | 887 | (b) |
| West Bank/Gaza Strip | (a) | 2,540 | 0.01% |
| Yemen | (a) | 272 | (b) |
| Middle East NFD | 3,097 | 573 | (b) |
| **Total** | **137,485** | **186,413** | **1.04%** |

*(a) Included in the Middle East NFD for 1986  ( NFD = Not Further Defined )   (b) Statistically insignificant*

*Source    Census of Population and Housing, Australian Bureau of Statistics*

8.4    The figures show that in 1996 just over one per cent of Australia's population of 17.8 million were people born in the Middle East.  If 'second generation' offspring are included, the proportion of the Australian population with very close ties to the Middle East would be at least twice that figure.

8.5    Within Australia, there is considerable diversity in the communities which trace their origins to the Middle East:

> They [the communities] cannot be considered as a homogenous or discrete grouping, but are variously divided or united by history, religion, ethnicity, nationality and culture.  …  While many have migrated to Australia, others have established themselves in Australia because of turmoil in their country of origin.[2]

8.6    In an overview assessment, DIMA concluded that the diversity of groups within what might be termed the Middle Eastern communities in

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2    DIMA, Transcript, p. 548.

Australia represents a mixture of linguistic, religious, business and other social and cultural connections.  They present opportunities for the advancement of Australia's strategic international interests, especially in terms of social, political and economic engagement with the nations of the Middle East:

> There are many benefits from factors such as cultural diversity, improved trade opportunities and skills transfer.  There are also currently some problems surrounding unauthorised arrivals, but we see that as only one part of a much broader, robust relationship that is of great benefit to Australia.[3]

8.7    DIMA's website contains Community Information Summaries of various overseas-born ethnic groups in Australia—for example, the Lebanon-born Community.[4]  These provide useful overviews of these communities with brief comments under the following headings:

- Historical Background

- The Community Today
  - ⇒ Geographic distribution
  - ⇒ Age and sex
  - ⇒ Qualifications
  - ⇒ Employment
  - ⇒ Citizenship
  - ⇒ Language
  - ⇒ Religion
  - ⇒ The 'second generation'

8.8    These Summaries are based on information gathered during the last (1996) census, and do not appear to be updated as new settler arrival figures are produced each year.  The Committee believes that DIMA should update relevant sections in these Summaries as new data becomes available on an annual basis rather than wait five years until the next census.

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3    DIMA, Submission, p. 2055.  See also Transcript, p. 550.
4    See: www.immi.gov.au/statistics/infosummary

## The Jewish Community

8.9     The size of particular communities may be much larger than suggested by the population figures shown in Table 8.1 above.  For example, while the 1996 census identified 6,234 people born in Israel, such people are generally regarded as being part of the wider Jewish community.  The number of people in Australia who claimed adherence to Judaism in the 1996 census was 79,805.

8.10    The Jewish community is well organised, with clearly defined leadership and a wide range of cultural, social, educational, sporting and fund-raising groups representing different interest groups within their community.  The Jewish community can trace its origins right back to the First Fleet that contained at least eight convicts of Jewish faith.[5]  The Jewish community has long been fully integrated into Australian society with many representatives prominent in business and professional life.

8.11    The Jewish community in Australia has strong links with the State of Israel.  As the Executive Council of Australian Jewry (ECAJ) explained:

> The Jewish community has been part of the Australian mosaic since the First Fleet.  The community is strongly attached emotionally to Israel, and there are few Jewish Australian families who do not have near relatives living in Israel.  There is also a growing community of former Israelis who have made Australia their home.[6]

## The Lebanese Community

8.12    People of Lebanese origin represent the largest single community from the Middle East.  The 1996 census recorded 70,237 persons born in Lebanon, with 'second generation' of Lebanon-born parentage numbering 82,568, giving a total community size of 152,805.

8.13    The size of the overall Lebanese community may be much larger than these figures suggest, with the first Lebanon-born immigrant having arrived in Australia in 1876.[7]  Some Australians of Lebanese background have been here for three or four generations and are still active in the Lebanese community today.

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5   *The Australian People,* edited by J. Jupp 1983, p. 637.

6   ECAJ, Submission, p. 559.  ECAJ estimated that the current size of the Jewish community in Australia would be approximately 110,000.

7   DIMA, Submission, p. 2053.

8.14    The 1996 census recorded that 75 per cent of the 70,237 Lebanon-born migrants in Australia live in NSW and 20 per cent in Victoria. Forty seven per cent indicated they were Christian and 39 per cent Muslim.[8]

## Arab Australians

8.15    The term 'Arab' refers to people who have a linguistic or cultural links with the Arabian Peninsula. Twenty two countries in the Middle East and North Africa are regarded as having strong 'Arabic' heritages. However, these countries, and indeed the people within them, are not a homogenous group. They consist of people from various religions, ethnic groups, and socioeconomic and educational backgrounds but linked by a common language and culture.[9]

8.16    Arab Australians constitute a sizeable community in Australia. According to the Australian Arabic Communities Council (AACC), there are around 200,000 people now in Australia who were born in Arabic countries of the Middle East and North Africa, an estimated 400,000 Arabic speakers, and approximately one million Australians of Arabic heritage.[10] In its submission, the AACC observed:

> The Australian Arabic community, while recognisably whole, is significantly diverse. Australia has citizens from 19 Arab countries, with numerous cultural and religious groups represented. However, as evidenced by the multitude of Arabic media, both print and electronic, and the cultural life in events like Arabic Carnivale … the many Arabic communities can be regarded as forming one diverse Arabic community within a multicultural Australia.[11]

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8    DIMA, Submission, p.2053.

9    DIMA, Submission, p. 2049.

10   AACC, Submission, p. 1112 and Transcript, p. 134. As the census did not include a question on ethnic identity (cultural background) it is not possible to quantify precisely the numbers of Australians who would describe themselves as 'Arabs' or 'Arab Australians'. The 1996 census recorded 177,598 self-identified Arabic speakers (DIMA, Supplementary Submission 80b, p. 9).

11   AACC, Submission, p. 1112.

## Judaism and Islam in Australia

8.17     The 1996 census identified the following numbers of adherents of Judaism and Islam in Australia:

**Table 8.2     Followers of Judaism and Islam in Australia in 1996, by State**

| State | Judaism | Islam |
| --- | --- | --- |
| NSW | 32,652 | 102,288 |
| Victoria | 35,963 | 67,047 |
| Queensland | 4,506 | 9,421 |
| South Australia | 1,164 | 4,798 |
| Western Australia | 4,702 | 12,583 |
| Tasmania | 167 | 807 |
| Northern Territory | 146 | 768 |
| Australian Capital Territory | 505 | 2,466 |
| **Total** | **79,805** | **200,885** |

*Source     1996 Census of Population and Housing, Australian Bureau of Statistics*

8.18     There is a common view that all Arabs are Muslims.  In fact a significant number belong to other religions.  Most of the immigrants to Australia from the Middle East have been Christians, according to DIMA:

> While the great majority of Arabs in the world are Muslims, most immigrants from the Middle East in Australia are Christians (most Muslim immigrants come from other parts of the world) ... many Arabic speakers in Australia who have migrated from Egypt, Lebanon, Iraq, and Syria belong to various Christian denominations and may describe themselves as, for example, Copts, Maronites, Jacobites (Syrian Orthodox), Chaldeans and Nestorians.[12]

12   DIMA, Submission, p. 2049.

# Community Networks

8.19 As immigrants have done in other countries, various ethnic and religious communities in Australia have established community networks that reflect their special interests. The networks maintained by settlers from the Middle East have considerable benefits for Australia. These networks are based mainly on personal relationships and linguistic, cultural and business ties with their homelands.

8.20 Table 8.3 below provides a partial listing of the organisations in Sydney and Melbourne representing communities from the Middle East. This list was compiled from the three sources shown at the foot of the table:

**Table 8.3    Community Associations in Sydney & Melbourne** (see 'Sources' below)

| Arabic, Islamic, Lebanese and Iranian | Jewish |
|---|---|
| **Sydney** | |
| Arab Australian Action Network | Australia Israel Chamber of Commerce (all States) |
| Australian Arab Chamber of Commerce & Industry (all States) | Australian Association of Jewish Holocaust Survivors and Descendants |
| Australian Federation of Islamic Councils | Australian Jewish Historical Society |
| Australian Islamic Cultural Centre | Executive Council of Australian Jewry |
| Australian Lebanese Association | Jewish Burial Society |
| Australian Lebanese Christian Federation | Jewish Care |
| Federation of Australian Muslim Students and Youth | Jewish Child Support |
| Islamic Converts Australia | Jewish Community Information Service |
| Islamic Foundation for Education and Welfare | Jewish National Fund of Australia |
| Islamic Information Centre | JNF Environmental Association of Australia |
| Islamic Information Services | National Council of Jewish Women |
| Islamic Science Cultural and Art Association | New South Wales Jewish Board of Deputies |
| Lebanese Community Council of NSW | Sydney Jewish Museum |
| Lebanese Muslim Association | United Israel Appeal |
| Lebanese Welfare Council | Zionist Federation of Australian |
| Muslim Aid Australia | |
| Muslim Information and Support Service | |
| United Arab Muslim Association | |
| United Australian Lebanese Assembly | |

<div align="right">(cont.)</div>

Table 8.3     Community Associations in Sydney & Melbourne

| Arabic, Islamic, Lebanese and Iranian | Jewish |
|---|---|
| **Melbourne** | |
| Australian – Iraqi friendship Bureau | Australia/Israel and Jewish Affairs Council |
| Australian Arabic Council | Australian Friends of the Hebrew University |
| Iranian Society of Victoria | Jewish Community Council of Victoria |
| Islam Muslim Women of Australia | Jewish Community Library |
| Islamic Coordination Halal Board | Jewish Community Services |
| Islamic Information and Support Centre | Jewish Labor Bund |
| Islamic Social Association | Kadimah Jewish Cultural Centre and Library |
| Islamic Society of Victoria | Montefiore Homes for the Aged |
| Islamic Women's Welfare Council | National Council of Jewish Women of Australia |
| | United Israel Appeal |
| | Victorian Union for Progressive Judaism |
| | Zionist Federation of Australia |

*Sources*     *'Directory of Australian Associations' March 2001 edition*
          *Listings under 'Associations' in Sydney & Melbourne Yellow Pages, July 2001*
          *Submission to the Middle East Inquiry*

8.21     The list in Table 8.3 serves to illustrate the range and variety of networks that make up some of these ethnic and religious communities from the Middle East.  Many more groups and sub-groups are known to exist.  This Table reflects only those listed in the three sources consulted and is not meant to be a comprehensive list of all networks pertaining to the Middle East communities.

8.22     The various community groups in Australia raise cultural and social awareness of their particular national heritage as well as assisting newly arrived migrants settle into their new environment.  The Lebanese community, for example, is broadly represented throughout Australia by the International Council of Lebanese Migrants, which has links to the World Lebanese Cultural Union, an umbrella body for Lebanese migrants worldwide.[13]

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13   DIMA, Submission, pp. 2048, 2053.

8.23    The Australian People for Health, Education and Development Abroad (APHEDA) identified a further dimension to the social and cultural connections between Australia and the Middle East by highlighting the role of NGOs in maintaining long-term partnerships with their indigenous counterparts in the region:

> Such people to people links have contributed substantially to our understanding of Middle Eastern societies, culture[s] and religions.  As such, these links have played, and continue to play, an important role in Australian community education and understanding of [cultures] with which we have important historical ties, and which [are] well represented within the multicultural environment of Australian society.[14]

## Diary of multicultural events

8.24    DIMA publishes each year a 'Diary of Multicultural Events', which is designed as a guide to dates and events which are of significance to ethnic and religious groups in Australia.  It contains a description of various calendars, such as the Jewish, Islamic and Bahai calendars.[15]

8.25    The contents of the Diary are compiled from information provided by community groups around Australia.  It is a very useful reference guide, as it contains in one document all of the major activities and events planned by different communities throughout the year.  It is distributed to about 5,000 addressees around Australia annually.

## Australian citizenship

8.26    Many immigrants from the Middle East take out Australian citizenship, with Lebanese and Egyptians having the highest citizenship rate.  Based on the 1996 Census, 97.4 per cent of residents born in Lebanon took out Australian citizenship, and 95.7 per cent of residents born in Egypt.[16]  Table 8.4 shows the numbers taking citizenship in recent years:

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14   APHEDA, Submission, p. 1529.
15   DIMA, Supplementary Submission 80(b), p. 14.
16   DIMA, Australian Citizenship 1996 Census– Statistical Report No.26.

**Table 8.4** **Nationality or Citizenship of people from the Middle East granted Certificates of Australian Citizenship**

| Country | 1998-99 | 1999-00 |
|---|---|---|
| Bahrain | 5 | 4 |
| Egyptian | 430 | 311 |
| Iranian | 876 | 755 |
| Iraqi | 1,698 | 1,853 |
| Israeli | 196 | 173 |
| Jordanian | 217 | 167 |
| Kuwaiti | 1,085 | 90 |
| Lebanese | 1,091 | 859 |
| Saudi Arabian | 28 | 25 |
| Syrian | 183 | 130 |
| United Arab Emirates | 2 | 20 |
| Yemeni | 4 | 10 |
| **Total Middle East origin** | **5,815** | **4,397** |
| **Total all new citizenships conferred** | **76,763** | **70,836** |

*Source    DIMA, Annual Reports*

# An Australian Arabic Foundation

8.27    The key recommendation to the Committee in the submission made by the Australian Arabic Council was for the establishment of an Australian Arabic Foundation.[17]  The Council presented a strong argument that the time is right for the Government to take a proactive role in the development of much closer relations between Australia and the Arab world.  The establishment of such a Foundation would provide a focal point to champion and carry forward this task:

> The Foundation's purpose would be to broaden the relationship between Australia and the Arab World by encouraging and supporting increasing levels of knowledge and understanding and cooperation between Australians and Arabs.[18]

8.28    A number of such bodies have been established within the Foreign Affairs and Trade portfolio, for example the Australia China Council, the Australia Indonesia Institute, the Australia France Foundation, and the

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17    Australian Arabic Council, Submission, p. 1807.

18    ibid.

Australia Korea Foundation.  All aim to promote knowledge and understanding between Australia and the country involved, primarily through the development of media, cultural, academic, youth, sporting, and other linkages

8.29    Endorsing a recommendation in the Committee's report *Building Australia's Trade and Investment Relationship with South America, September 2000,* the Minister for Foreign Affairs announced in March 2001 the establishment of a Council on Australia Latin America Relations.  In his announcement the Minister said:

> The Council on Australia Latin America Relations will seek to advance Australia's relationship with the region at an economic, social and political level, delivering initiatives that will build the relationships and raise awareness among Australians of the opportunities the region presents.

> Members of the Council will be drawn from business, government and the academic community and it is hoped that the first meeting will take place early in the second half of 2001.[19]

8.30    The Committee is delighted that the Minister for Foreign Affairs has acted decisively to establish the Council on Australia Latin America Relations. It believes that a strong case can be made for an Australia Arabic Foundation to be established along similar lines.

8.31    The establishment of such a Foundation appears to be warranted on the basis of two important criteria.  Australia's exports to the Middle East are roughly four times as large as to Latin America and, according to the 1996 Census, there are more than twice as many people in Australia who were born in the Middle East as in South and Central America.

8.32    The Committee believes that such a Foundation would provide an important point of leadership and focus for the development of closer relations between Australia and the countries of the Arab world in the Middle East and North Africa.

## Recommendation 32

8.33    **The Committee recommends that the Government establish an Australian Arabic Foundation within the Foreign Affairs and Trade Portfolio.**

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19    Media release by the Minister for Foreign Affairs, 23 March 2001.

# Support Services for Settlers from the Middle East

8.34    A range of settlement services is available to assist migrants and refugees living permanently in Australia to adjust to life in Australia and to participate equitably in Australian society. Services funded by the Department of Immigration and Multicultural Affairs (DIMA) include adult English classes, translation services, migrant resource centres, and subsidised community-based access programs.

8.35    The special additional support needs of humanitarian entrants are met through DIMA's integrated humanitarian settlement strategy. This strategy supplements the services available to other members of the Australian community such as social security benefits through Centrelink, health benefits through Medicare and certain financial support programs.[20]

8.36    The specific assistance programs available to refugees and humanitarian entrants are discussed in more detail in Chapter 9, which examines Australia's response to asylum-seekers from the Middle East.

## Adult Migrant English Program

8.37    DIMA's expenditure for the Adult Migrant English Program (AMEP) in 1999-2000 was $92 million. AMEP provided English lessons to 15,181 clients. Of this total 3,827 refugee and humanitarian clients participated in a special preparatory program. The home tutor scheme catered to 3,872 people. Training was provided to volunteers representing 257 community groups that offer English language classes.[21]

## Community Settlement Services Scheme

8.38    Under DIMA's Community Settlement Services Scheme (CSS) about $14 million per annum is provided in grants to community organisations to assist migrants with settlement issues. In 1999-2000 funding was provided for 308 projects varying in duration from 1 to 3 years.[22] The DIMA website has details on all the projects funded in 1999 and 2000.[23] The scheme gives priority to projects that focus on helping migrants and refugees access effective mainstream services.

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20    DIMA, *Settlement Services Guide*, 2000.
21    DIMA, 1999-2000 Annual Report, p.62.
22    ibid, p. 63.
23    See www.immi.gov.au/grants

8.39    A number of CSS-funded projects specifically target groups from the Middle East.  A list of these projects has been extracted from the full list of CSS projects on the DIMA website and compiled into tables that are shown in Appendix J.  It must be added that these are the projects that can be readily identified as directly relevant to Middle East communities (excluding Kurdish and Turkish groups).  However several of the other CSS projects undoubtedly also provide services to migrants from the Middle East as well as from other countries.

8.40    The tables in Appendix J illustrate the range of projects being undertaken by various community groups representing migrants from the Middle East.  It is an impressive list and demonstrates the vigorous spirit and interest within these communities to assisting newcomers settle into Australian society.  The majority of projects are in NSW reflecting the large proportion of Arabic-speaking migrants located in NSW.[24]

## 'Living in harmony' initiative

8.41    DIMA is responsible for developing and implementing the Government's anti-racism program.  The 'Living in harmony' initiative aims to promote harmony between individuals and groups of different cultural and religious backgrounds in Australia.  The program is relevant to the whole population of Australia and is not aimed specifically at migrant groups.

8.42    One hundred grants have been awarded to different groups around Australia which applied for funding of projects to combat racism.  Only a small percentage of applications for funding came from ethnic or religious groups.  Three grants were awarded to Jewish groups (totalling $130,500), and three to Islamic/Arabic/Lebanese groups (totalling $180,000).  Table 8.5 provides brief descriptions of the 'Living in Harmony' grants:

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24   DIMA, Supplementary Submission 80(b), p. 18.

Table 8.5    DIMA Living in Harmony grants, 2000

| Organisation | Brief Project Description |
|---|---|
| **Jewish** | |
| Jewish Museum | Remaking the Museum's Introductory Video |
| B'nai B'rith Anti-defamation Commission | Tolerance Training for the Corporate Sector |
| National Council of Jewish Woman of Australia | Women Bridging Diversity and Building Inter-Racial and Inter-faith Harmony |
| **Arabic/Islamic/Lebanese** | |
| Fraternal Society of Tripoli and Mena Districts | Arabic Cross-Culture Youth Interaction Project |
| Muslim Women's National Network of Australia | Living In Harmony with Islam and the Law |
| Australian Arabic Council | Production of an educational documentary on Arabic and Aboriginal Youth to raise cross-cultural awareness. |

*Source    DIMA Supplementary Submission 80(b) page 17*

8.43    A multi-faith grant was awarded to the University of Western Australia Law School for a project to build respect for differing religious traditions where these impact on legal situations.  Additionally, the Australian Multicultural Foundation conducted a number of multi-faith seminars in primary and secondary schools on the need for respect for different religions.

8.44    On 3 July 2001 the Minister for Immigration and Multicultural Affairs announced an extension of the Living in Harmony initiative, with $2.5 million budgeted for an additional 30 grants to keep up the momentum in bringing together culturally diverse groups.  The Minister noted:

> The Government believes that communities are in the best position to recognise local problems and to find locally-relevant solutions.[25]

## Social Security Payments to Middle East Recipients

8.45    The Department of Family and Community Services (DFCS) provided the following statistics for people born in the Middle East who receive some form of Commonwealth government payment:

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25    Media release by the Minister for Immigration and Multicultural Affairs, 3 July 2001 MPS 088/2001.

**Table 8.6      Numbers of recipients as at December 2000 by major Middle East countries-of-birth and by payment type**

|  | Age Pension | Disability Support Pension | Other Pension* | Other Payments # |
|---|---|---|---|---|
| Egypt | 7,868 | 2,443 | 831 | 12,458 |
| Iran | 1,403 | 724 | 229 | 12,178 |
| Iraq | 978 | 984 | 381 | 24,154 |
| Israel | 798 | 341 | 95 | 2,465 |
| Lebanon | 7,862 | 8,104 | 3,517 | 60,847 |
| **Total all Middle East countries** | **19,758** | **13,428** | **5,413** | **122,762** |

* includes bereavement allowance, carer payment, mature age allowance, mature age partner allowance, wife pension, double orphan pension.

# includes Austudy, child disability allowance (now carer allowance), childcare allowance, childcare benefit, rural support payments, family allowance, family tax payments, mobility allowance, newstart allowance, newstart mature age allowance, parenting payment, partner allowance, rent assistance, sickness allowance, special benefit, widow allowance, youth allowance.

*Source      Department of Family & Community Services, Exhibit 31*

8.46      DFCS explained the residence requirements for receipt of social security benefits:

> People migrating to Australia have to meet minimum residence requirements to claim a pension (for example, 10 years Australian residence for Age Pension) and must wait two years before they can claim most workforce age payments. International social security agreements provide enhanced access to some pension payments for migrants to Australia, but Australia does not have a social security agreement with any countries in the Middle East and Gulf region.[26]

8.47      A number of government payments are 'portable', that is they can be paid overseas if the person chooses to leave Australia and live permanently overseas. DFCS provided the following statistics of payments made to people living in the Middle East in 2000 (these numbers are included in Table 8.6 above):

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26   Department of Family and Community Services, Submission, p. 47.

**Table 8.7**      Portability statistics for the Middle East for 2000, major countries

| | Number of recipients | Amount paid A$ million |
|---|---|---|
| Egypt | 129 | $1.129 |
| Israel | 164 | $1.401 |
| Lebanon | 758 | $6.419 |
| **Total all Middle East countries** | **1,155** | **$9.810** |

*Source*      *Department of Family & Community Services Exhibit 31*

8.48      People eligible for Age Pension can receive it overseas indefinitely, but there are restrictions on the amount of time a person can continue to receive most other payments once they leave Australia. For example, newstart allowances cease immediately when a person leaves Australia while parenting payments cease after 26 weeks.[27]

# Tourists and Visitors

8.49      The importance to Australia of two-way tourist and visitor traffic was discussed from a trade relationship perspective in Chapter 6. By their very nature, visits to and from the Middle East play a role also in enhancing mutual understanding and respect between the Australian and Middle Eastern cultures, although it is difficult to make realistic assessments of the actual impacts which occur.

8.50      Some idea of the annual in-bound visitor volumes can be gained from the number of visas issued in the Middle East for short and long stay in 1999-2000 (36,873) and the first eight months of 2000-01 (27,362). Just under half of the total visas for both financial years were issued in the Persian Gulf States.[28]

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27      ibid.
28      DIMA, Submission, p. 2599. The total visas issued included business and medical treatment visitors as well as tourist visas.

# Media in Australia

## Television and radio

8.51    SBS is the main broadcaster in Australia of foreign language programs on both television and radio. Over the 12 months July 2000 to June 2001 SBS Television broadcast a total of 100.81 hours of programs in Arabic, 7.64 hours in Hebrew, 0.77 hours in Yiddish, and 18.1 hours in Farsi (Persian).

8.52    For several years on Sunday mornings SBS Television broadcast a weekly news summary that they obtained from Tele Liban, the Lebanese State Broadcaster. That arrangement ceased in March 2001 and the Tele Liban program is now shown on TARBS, and Australian multilingual pay-TV provider. SBS is looking for an alternative source of news from the Middle East.

8.53    SBS Radio makes the following broadcasts each week in Arabic, Hebrew and Farsi as at July 2001:

Table 8.8     Hours per week of SBS Radio broadcasts

|  | Arabic | Hebrew/Yiddish | Farsi |
|---|---|---|---|
| National Network (capital cities outside Sydney and Melbourne) | 3 | 2/1 | 1 |
| Sydney | 14 | 3/3 | 1 |
| Melbourne | 9 | 3/3 | 1 |

*Source     SBS, Exhibit 42, July 2001*

8.54    SBS is not the only broadcaster in foreign languages. Other television and radio channels exist in all capital cities. Perth, for example, has one TV and two radio stations that broadcast programs directed towards the Arabic community. They are:

- Channel 31, Access TV, run by Edith Cowan University

- Radio 6EBA FM 95.3 run by the Multicultural Radio and TV Association of WA Inc.

- Radio Fremantle, FM 100.1 run by Creative Community Radio.

8.55    Programs on Channel 31 TV include 'Amwag' a weekly Arabic program covering news and entertainment, 'Breaking Barriers' and 'Visions of Islam' both produced by the Australian Islamic College of WA, and 'Jaam-e-Iran' produced by the Iranian Arts and Dance Cultural Group of WA.

8.56    Radio Fremantle has a weekly 2 hour program called 'Voice of the Nile' which features Egyptian music and news, and a 30 minute program in Farsi.  Radio 6EBA has about 6 hours of Arabic programming per week, and 1 hour in Farsi.

## Printed media

8.57    The major newspapers and magazines directed towards the Middle East communities are shown in Table 8.9 below:

**Table 8.9    Major Middle East media in Australia**

| Name | Location Published | Frequency | Circulation |
|---|---|---|---|
| Australian Jewish News | Melbourne | Weekly (Friday) | 12,000 |
| Australian Jewish News | Sydney | Weekly (Friday) | 10,000 |
| The Review (Jewish) | Melbourne | Monthly | 6,000 |
| Ad-Diyar (Arab) | Sydney | Daily | 35,000 |
| An-Nahar (Arab) | Sydney | Tuesday and Thursday | 34,000 |
| Bamdad Weekly (Persian) | Sydney | Weekly (Thursday) | 5,000 |
| El telegraph (Lebanese Christian) | Sydney | Monday, Wednesday and Friday | 33,000 |

*Source    Margaret Gee's Media Guide, 2001 edition*

8.58    Apart from the major media listed in the Media Guide, community groups often have their own newsletters, such as 'Shalom Adelaide', the monthly newsletter of the Hebrew Congregation of Adelaide, which has a circulation of about one thousand.

8.59    Given the relatively high penetration rate of personal computers in Australia, the Internet has become an important means of communication and various newspapers and newsletters are now available electronically. For example, in Adelaide the Arab community has access to the following newspapers on the Internet: An-Nahar, Al-Saffir, and Sharq re-Awsat.

# Education in Australia

## Primary and secondary schools

8.60    The Department of Education, Training and Youth Affairs (DETYA) provided a list of government-funded Jewish, Islamic and Christian

schools as at December 2000, as shown in Appendix J. Enrolments in all the schools listed in Appendix J in 2000 totalled 21,475 students, an increase of 48 per cent over the total number enrolled in 1996.

8.61    The Jewish community in Australia has had schools for many years but Islamic schools are a more recent phenomenon, reflecting the increase in immigration from the Middle East as well as from countries such as Bosnia, Turkey and Afghanistan in the last few years. Some Christian groups, such as the Copts, have also established their own schools.

8.62    In common with other migrant groups the various communities from the Middle East often have special weekend schools set up on an informal basis. Such schools usually focus on teaching specific languages and dialects.

8.63    A relatively small number of students sit for Year 12 examinations in languages of the Middle East. Table 8.10 shows the number of Year 12 students studying Hebrew, Arabic and Farsi in NSW and Victoria. Student numbers are very small in other States. The equivalent figures for French and Japanese are provided for comparison:

**Table 8.10    Year 12 tertiary-accredited enrolments in selected languages**

|  | 1992 | 2000 |
| --- | --- | --- |
| **New South Wales** | | |
| Arabic | 349 | 384 |
| Hebrew | 86 | 57 |
| Farsi | 0 | 35 |
| French | 1704 | 1293 |
| Japanese | 1275 | 1335 |
| **Victoria** | | |
| Arabic | 71 | 157 |
| Hebrew | 90 | 127 |
| Farsi | 0 | 52 |
| French | 890 | 1306 |
| Japanese | 394 | 1236 |

*Source     DETYA, compiled from data provided by State/Territory education authorities.*

8.64    These figures suggest that the study of foreign languages is encouraged more in Victoria than in NSW, with good results. Numbers studying French and Hebrew were static between 1992 and 2000, while numbers studying Japanese and Arabic have shown good growth, mainly in Victoria.

8.65    Given the number of Jewish and Islamic schools in Australia, it is surprising that not more Year 12 students have registered to take final examinations in the Hebrew and Arabic languages.  Hebrew is a mandatory subject in most Jewish schools, at least up to Year 10.  Although many students may still be taking Hebrew classes in Year 12, the statistics indicate that most students prefer to focus on mainstream subjects for the actual Year 12 examinations which determine scores for university entry.

## University courses

8.66    A number of universities in Australia offer courses related to the Middle East, at both undergraduate and postgraduate level, while others have subjects on Middle East issues as part of other degrees (for example, the University of NSW has subjects on Judaism and Islam as part of its Sociology course).  Table 8.11 below has the details:

**Table 8.11    University Courses in Australia 2001**

| Undergraduate Courses | Postgraduate Courses |
|---|---|
| **Arabic** | |
| Australian National University (Canberra) | Australian National University (Canberra) |
| Deakin University (Burwood) | Melbourne University (Parkville) |
| Flinders University (Bedford Park) | University of Western Sydney (Bankstown) |
| Melbourne University (Parkville) | |
| Sydney University (Camperdown and Darlington) | |
| University of Western Sydney (Bankstown) | |
| **Middle East Studies** | |
| Macquarie University (North Ryde) | Australian National University (Canberra) |
| Melbourne University (Parkville) | |
| Sydney University (Camperdown and Darlington) | |
| University of NSW (Kensington) | |
| **Hebrew** | |
| Monash University (Caulfield and Clayton) | |
| Melbourne University (Parkville) | Melbourne University (Parkville) |
| Sydney University (Camperdown and Darlington) | University of Western Sydney (Bankstown) |
| **Jewish Studies** | |
| Deakin University (Caulfield and Clayton) | |
| Monash University (Caulfield, Clayton and Gippsland) | |
| Open Learning Australia (Monash) | |
| Melbourne University (Parkville) | Melbourne University (Parkville) |
| Sydney University (Camperdown and Darlington) | Sydney University (Camperdown and Darlington) |

*Source    The Directory of Higher Education Courses 2001*

8.67    While the above listing of university courses available in 2001 in Australia looks quite impressive, the reality is that there are only two or three dozen academics in Australia who specialise full time in Middle Eastern studies.

## Hebrew and Jewish Studies

8.68    Sydney University has 12 lecturers in Hebrew and Jewish Studies, eight full-time and four part-time.  Ten positions are in the School of Semitic Studies in the Faculty of Arts, while there is a professorship in Middle East government in the Political Science Department and a lectureship in the teaching of Jewish Studies in the Faculty of Education.

8.69    The School of Semitic Studies teaches courses in modern and classical Hebrew, Yiddish, Jewish history, and biblical studies.  The School of Semitic Studies is unusual in that it also has on its staff a full time professor of Arabic/Middle East Studies.[29]

8.70    The University of NSW and Macquarie University both offer courses in Jewish studies and history, but on a much more limited scale.

8.71    In Melbourne, Monash University has the Australian Centre for Jewish Civilisation, with staffing of two full-time lecturers and four part-time lecturers.[30]  It offers courses in Hebrew and Jewish history.  Melbourne University offers similar courses to Monash, with two full time and three part time lecturers.

8.72    The Jewish community in Australia provides strong financial support for tertiary education.  It wholly funds the Australian Centre for Jewish Civilisation at Monash University, and provides much of the funding for the School of Semitic Studies at Sydney University.

## The Centre for Arab and Islamic Studies

8.73    The Australian National University in Canberra appears to have the strongest program and facilities in Australia related to Arabic and Islamic studies.  In 1994 the ANU established the Centre for Arab and Islamic Studies (CAIS) within the Faculty of Arts.[31]  The Director of CAIS is Professor Amin Saikal who, apart from running the Centre, also lectures in Middle East politics and Islamic history.  From small beginnings, the Centre has shown impressive growth.  Other teaching staff now within CAIS are a professor of Arabic language, a lecturer in Middle East politics

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29   See: http://arts.usyd.edu.au/arts/departs/semitic
30   See: http://arts.monash.edu.au/jewish_civilisation
31   See: http://arts.anu.edu.au/cais/

and political economy, a lecturer in Persian language and Iranian history, a Visiting Fellow, a research assistant, and a full time administrator.

8.74    CAIS has advertised for two more teaching staff, one in Arabic and Islamic Studies and the other in Turkish language and culture. With these additions the Centre will have a total of six full time teaching staff.

8.75    Although CAIS was established as a graduate centre, lecturers also teach subjects in undergraduate courses. It currently has 18 PhD students and 11 students doing Masters and graduate diploma courses.

8.76    CAIS has been able to attract funding support from outside sources which has enabled it to build its resources. It has received a contribution of $2.5 million from the United Arab Emirates, $650,000 from Iran, and $400,000 from Turkey. The ANU has matched these endowments, which has given the Centre a solid financial foundation to work on. Professor Saikal told the Committee that personal relationships and contacts, together with the reputation of the institution, were the keys to obtaining extra funding:

> You have to have the sort of national and international standing that could attract them [potential donors] and make them feel that it is worthwhile investing in this area in Australia.[32]

8.77    Several other universities offer Arabic/Islamic/Middle East Studies courses as shown in Table 8.9 above, but their specialist teaching resources are much smaller than those of CAIS in Canberra.

## Student exchanges

8.78    Student exchanges represent an important potential field of contact between universities in Australia and the Middle East, but relatively few Australian students take the opportunity to spend time at universities in the Middle East as part of their undergraduate or postgraduate degrees. There is more movement the other way, with students from the Middle East spending a part of their degree course in Australia. However the overall numbers are small compared with student exchanges with other parts of the world.[33]

8.79    The University of New South Wales (UNSW) in Sydney has one of the largest formal student-exchange programs in Australia. It has signed 'partner agreements' with over 100 universities around the world under which students can attend one or two semesters at the partner institution

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32    Prof. Saikal, Transcript, p. 615.
33    AMESA, Submission, p. 281.

but pay normal Australian tuition fees. Subjects taken overseas are considered part of their Australian degree. The majority of students choose to attend American universities, followed by European universities. A small proportion chooses to go to Asian universities.

8.80    UNSW has only one 'partner agreement ' with a university in the Middle East—with the Israel Institute of Technology. That agreement was signed in March 1997 and renewed in March 2000. The last five years has seen ten incoming and four outgoing student exchanges between UNSW and the Israel Institute of Technology under this agreement.

8.81    The Australian Arab Chamber of Commerce and Industry (AACCI) has established a program, now in its eleventh year, whereby it provides some financial support to Australian students wishing to spend time studying overseas.[34] Under this program, six students undertaking the Arabic Business Course at Deakin University are assisted to spend a semester at Damascus University in their final year. The Chamber contributes $8,000 towards expenses and also arranges other sponsorships, such as Gulf Air.

8.82    AACCI is extending this program by adding the option of undertaking some work experience before the students return to Australia. Those students who are interested have the opportunity of working for a few weeks with companies in Dubai or Saudi Arabia following the completion of their formal studies at Damascus University.

8.83    AACCI also contributes $3,000 per annum towards assisting a postgraduate student from Macquarie University to spend between three and six months undertaking fieldwork in the region.

8.84    If the Government accepts the Committee's recommendation regarding the establishment of an Australian Arabic Foundation (Recommendation 30) it is hoped that much of the Foundation's focus will be on the promotion of student and youth exchanges.

## Research materials

8.85    Mr Robert Barnes, Senior Lecturer in the History Department of the ANU, urged the Committee to encourage the National Library of Australia to source a greater number and range of research materials from the Middle East.

8.86    In response, the National Library of Australia explained that its main priority is collecting Australian material, although it also has a collection development policy in relation to collecting material from overseas. The

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34    AACCI, Transcript, p. 607.

current policy is to concentrate on countries in Australia's immediate region—East Asia, South East Asia and the Pacific.[35]  Regarding the Middle East, the Library made the following additional comment:

> The National Library attempts to obtain a small selection of works on the Middle East and the Gulf States, sufficient to inform a general enquirer, allow some study of a specific topic, and direct them to further resources in the field.
>
> The National Library does not actively collect the more specialised research materials about or from the Middle East and the Gulf States.  Instead it relies on the university libraries, particularly those like the Australian National Library offering courses in Middle East studies and related disciplines, to collect materials supporting courses and research in the languages and topics they offer for tertiary study.[36]

8.87    After careful consideration, the Committee endorses the current collection policy of the National Library of Australia.  The Library has a relatively small budget of $3.4 million per annum for overseas purchases.  Obviously it must prioritise, and the Committee believes its primary focus must be on Australia's neighbouring countries.  The countries of South East Asia and the Pacific are of vital importance to Australia's national interest.

8.88    Nevertheless, the Committee urges the National Library to consider joining the Online Computer Library Center (OCLC) network which is an international database for bibliographic sources.  Regarding membership of OCLC, Mr. Barnes commented:

> It would give us access to resources on the Middle East and everything else in many countries of the world. We would be able to search what American libraries and British libraries hold … This is the kind of system we should be part of.  If we had access to that sort of information the world would be at our disposal.[37]

## Professional Association

8.89    The Australasian Middle East Studies Association (AMESA) was formed twenty years ago to provide a platform for scholars and students to

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35    National Library of Australia, Submission, p. 438.

36    ibid.

37    R Barnes, Transcript, 20 March 2001, p. 627.

interact.  Activities of AMESA have included hosting an annual conference and publishing a newsletter.[38]

8.90    Unfortunately, interest in AMESA seems to have waned in recent years. The newsletter has ceased and no conference has been held since 1999.

## Alexandria Library in Egypt

8.91    The Committee was interested to learn of the work of the 'Australian Friends of the Alexandria Library, Egypt'.  The original Bibliotheca Alexandrina was established in the fourth century BC and was one of the great centres of learning and scholarship for a period spanning six hundred years.  In 1987, UNESCO funded a report on reviving this ancient institution, and subsequently decided to sponsor the project.  An international design competition was held, and construction commenced in 1994.  It is expected that the building will be fully completed and operational in 2001.[39]

8.92    Voluntary 'Friends of the Alexandria Library' committees sprang up around the world to support the project.  The Australian committee was founded in 1995 and is supported by an Advisory Council.  The Chairman of the Australian Friends, Mr L Montesini, outlined the following priorities of the Committee:

> We decided to set ourselves three tasks.  The first task is to send everything that is the finest from this country, meaning mainly literature and Australiana – in other words, what this country is about.  The second task is to send scientific works.  The terrain and geography of Egypt are very similar to Australia's.  The third task is to let the work of the library be known.[40]

8.93    A large quantity of printed material has already been dispatched to the Library, as well as a number of locally-produced works of art.  Eventually, the Alexandria Library will provide scholars from the Middle East and other countries with a very good reference section on the best in literature, art and science that modern Australia has to offer.

8.94    The Committee noted that the Egyptian community in Australia, and various business organisations, have provided strong support to the work of the Australian Friends, which is headquartered in Sydney.  The project

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38   AMESA, Submission, p. 280.
39   Australian Friends of the Alexandria Library, Submission, pp. 244-246.
40   Transcript, pp. 584-585.

therefore provides a significant cultural and social link between Australia and Egypt.[41]

8.95    Although the Alexandria Library project has established links with the Mitchell Library in Sydney, contacts with other libraries in Australia have been limited to date.[42]  The Committee believes that the National Library of Australia should also become associated with the new Alexandria Library, to the mutual benefit of both organisations.

## Recommendation 33

8.96    **The Committee recommends that the National Library of Australia establish formal links with the new Alexandria Library in Egypt, to the mutual benefit of both organisations.**

41   Friends of the Alexandria Library, Submission, p. 249.
42   Montesini, Transcript, p. 587.

# 9

# Australia's Response to Asylum-Seekers from the Middle East

9.1    During the course of the Committee's inquiry, considerable attention was given to the issues surrounding the arrival in Australia since mid 1999 of significant numbers of asylum-seekers who had not been granted prior authority to enter Australia.

9.2    Although Australia has a long history of resettling refugees and people in humanitarian need since World War 2, considerable media and community attention has become focused in recent years on the unauthorised landings of asylum-seekers on Australia's coasts and territories, and the operations of international people-smuggling syndicates.  A large proportion of the 'boat people' originate in Afghanistan and Iraq, spending considerable time in refugee camps in countries of first asylum such as Pakistan and Iran before making the often hazardous journey to Australia through transit countries in South East Asia.

## Humanitarian Entrants and Asylum-Seekers

9.3    Of the 5.7 million migrants who have settled in Australia since the end of World War 2, almost 600,000 have arrived under Australia's humanitarian programs.  In calendar year 2000, Australia offered 8,000 resettlement places, in absolute terms the third largest resettlement program in the world. [1]  Only the US (80,000 places) and Canada (14,300 places) had

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1    DIMA, Submission, p. 2062, and Supplementary Submission 80b, pp. 25, 29.  Worldwide, there were more than 22.3 million 'persons of concern' to UNHCR as at the end of 1999, including some 11.7 million refugees and 4 million 'internally-displaced' persons.

higher intake programs.  On a per-capita basis, Australia is now second only to Canada.

9.4     Under Australia's Humanitarian Program, resettlement is arranged for people who face persecution, discrimination or other forms of human rights abuse in their countries of origin.  The Program also covers people who are recognised as refugees within the meaning of the 1951 UN Convention Relating to the Status of Refugees (the Refugee Convention) and the 1967 Protocol Relating to the Status of Refugees (the Refugee Protocol).

9.5     The critical challenge for countries such as Australia is to ensure that the available refugee places are assigned to those in the greatest need for resettlement.

9.6     There is some flexibility in the size of the Humanitarian Program.  More than 3,000 unused places from 1999-2000 were added to the 12,000 new places for 2000-01, and any extra places needed in one program year can be drawn from the following year's allocation.

## The 'on-shore' and 'off-shore' Components of the Humanitarian Program

9.7     For the past few years, Australia's intake under the Humanitarian Program has been set at 12,000 places annually, comprising both 'off-shore' and 'on-shore' components.  Off-shore visas authorising entry into Australia are issued to people applying for entry to Australia in other countries.  On-shore visas are issued to people after they have already arrived, legally or illegally, in Australia.

9.8     The off-shore component has two categories—the Refugee category and the Special Humanitarian Program (SHP).  The Refugee category is for those who meet the Refugee Convention definition and who have been identified either directly or in conjunction with the UN High Commissioner for Refugees (UNHCR) as in need of resettlement.  The SHP category is for those who are subject to discrimination amounting to gross violation of human rights and who have strong support from family or community groups in Australia.

9.9     The allocations for the on-shore and off-shore components are linked, not separate.  In announcing the humanitarian intake for 2000-01, the Minister for Immigration and Multicultural Affairs indicated that it was hoped to increase the number of places available off-shore, depending on the

number of people claiming asylum on-shore.[2]  In response to criticisms from the Refugee Council of Australia (RCA) and the National Council of Churches in Australia (NCCA) of the numerical linking of the on-shore and off-shore components, DIMA provided the following explanation:

> Government and community resources to assist in resettling refugees and those in humanitarian need are finite.  Processing unauthorised arrivals in Australia is highly resource intensive.  As it is not possible to cap or limit the number of places onshore, linking the two components of the program allows the Government to introduce a degree of budgetary discipline in the management of the humanitarian program which otherwise would not be possible.[3]

9.10    The RCA countered this explanation by suggesting that linking the two components has had the effect of increasing the incentive for asylum-seekers to attempt unauthorised entry by direct means, since the number of off-shore places had in effect been significantly decreased by the numbers of unauthorised on-shore arrivals.[4]  The dilemma is, that while the international community is grappling with the problem of huge numbers of displaced people in countries of first asylum and the immense task of trying to find solutions at source, Australia is facing the difficult practical issue of dealing with periodic, unauthorised on-shore boat arrivals by asylum-seekers.

9.11    The size and 'mix' of the total Humanitarian Program each year are decided by the Australian Government following community consultations and in light of world-wide resettlement needs identified by UNHCR.[5]  The number of refugee or humanitarian visas granted to applicants from the Middle East has increased every year both in numbers and as a percentage of all visas granted for the last four years.  While there has been a slight decrease in the number of off-shore resettlement places for the Middle East region, this decrease has, according to DIMA, been more than offset by the increase in the number of grants on-shore to people from the Middle East.[6]  This trend is clearly shown in Table C at Appendix I, which shows the total number of visas granted under the on-shore and off-shore humanitarian components from mid 1997 to end December 2000.  For the six-month period to 31 December 2000, 2,922 on-

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2    Hon Philip Ruddock MP, media release MPS 035/2000, 3 April 2000.  RCA, Submission, p. 84.
3    DIMA, Supplementary Submission 80b, p. 25 (see also pp. 42-43).
4    RCA, Transcript, pp. 416-18.
5    DIMA, Submission, p. 2062.
6    DIMA, Supplementary Submission 80b, pp. 25, 42.

shore visas were granted in the 'Middle East and South West Asia' category, compared with 1,401 off-shore visas.  Additional data for the 2000-01 program year are provided in Tables A and B of Appendix I.

9.12    Australia's overseas missions receive large numbers of applications for humanitarian resettlement.  In the first nine months of 2000-01, a total of 38,906 applications were registered, and the 'pipeline' for the off-shore humanitarian program was 52,862 persons.  The following table shows the number of applications registered and the caseload under consideration at posts dealing with applicants in the Middle East.

**Table 9.1    Applications Registered and Persons in Pipeline at 31 March 2001**

| Post | Registered Applications | Persons in Pipeline |
|---|---|---|
| Ankara | 973 | 1,817 |
| Athens | 5,679 | 6,243 |
| Beirut | 1,369 | 3,099 |
| Islamabad/Tehran | 5,912 | 5,531 |
| Sub-total (posts listed above) | 13,933 | 16,690 |
| *Total (all posts)* | *38,906* | *52,862* |

*Source    DIMA, Supplementary Submission 80b, p. 26*

9.13    Data available to the Committee from DIMA at the time of writing did not include an analysis of the relative success rates for off-shore applications from the Middle East compared with other regions.  However, the information at Appendix I, provided by DIMA, does illustrate relativities between the 'Middle East and South West Asia' and other regions for both on-shore and off-shore categories of Humanitarian Visa grants.

9.14    The figures in Appendix I, Table C, show that for the six months to end December 2000, the on-shore grants were more than double the successful off-shore applications for both the 'Middle East and South West Asia' and the 'Asia' groups.  This is the reverse of the trend for 'Europe' and 'Africa'.[7] The later statistics provided in Tables A and B confirm that trend.

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7    The 'Americas', Stateless' and 'Unknown' classification groups contained only very small numbers for the same period.

# Refugee Status Determination

9.15    Although not spelt out as a requirement in the Convention, Western
        signatory states have, under the guidance of the UNHCR, established
        formal refugee determination processes.  Australia ratified the Convention
        on 22 January 1954 and the Protocol on 13 December 1973.

9.16    For obvious reasons, relatively low levels of proof are required in refugee
        status decisions.  According to DIMA, Australia's protection visa decision-
        makers give refugees the benefit of the doubt when considering their
        claims.  Although granting permanent residence status is not required by
        the Convention, this has tended to become standard practice.[8]  Australia's
        formal refugee determination processes and the screening system for
        unauthorised arrivals were described in a report by the Human Rights
        and Equal Opportunity Commission (HREOC) in 1998.[9]

9.17    It is the principle of 'non-refoulement'—the right not to be forcibly
        returned to the country from which a person has fled persecution—that is
        the core of the Refugee Convention.  Signatory parties to the Convention
        are obliged to observe the principle when considering the situation of
        those seeking asylum.  The Office of the UNHCR is involved in voluntary
        repatriation programs for refugees in countries of first asylum, as well as
        in securing resettlement in third countries for refugees who cannot be
        settled in their (usually neighbouring) country of first asylum.
        Repatriation in dignity and safety to the country of origin is the UNHCR's
        preferred durable solution for refugees.  Resettlement in third countries
        such as Australia is only sought in those cases where people cannot be
        repatriated, or cannot be settled in their country of first asylum.

9.18    DIMA confirmed in evidence that the UNHCR does not have sufficient
        resources to meet the need for refugee status determination and
        registration of asylum-seekers in countries of first asylum.[10]  This issue has
        been discussed in Chapter 7 under the heading of 'The Role of UNRWA',
        and again in Chapter 10 under the heading of 'The UN Relief and Works
        Agency'.

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8    For further discussion, see the analysis by A Millbank, Department of the Parliamentary
     Library, *The Problem with the 1951 Refugee Convention*, Research Paper No. 5, September 2000,
     p. 4 (html version at www.aph.gov.au/library/pubs/rp/rp00-01.htm).  See also DIMA,
     Supplementary Submission 80b, p. 37.

9    HREOC, *Those who've come across the seas: Detention of unauthorised arrivals*, May 1998, pp. 24-27.
     The definition of 'refugee' has been incorporated in Australian law in section 36 of the
     Migration Act.  See footnote 31 to that report.

10   DIMA, Transcript, p. 556.

## Problems with the 1951 Refugee Convention

9.19   The Convention was framed by the international community as a response to refugee problems encountered before and after World War 2, and during the early years of the 'Cold War'. Article 1A of the Convention (as amended by the 1967 Protocol) defines a 'refugee' as a person who:

> … owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.

9.20   Fifty years after its adoption, the Refugee Convention and its Protocol remain the only international instruments for the protection of refugees, and there is increasing doubt about their ability to discharge that responsibility adequately:

> The crux of criticism is that the Convention is obsolete and inappropriate to deal with contemporary challenges. … While Western countries' asylum systems might have coped well enough until the end of the Cold War, they were not designed with today's mass refugee outflows and migratory movements in mind. …
>
> The Convention definition of refugee has made less sense as the nature of refugee flows has changed, and as numbers have risen.[11]

9.21   The British Prime Minister has publicly urged the international community to review the Convention in order to ensure that those not entitled to asylum are assessed quickly and that genuine refugees are given protection.[12] In July 2001, Australia's Minister for Immigration and Multicultural Affairs was reported in the press as stating that the Convention is not effective in its present form.[13]

9.22   The research paper previously cited summarised the problems with the Refugee Convention in the following terms:

> The problem with the 1951 'Geneva' refugee Convention … is that it offers neither a comprehensive nor a flexible response to the

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11   A Millbank, op. cit., p. 2.

12   Reuters newswire, 4 May 2001, 'Blair urges international asylum law reform'.

13   For example, Paul McGeough, New York, in *The Sydney Morning Herald*, 9 July 2001, General News Section, p. 1 and Andrew Clennell, 10 July 2001, p. 4.

diversity and complexity of forced population movements that are occurring today. It is distorting the responses, and diverting the resources of Western countries from developing coherent and ethical responses to these movements.

The problem … can also be summarised in simpler terms, of what it doesn't include. It doesn't confer any right of assistance on refugees unless and until they reach a signatory country. It confers no right of assistance on the 'internally displaced' at all. It imposes no obligation on governments not to persecute their citizens, or to guarantee their safe return. It imposes no mechanism for preventing mass outflows, for burden-sharing between states, for ensuring speedy assistance for those most in need, or for maximising the effectiveness of international resources. And it takes no account of the capacity of receiving states.[14]

# Australia's Protection Visa Regime

9.23    DIMA gave evidence that substantial reductions had been achieved in processing times for boat arrivals. For example, 80 per cent of protection applicants in late 1999 received a primary decision within seven and a half months. This was reduced to less than 15 weeks for applications made in late 2000. Where a case has been submitted to the Refugee Review Tribunal (RRT) after refusal at the primary processing stage, review processing times now average less than 70 days. DIMA also stated that a major cause of extended stays in detention is litigation initiated by applicants after determination by both the primary decision-maker and the RRT that applicants should not be granted protection visas.[15]

## Temporary and Permanent Protection Visas

9.24    Under the current legislation, unauthorised arrivals whose visa applications are successful are granted a Temporary Protection Visa (TPV) for a period of three years. After 30 months, TPV holders can apply for a Permanent Protection Visa (PPV), which involves a merits-based reconsideration of their claims to protection.[16] Recipients of a TPV are not

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14    A Millbank, op. cit., p. 16. See also a recent article in *The Age*, 'United Nations treaty under attack', 4 August 2001 in relation to the operation of the 1951 Refugee Convention.

15    DIMA, Supplementary Submission 80b, p. 19.

16    ibid, p. 33.

entitled to sponsor members of their immediate family for entry to Australia, and are eligible for only a very limited range of assistance. The other category of protection is a short-term Safe Haven Visa.

9.25    Prior to the introduction of the TPV in October 1999, all successful applicants for protection were granted a visa for permanent stay, with an entitlement to sponsor immediate family members and a whole range of settlement assistance services such as English language tuition. The RCA was particularly concerned about the TPV category, and strongly recommended its abolition. In RCA's view, introduction of the TPV had not only created two classes of humanitarian entrants with vastly different entitlements to settlement assistance but had also generated divisions within and between the various Middle Eastern communities as a result of perceptions that unauthorised arrivals had taken away places from other humanitarian applicants.[17]

9.26    For people who are granted refugee status in Australia, there is a range of specialised services available through the Integrated Humanitarian Settlement Strategy (IHSS).[18] People released from detention are granted a TPV, which entitles them to only basic assistance services. TPV holders are permitted to seek work and are entitled to early health assessment and intervention. Their other entitlements include access to Special Benefit, Medicare services, and rent assistance. DIMA explained that the TPV strategy is part of a package of measures designed to discourage unauthorised entry and to deter resorting to people-smugglers.[19]

9.27    In RCA's view, the following table illustrates the differences in entitlements for holders of TPVs and PPVs, respectively, and the restrictions applying to TPV recipients:

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17    RCA, Transcript, pp. 407-08 and Submission, pp. 88-90. See also Exhibit 20, which includes an RCA information paper on TPVs and a comparison between the levels of entitlements under the TPV and PPV regimes.

18    The IHSS, administered by DIMA, provides a suite of immediate settlement services specifically designed to cater for the special needs of humanitarian entrants, including refugees, for a period of at least six months: for details, see DIMA's Supplementary Submission 80b, pp. 38-40.

19    DIMA, Transcript, pp. 558-59 and Submission, p. 2071. Details on the services available to holders of TPVs were provided in DIMA's Supplementary Submission 80b, pp. 30-32.

**Table 9.2    Protection Visa Entitlements**

|  | **Permanent Protection Visa** | **Temporary Protection Visa** |
| --- | --- | --- |
| Social Security | Immediate access to the full range of social security benefits | Access only to Special Benefit for which a range of eligible criteria apply. Ineligible for Newstart, Sickness Allowance, Parenting Payment, Youth Allowance, Austudy and a range of other benefits. |
| Education | Same access to education as any other permanent resident. | Access to school education subject to state policy.  Effective preclusion from tertiary education due to imposition of full fees. |
| Settlement Support | Access to full range of DIMA settlement support services. | Not eligible for most DIMA funded services such as Migrant Resource Centres (MRC)s and ethnospecific community welfare agencies.  Can use Early Health Assessment and Intervention Programs. |
| Family Reunion | Able to bring members of immediate family (spouse and children) to Australia. | No family reunion rights (including reunion with spouse and children). |
| Work Rights | Permission to work | Permission to work but ability to find employment influenced by temporary nature of visa and poor English skills. |
| Language Training | Access to 510 hours of English language training. | Not eligible for the federally funded English language programs:  the Adult Migrant English Program (AMEP) or the Advanced English for Migrants Program (AEMP). |
| Medical Benefits | Automatic eligibility for Medicare. | Eligibility for Medicare subject to lodgement of application for a permanent visa. |
| Travel | Will be able to leave the country and return without jeopardising their visa. | No automatic right to return. |

*Source*    *RCA, Exhibit 20.1.  See also RCA, Transcript, p. 408.  DIMA provided descriptive information on TPV entitlements in Supplementary Submission 80b, pp. 30-32.*

9.28    DIMA advised the Committee that a TPV does not contravene the provisions of the Refugee Convention:

> Before the TPV was introduced, Australia's generous protection arrangements—whereby unauthorised arrivals were eligible immediately for permanent residence, family reunion and a full range of support measures—were clearly an attraction for people-smugglers and forum shoppers, and contributed to the large increase in unauthorised arrivals in 1999.
>
> The TPV provides the fundamental protection and support required by the Refugee Convention.  … Australia is under no obligation to provide permanent residence to all refugees, and the

> TPV does not constitute a penalty on unauthorised arrivals for the purposes of Article 31(1) of the Refugee Convention.[20]

9.29 A majority of the Committee considers it quite reasonable for Australia to be more generous to asylum-seekers who have obtained authority for entry than to those who arrive without authority. The differential scale of benefits for TPV and PPV holders does not warrant making changes to the current TPV arrangements.

## Refugees from the Middle East

9.30 The Middle East is currently a major source of refugees and a significant source of the recent growing numbers of refugees and illegal immigrants to Australia, according to DFAT.[21] In the last quarter of 1999, there was a sharp increase in the numbers of people arriving unlawfully in Australia to seek asylum. The vast majority of these arrivals were from the Middle East, with the two largest groups being Afghans and Iraqis. This influx of asylum-seekers continued into 2000 and 2001.[22]

9.31 Under the provisions of the *Migration Act 1958* as amended and complementary legislation, people who arrive in Australia without authorisation (whether they arrive with no travel documents, or present documents that are found to be fraudulent) are required by law to be placed in immigration detention until either they are granted a visa or they are removed.[23] Before the upsurge of numbers in 1999, air arrivals consistently outnumbered boat arrivals. In the 1999-2000 financial year, 1,695 people were refused entry at Australian airports and 4,174 people arrived without authority on 75 boats. In the year 2000, from a total of 4,258 unauthorised arrivals, 2,688 people arrived by boat, mainly from Middle East countries.[24]

9.32 According to DIMA, the US, Britain, Canada, France, Austria and Hong Kong are some of the developed nations which detain unlawful arrivals, although Britain, for example, does not have a mandatory detention regime. The vast majority of asylum-seekers have entered Australia with

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20 DIMA, Supplementary Submission 80b, p. 44. See also Transcript, p. 559.
21 Submission, p. 971.
22 DIMA, Submission, pp. 2064-67.
23 *Migration Act 1958*, as amended, as well as complementary legislation relating to border protection and customs administration; DIMA, Submission, pp. 2064-65, 2068.
24 JSCFADT, *A Report on Visits to Immigration Detention Centres*, June 2001, p. 12 and Appendix C of that report.

a valid visa and are therefore absorbed into the community while they pursue their claims. Similarly, not all persons in detention are asylum-seekers.[25]

9.33     Iran has for the past 20 years hosted as many as 2.5 million refugees from Afghanistan and Iraq, with minimum support from overseas or international organisations such as the UNHCR. The Ambassador of the Islamic Republic of Iran informed the Committee of the extent of Iran's response to refugee problems in the region. His Excellency urged Australia and the international community to take a more active role in assisting with safe return arrangements and in relieving the plight of refugees who have sought refuge in Iran:

> It is no secret that hosting this number of refugees for so long is a big burden on our economy and has its own social implications. We expect the international community [to] put its efforts together to first make possible the safe return of these refugees to their homeland, and while doing so, [make] provision … to sustain a minimum level of facilities for these refugees.[26]

## Australia's Response to Unauthorised Arrivals from the Middle East

9.34     Australia is perhaps unique among Western countries in its capacity and willingness to remove failed asylum-seekers. Mandatory detention of illegal arrivals has made the removal of 'boat people' (the most high-profile asylum-seekers) who have been refused refugee status almost a routine matter, although controversial. In other countries, according to research, only a minority of failed asylum-seekers actually ever leave, voluntarily or otherwise. The British Foreign Office, for example, has acknowledged that up to two thirds of those refused asylum in Britain 'simply vanish'.[27]

9.35     In addition to changes to the protection visa regime, the Australian Government made a number of other legislative changes in 1999 to

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25    DIMA, Supplementary Submission 80b, pp. 17-18.
26    HE Dr Gholamali Khoshroo, Submission, p. 449. In January 2000, the Minister for Immigration and Multicultural Affairs, the Hon Philip Ruddock MP, visited Iran to examine the refugee situation and to discuss cooperative arrangements for managing the outflow of asylum-seekers to Australia.
27    Millbank, op. cit., p. 11.

address the problem of people-smuggling. Those changes included enhanced powers to intercept illegal entrant vessels at sea.[28]

## The Committee's Report on Immigration Detention Centres

9.36 In June 2001, the Committee released its report on the six Australian immigration detention centres, based on a program of visits undertaken between January and March 2001. The Committee's concerns about the detention system reflected growing community criticism about conditions in the centres. At the time of writing, there have been widely-reported demonstrations, escapes and other incidents involving detainees in various locations in recent months.[29]

9.37 The Committee's report, presented to Parliament on 18 June 2001, expressed considerable concern about the detention arrangements for women, children and families, and supported the trial arrangements announced by the Minister for Immigration and Multicultural Affairs in May 2001. The report contained a number of recommendations, including:

- a time limit on the period that people should spend in detention after obtaining security clearance;

- regular appointments with case officers, so that detainees can obtain advice about progress in considering their claims for refugee status;

- provision of accommodation in the centres for the exclusive use of families;

- greater access to detention centres by appropriate community organisations, including religious and welfare groups;

- special arrangements for accommodating detainees who warrant higher levels of security; and

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28  DIMA, Submission, pp. 2071-72.

29  For example, AAP newswire reported on 26 June 2001 the end of a hunger strike at Port Hedland Detention Centre which began following the death of a detainee. Clashes with guards at Woomera Detention Centre and damage to buildings and facilities were reported at various times in 2000 and 2001. Several of the 46 escapees in two outbreaks from Villawood Detention Centre in July 2001 were reported to be from Afghanistan, Iran, Iraq and Kuwait (*The Australian*, 20 July 2001, p. 1 and *The Canberra Times*, 23 July 2001, p. 1).

■ improvements in the procedures and standards adopted by the contractor responsible for management of the centres, Australasian Correctional Management Pty Ltd.[30]

9.38    The Minister for Immigration and Multicultural Affairs announced funding in the May 2001 Budget for new and upgraded detention facilities in response to the rising numbers of unauthorised sea and air arrivals.  In 2000, the large numbers of boat arrivals led to the re-opening of the Curtin facility in Western Australia and the establishment of a centre at Woomera, to relieve pressure on existing detention facilities.[31]

9.39    Earlier this year, the UN High Commissioner for Refugees, Mr Ruud Lubbers, criticised aspects of Australia's approach to on-shore asylum-seekers, and their portrayal in the press and in some official statements as 'bogus' refugees who were 'flooding' into Australia.[32]  In its submission, the National Council of Churches in Australia (NCCA) emphasised the dangers of any government, consciously or otherwise, stereotyping refugees from the Middle East as undesirable in any way, since 'such comments may feed into racism and racist violence in the community'.[33]

9.40    DIMA's supplementary submission, received on 29 June 2001, addressed many of the issues of concern raised during the public hearings on the Middle East inquiry which were also identified in the Committee's detention centre report. [34]

## TPV Inter-Agency Strategy Group

9.41    The Committee received evidence from an inter-agency Strategy Group in South Australia which was formed to assist with meeting the initial settlement needs of TPV holders who move to that State after release from detention.  The group, known as the TPV Inter-Agency Strategy Group, consists of representatives from the Government of South Australia, as well as Commonwealth agencies, and includes a range of NGO community organisations.

9.42    Particular attention has been given by the Strategy Group in South Australia to meeting needs for housing, English language tuition, family

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30    JSCFADT, *A Report on Visits to Immigration Detention Centres*, June 2001, pp. xi-xiv.
31    Hon Philip Ruddock MP, media release MPS 048/2000, 9 May 2001.  Two new centres, at Brisbane and Darwin, were allocated $52.1 million over four years.
32    *The Sydney Morning Herald*, 22 June 2001, p. 4 and 10 July 2001, p. 4;  AAP newswire, 9 July 2001, 'More asylum-seekers not the answer: Ruddock'.
33    Submission, p. 940.  See also evidence from RCA, Transcript, p. 420.
34    DIMA, Supplementary Submission 80b, pp. 17-25.

services and the care of unattached minors. The Inter-Agency witnesses considered that lack of access to Commonwealth-funded English language tuition and, hence, reduced employment possibilities were the biggest hurdles faced by former detainees entitled to TPV benefits.[35]

# International People-Smuggling

9.43    The shift since 1999 towards unauthorised boat arrivals by people of Middle Eastern origin represented a major change in the pattern of such arrivals, which had previously been sourced from China or countries in South East Asia. For DIMA, the altered patterns and volumes of arrivals, coupled with more intensive media and public attention, had significant consequences in terms of the department's priorities, procedures and administrative costs. The May 2000 Budget provided funding of $49 million over four years for a range of initiatives designed to strengthen border integrity and combat people-smuggling. These included:

- placement of additional compliance officers in Jordan, Iran and Pakistan and airport liaison officers in transit countries such as Indonesia;

- development of a pilot program of targeted reintegration assistance to countries accepting returned unauthorised arrivals;

- faster processing procedures for humanitarian entry applications, and less time taken for checks associated with protection visa assessments;

- provision of targeted aid contributions and resettlement support to develop a coordinated international approach to long-term solutions for Afghan and Iraqi refugees; and

- in cooperation with transit countries, development by DIMA, Australian Customs and the Australian Federal Police of a package of technical and physical assistance to border control agencies.[36]

9.44    A substantial level of bilateral consultation has taken place with Indonesia and Malaysia in relation to the transit of unauthorised asylum-seekers. These consultations have included the UNHCR and the International Organisation for Migration (IOM). In addition to pursuing bilateral

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35    Department of Human Services, South Australia, Transcript, p. 488-89.

36    DIMA, Submission, p. 2069. The allocation of $49 million was announced by the Treasurer, the Hon Peter Costello MP in the Second Reading Speech, Appropriation Bill No. 1, 2000-01, 9 May 2000.

agreements with various governments, Australia participates in a number of international forums which focus on the eradication of people-smuggling.  These forums include:

- the Inter-governmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia;

- the Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants; and

- the Pacific Rim Immigration Intelligence Officers Conference.

9.45     Australia is seeking to enhance its interception capacity by working closely with countries and airlines in the region on information-exchange and intelligence activities as well as through participation in the above forums.  Combined efforts by DIMA and the Australian Federal Police to investigate organised people-smuggling operations have also been pursued actively, including establishment of the National Surveillance Centre as part of the Australian Customs Service.  These and other measures aim to enhance high-level coordination and information-sharing between agencies to improve coastal surveillance and the early detection of unauthorised arrivals.[37]

9.46     In recent years, considerable resources have been allocated by Australia and other Western governments, particularly in Europe, to counter people-smuggling operations.  Actions have included information campaigns warning potential victims, posting immigration officers at high risk airports overseas to detect fraudulent documents, imposition of very large fines on airlines which transport unauthorised passengers, and extensive use of detention for illegally arrived asylum-seekers.

9.47     Strategies to increase international cooperation in response to major refugee outflows and the rise of people-smuggling operations have been pursued by the Minister for Immigration during attendance at the Executive Committee of the UNHCR and visits since 1999 to the Middle East, Europe and countries in Australia's more immediate region.  The Minister has suggested that receiving countries have a collective interest in lightening the burden of care in countries such as Iran and Pakistan, and in making it easier for refugees to stay in those countries pending 'durable solution' of their situations.[38]  Millbank drew similar conclusions:

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37   DIMA, Supplementary Submission 80b, p. 16.

38   Hon Philip Ruddock MP, during a conference in Paris on people-smuggling, July 2000 and media release MPS 100/2000, 30 September 2000.  UNHCR's preferred durable solution for refugees comprises either repatriation under conditions of safety and dignity, integration in

> People-smuggling represents a particularly challenging affront to notions of state sovereignty, and may be providing the extra pressure that pushes governments towards reform of the Convention-based system. UK Home Secretary, Jack Straw, has proposed strengthening protection in the refugee-producing regions and the lodging of asylum applications from abroad to stop asylum-seekers from purchasing organised illegal entry into European countries. He has also proposed the notion of quotas of refugees from high-risk regions, in order to share the burden more equitably, and to enable planned intakes and settlement [strategies].[39]

9.48    After a visit to Jordan, Syria, Turkey, Iran and Pakistan in January 2001, the Minister for Immigration and Multicultural Affairs announced a number of agreed cooperative measures, including the posting of Liaison Officers to Iran, Jordan and Pakistan.[40] The role of these officers is to negotiate with the host country and the IOM on arrangements for return of nationals and re-admission of third country nationals, as well as management of some of the humanitarian caseloads. Liaison Officers work closely with the UNHCR and NGOs to pursue and expedite checking of character information, documentation and other matters. In addition, Australia has substantially increased its penalties for people-smuggling.[41]

## Combating the syndicates

9.49    As DIMA explained, there are three key elements to Australia's response to illegal immigration and people-smuggling:

- bilateral and international action to minimise primary outflows from countries of origin and secondary outflows from countries of first asylum—a preventive strategy;

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the country of first asylum, or (if the other options cannot be achieved) resettlement in a third country.

39  A Millbank, op. cit., p. 20, citing Mr Straw's speech to a conference on asylum in Lisbon, June 2000.

40  Hon Philip Ruddock MP, MPS 006/2001, 20 January 2001.

41  Hon Philip Ruddock MP, MPS 006/2000 (20 January 2000) and MPS 143/99 (13 October 1999). See also AAP newswire, 26 January 2000, 'Middle East pledges support as more illegals arrive'. DIMA, Supplementary Submission 80b, p. 16.

- working with other countries to disrupt the activities of people-smugglers, including prosecution and interception of their clients *en route*; and

- developing appropriate reception arrangements for unauthorised arrivals who reach Australia, early assessment of claims for refugee status, providing protection for those found to be genuine refugees, and prompt removal of failed asylum-seekers.[42]

9.50    Organised, profit-motivated criminal syndicates have been increasingly active in conducting the flow of unauthorised arrivals to Australia. These syndicates operate in source countries as well as transit countries, managing all phases of the movement of people, the purchase of vessels and the organisation of boat departures from countries such as Indonesia. Most boats land at either Christmas Island or Ashmore Reef. According to DIMA, unlike the covert landings on the east coast by Chinese boat people in early 1999, the recent Middle Eastern boat arrivals are overt—they want to be detected and detained, and in most cases possess accurate information about Australia's protection visa processes.[43]

9.51    The instigators of a large people-smuggling operation based in Indonesia were arrested recently in Cambodia after extensive surveillance assisted by Australia. It has been estimated that this Indonesian-based syndicate alone has been responsible for around 30 per cent of unauthorised boat arrivals in Australia.[44]

9.52    Australia has repeatedly urged the UNHCR and the international community to increase the levels of support to countries of first asylum and to work cooperatively towards durable solutions which would obviate the need for desperate asylum-seekers to resort to smugglers.[45]

9.53    One disturbing recent development in Australia was an advertisement in *The West Australian* by an operation known as 'Frontline Australia', seeking recruits for proposed patrols of the northern coastline in international waters to combat people-smuggling.[46] There was considerable criticism in the press from both government and non-

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42   DIMA, Transcript, pp. 549-50 and Supplementary Submission 80b, pp. 15-16.

43   DIMA, Submission, p. 2070. A recent boat arrival at Christmas Island involved a reported 351 people, including more than 150 women and children, many from Iraq, Afghanistan and Pakistan. The leaking wooden boat had an Indonesian crew (*The Australian*, 17 August 2001, p. 1.)

44   Reported in *The Weekend Australian*, 14 July 2001, p. 3.

45   DIMA, Submission, pp. 2069, 2073 and Transcript, p. 550.

46   *The Australian*, 13 July 2001, p. 5 and *The Canberra Times*, 14 July 2001, p. 7; AAP newswire 'No charges for man who advertised for boatpeople vigilantes', 19 July 2001.

government sources of what could be described as 'vigilante' operations such as these, which would be contrary to international law.

## Support for the UNHCR

9.54    In DIMA's view, the most significant factor leading asylum-seekers to resort to people-smuggling organisations is the failure of the international community to support countries such as Pakistan and Iran, which have borne the brunt of the burden of large refugee populations for long periods of time.  Lack of a durable solution for refugees in countries of first asylum has forced some of them to find their own means of escape via organised smuggling operations.[47]

9.55    The nub of the problem is the discrepancy between the level of financial support for the UNHCR and the far larger amounts spent by Western countries on maintaining their asylum systems.  The focus of the UNHCR in the camps is on repatriation.  Less than 30 per cent of people are assessed as requiring resettlement in a third country.[48]  However, the acceptance rate in Australia for on-shore Iraqi and Afghan asylum-seekers in detention was over 90 per cent for the 1999-2000 cohort, although somewhat less for the 2000-01 cohort.[49]  Hence it has been argued that the Convention-based system as it currently applies encourages asylum-seekers to take matters into their own hands if they have sufficient financial and other resources to reach a potential host country.  This means that others, with perhaps greater need, are forced to remain for long periods in the refugee camps.

9.56    The Committee notes the efforts made by Minister for Immigration and Multicultural Affairs during overseas visits and in the Executive Council of UNHCR to advance the cause of international cooperation in addressing major issues such as the serous imbalance between levels of funding for the UNHCR's refugee protection systems and domestic expenditures on asylum regimes.  Research suggests that the individual national asylum regimes for states such as Canada, Australia and

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47   DIMA, Transcript, p. 550.

48   A Millbank, op. cit., p. 14.  RCA, Transcript, pp. 408, 412;  NCCA, Submission, p. 940;  Stuart Rintoul, *The Australian*, 8 June 2001.

49   DIMA, Exhibit 38.  Media releases by Minister Ruddock (Nos. 111 and 112 of 7 August 2001) indicated that the approval rate for unauthorised boat arrivals had fallen to 75 per cent for July/December 2000;  see also Appendix I.

European OECD countries consume more than ten times the resources available to the UNHCR.[50]

9.57    According to DIMA, Australia's reform agenda for the UNHCR is advanced through bilateral discussions and involvement in the Executive Committee.  The specific approaches supported by Australia include:

- re-exertion of States' control, complemented by enhanced leadership from the High Commissioner;

- greater leadership and direction from a reinvigorated Executive Committee;

- improved review, evaluation and accountability frameworks within the UNHCR;

- recognition of the inter-relationships between people smuggling, illegal migration and the international protection framework and the role of the UNHCR in interception strategies; and

- the creation and funding of durable solutions to resolve long-standing refugee problems.[51]

## Perceptions of 'queue-jumping' and other negative images

9.58    A significant proportion of the evidence placed before the Committee in relation to unauthorised boat arrivals reflected the on-going debate in the Australian community about the issues of alleged 'queue-jumping' and 'forum-shopping' by people who have attempted to enter Australia without authority.  The Committee acknowledges, however, that the method of arrival does not necessarily have any bearing on the merits of claims for refugee status or resettlement.  Rather, landing on-shore without authority means that the 'boat people' have had sufficient resources and incentive to make such an attempt, as DIMA pointed out.[52]

9.59    Labelling of asylum-seekers who arrive without authorisation as 'forum-shoppers' and a 'flood' has not helped to promote rational debate about Australia's response to the problem.  It is also arguable that elements of the Australian media have contributed significantly to the negative public

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50    A Millbank, op. cit., p. 13;  DIMA, Supplementary Submission 80b, p. 28.
51    DIMA, Supplementary Submission 80b, p. 28.
52    DIMA, Transcript, p. 556.

perception that asylum-seekers arriving off the coasts of Australia without authorisation were 'queue-jumping'. In Australia, asylum-seekers with the resources to pay smugglers have not elicited public sympathy in the way that more obvious refugees did—for example, the Kosovars who were accorded safe haven.

9.60    The NCCA argued that negative public perceptions in Australia of the unauthorised arrivals were not justified by the small proportion of non-genuine cases:

> There is no organised 'queue' for victims fleeing persecution worldwide. Many people with undisputed refugee status cannot travel to the Australian Embassy or UNHCR office to register, and that process may take years. Many have their travel papers confiscated or cannot travel on them for fear of capture. This is not to say some immigrants who are not refugees try to circumvent the system, but the system should not be designed only to catch such people at the expense of genuine refugees trying to seek protection in Australia.[53]

9.61    In broad terms, the RCA was critical of a number of aspects which, in the Council's view, had done severe damage to Australia's reputation as a humane and responsible member of the international community and to relations within and between ethnic communities in Australia:

> The Council has been deeply concerned about:
> - the way in which the boat arrivals have been projected in the popular press;
> - the use of the resultant 'climate of fear' to legitimise the introduction of draconian policies; and
> - the manipulation of ethnic communities by emotive rhetoric and implication of complicity.[54]

## Support for Countries of First Asylum

9.62    Collectively, the international community must share responsibility for the protection of asylum-seekers who have been forced to leave their countries of origin. The RCA contended that the international community as a whole has failed to protect refugees—by failing to support adequately the countries of first asylum such as Pakistan and Iran, which are

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53    NCCA, Submission, p. 939.
54    RCA, Submission, p. 79 and Transcript, p. 407.

struggling to cope with enormous numbers of refugees from Afghanistan and Iraq in particular.

9.63    In the Council's view, Australia should do more to urge the international community to alleviate the extremely distressing conditions suffered by the asylum-seekers in the camps, which in some cases drive them to seek direct solutions such as unauthorised entry to third countries.[55]  A large part of the 'burden-sharing' approach discussed at the UNHCR's 1998 Executive Council Meeting centred around the urgent need for assistance to countries which have shouldered a disproportionate level of responsibility for hosting large refugee populations.

9.64    The UNHCR mid-year report in 1999 indicated that allocations to Iran and Pakistan that year were US $17.7 million and US $16.6 million respectively.  The RCA estimated that in the early part of 2000, Iran was hosting over 1.4 million Afghan refugees, many of whom have been there for around 20 years.  In Pakistan, there were at that time approximately 1.2 million refugees in camps along the border with Afghanistan in addition to the thousands who had moved to the towns and cities during the last 20 years.[56]

9.65    The RCA urged the Australian Government, in conjunction with other members of the international community, to do more to reduce the burden that is falling on countries such as Pakistan and Iran in hosting large numbers of Middle Eastern refugees.[57]

9.66    Australia has sought to work with countries of first asylum to assist them in providing temporary protection while durable solutions are found.  In June 2000, the Minister for Foreign Affairs and the Minister for Immigration and Multicultural Affairs allocated $1.5 million from the 1999-2000 aid budget towards the UNHCR 2000 South West Asia Appeal, which was intended to increase the self-reliance of refugees sheltering in Iran and Pakistan.

9.67    The Committee agrees that the protection of genuine refugees who have been forced to flee to camps in neighbouring countries should be given stronger focus by the international community.

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55    RCA, Transcript, p. 412.
56    RCA, Submission, p. 82.
57    RCA, Submission, p. 91;  DIMA, Supplementary Submission 80b, p. 27.  Between them, Iran and Pakistan are currently supporting around 3.5 million Afghan and Iraqi refugees.

## Recommendation 34

9.68    **The Committee recommends that the Australian Government increase its efforts, in conjunction with other members of the international community, to focus world attention on measures to reduce the huge burden placed on countries of first asylum, which are supporting large numbers of asylum-seekers from the Middle East.**

9.69    Apart from urging the international community to provide on-going support to countries of first asylum, Australia's principal strategy has been to offer support for sustainable repatriation by providing aid and assistance through international agencies working in the source countries. In mid July 2000, $1.7 million was provided to the World Food Program's drought relief appeal for Afghanistan, which was directed towards alleviating the suffering of the rural population and reducing the likelihood that those affected would become displaced. Other donor nations were urged to provide similar relief.

9.70    DIMA indicated in evidence that further assistance to both Iraq and Afghanistan was being considered in the context of the development of priorities for use of the aid funding allocated to DIMA in the 2000-01 Budget.[58] An overall allocation to DIMA of $20.8 million over four years from June 2000 provides a focus for increasing support for sustainable repatriation to source countries as well as assistance to countries of first asylum. Some $4.5 million was re-allocated from within Australia's broader aid funding for 2000-01 to support efforts to reduce refugee outflows or to promote repatriation solutions.[59] Initiatives such as these should be given further support, as the following recommendation provides.

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58   DIMA, Supplementary Submission 80b, p. 27.

59   ibid, pp. 41-42.

**Recommendation 35**

9.71    **The Committee recommends that additional resources be directed towards:**

- **combating the root causes of refugee outflows from countries such as Afghanistan and Iraq, to the extent permitted by the extremely difficult circumstances prevailing in those countries; and**

- **promoting repatriation solutions from countries of first asylum.**

9.72    The next chapter of this report considers Australia's overseas aid program for the Middle East, and suggests ways in which it might be improved.

# 10

# Australian Overseas Aid for the Middle East

10.1    The Committee received submissions from the Australian Council for Overseas Aid (ACFOA) as well as from a number of individual non-government organisations (NGOs) such as World Vision Australia (WVA), Australian People for Health, Education and Development Abroad (APHEDA), the National Council of Churches in Australia (NCCA), and CARE Australia.  The Committee was impressed by the comprehensiveness of the submissions from NGOs.

10.2    ACFOA is the coordinating body for some 100 NGOs working in the field of overseas aid, development and human rights.  The Middle East Working Group of ACFOA was formed in 1995, comprising agencies with programs in the Middle East who are interested in working together on issues concerning international development assistance.[1]

10.3    The submission from the Department of Foreign Affairs, Defence and Trade (DFAT) contained a relatively short section of a page and a half on 'Australia's Development Assistance Program' which covered the activities of the Australian Agency for International Development (AusAID) in the provision of aid to the Palestinian Authority (PA) and to the Palestinian refugees.  A more detailed submission from AusAID may have been appropriate.

10.4    Representatives of AusAID and many of the NGOs presented evidence at public hearings.  Often they provided graphic examples of real-life situations in the Middle East which brought their written submissions to life.  The Committee was left in no doubt that parts of the Middle East have seen a great deal of human suffering in the last half-century.

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1    ACFOA, Transcript, 14 September 2000, p. 376.

10.5     In economic terms the Middle East is a paradox.  It contains countries of immense wealth but also regions of abject poverty and suffering, and a widening gap between rich and poor.[2]

## Australia's Overseas Aid Program

10.6     Successive governments have acknowledged Australia's responsibility as part of the community of developed nations to assist those less fortunate. The aid program is also seen as being in Australia's national interest by building regional stability and prosperity through assisting neighbouring developing countries to reduce poverty and to achieve sustainable development.[3]

10.7     The Middle East Peace Process is seen as crucial to global peace and security.  Given Australia's very limited political influence in the context of the Middle East conflict, Australia's aid contribution to the Palestinians is a practical gesture of support for the Peace Process.[4]  DFAT explained the context of Australia's contribution in the following terms:

> We do have influence, but it is largely an indirect influence.  The contribution that Australia can make is, firstly, to provide support to those parties who are most actively concerned to bring about a positive and constructive outcome.  We are not and are most unlikely ever to be a player, or even to be regarded as a significant commentator, on regional events.  We are removed from the region geographically, historically, and in many ways culturally.[5]

10.8     The Australian Government's aid program is delivered through AusAID, which is an agency within the Foreign Affairs and Trade portfolio.  In November 2000, DFAT opened a small office in Ramallah, just north of Jerusalem, where the headquarters of the PA is located.  AusAID had one locally-engaged officer in the Australian Embassy in Tel Aviv and that position was transferred to Ramallah to act as a local point of contact for Australia's aid to Palestinians.[6]

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2     ibid.

3     'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs on 22 May 2001.

4     'Middle East Country Brief', AusAID website, June 2001.

5     DFAT, Transcript, 14 September 2000, p. 352.

6     ibid, pp. 354-55.

## Geographic focus of the aid program

10.9    Australia's overseas aid program is focused on the Asia Pacific region. This geographic focus was examined and reconfirmed by the Simons Report in May 1997 and adopted by the Government.  Recommendation 5.3 of the 'Simons Report' read as follows:

> The order of geographic priorities for the Australian aid program should be: (1)  PNG [Papua New Guinea] and the Pacific Islands; (2)  East Asia: Cambodia, Laos, Vietnam, China, Indonesia and the Philippines—focused on the poorest regions or provinces in the latter three countries, and with a view to their graduation; (3)  South Asia and Africa—focused on the poorer countries which have positive development prospects.[7]

10.10    Commenting on other parts of the world, the Report noted:

> Australia should not undertake any bilateral aid intervention in regions such as the Middle East, Eastern Europe, the Central Asian Republics or the Indian Ocean island states.  These countries tend to have relatively high per capita incomes and a low incidence of poverty.  Many are already well served by other donors and, with the exception of the island states, are beyond Australia's immediate region.[8]

10.11    The Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT, the Committee) held a public seminar in July 1997 to discuss the Simons Report.  One of the Committee's conclusions was:

> The Joint Standing Committee endorses the proposed geographic emphasis for the aid program as set out in the Simons Report.  The Committee accepts the logic of the argument that says greater impact can be made by focussing Australia's comparatively modest development assistance funds to a greater extent than has been the case.  Australian assistance through NGOs and the multilateral development agencies will still permit some assistance to be given to countries that do not meet the criteria established by the Simons Review.[9]

10.12    This view was reinforced a month later, in August 1997, with the publication of the White Paper on Foreign and Trade Policy entitled *In the National Interest*.  The White Paper identified the Asia Pacific as being of

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7    H Paul Simons, Chairman of the Committee of Review, *One Clear Objective*, April 1997, p. 92.
8    ibid.
9    JSCFADT, *Sharpening the Focus*, July 1997, p. 10.

the greatest national interest for Australia. The USA, Japan, China and Indonesia were seen as the countries which would have the greatest impact on the future of Australia. Regarding the geographic focus for Australian aid, the White Paper commented:

> Since development needs are so immense, and will remain so for the foreseeable future, the geographic focus of Australia's development assistance program should continue to be on the Asia Pacific region, not only because a large number of the world's poor live there, but also because Australia's security and economic interests are most engaged there.[10]

10.13   The Committee supports the fact that Australia's aid program is heavily concentrated on PNG, the Pacific Islands, and East Asia. That is not to say that there are not many other deserving areas in other parts of the world, but the reality is that there is great need right on our own doorstep. To quote a recent observation by the Minister for Foreign Affairs:

> There are still nearly 800 million people living on less than two dollars a day in our region, and this presents a tremendous challenge.[11]

10.14   Several submissions from NGOs argued that the Asia Pacific geographic focus is too narrow and should be widened.[12] In reality, however, the Government's flexible approach in responding to emergencies and new developments has already blurred the recommended geographic guidelines. The result is that there is some aid directed to South Asia, Africa and the Middle East, but on a selective basis. The bulk of Australia's aid goes to countries within our immediate region and the Committee strongly believes that this is as it should be.

10.15   Australia's overseas aid program will disburse over $1.7 billion in 2001-02, an increase of $125 million over the budget for the previous year.[13] Table 10.1 on the following page shows how this aid has been allocated in 2001-02:

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10   White Paper, *In the National Interest*, August 1997, Chapter 3.

11   'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs, the Hon Alexander Downer MP, 22 May 2001, p. 1.

12   For example, ACFOA, Submission, p. 1547.

13   'Australia's Overseas Aid Program 2001-02', op. cit. In this Chapter, and elsewhere in this report, all dollar amounts are expressed in Australian currency unless stated otherwise.

**Table 10.1    Australia's Overseas Aid in 2001-2002**

| | Budget Estimate 2001-2002 ($A millions) | Percentage |
|---|---|---|
| Papua New Guinea | 342.9 | 20 |
| Pacific Islands | 164.6 | 10 |
| East Asia | 551.6 | 32 |
| South Asia | 92.0 | 5 |
| Africa and Other | 130.7 | 8 |
| Contributions to the UN and other Multilateral Organisations | 453.7 | 25 |
| **Total** | **1725.0** | **100%** |

*Source*    *'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs, 22 May 2001*

10.16    As a single country, PNG receives the largest share of Australia's overseas aid.  PNG will receive $342.9 million in 2001-2002 or 20 per cent of the total.  The next largest amount, $121.8 million or 7 per cent of the total, is earmarked for East Timor.  The third largest recipient is Indonesia with $121.5 million or 7 per cent of the total, followed by Vietnam with $73.3 million and The Philippines with $63.5 million.

10.17    East Timor is a new country still in the process of being established, born out of turmoil, whose social and physical infrastructure must be re-built from the ground up.  It will require assistance for many years to come.

10.18    Indonesia, a relatively powerful but poor country right on Australia's doorstep, is experiencing great internal volatility as it seeks to adjust to new democratic and federal processes.

10.19    Communal conflicts in Aceh, Kalimantan, Ambon and Irian Jaya, to name but four problem areas, are imposing immense burdens on local and regional levels of government.  Conservative estimates put the number of 'internally displaced persons' (or refugees) in Indonesia at one million at this time.[14]

10.20    It is very much in Australia's national interest that a stable, prosperous and democratic Indonesia emerge from this transitionary period.

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14    D Djalal, 'Strangers in our own land', *Far Eastern Economic Review*, 18 January 2001.

## Official Assistance to Israel and the 'Palestine Administered Areas'

10.21    Table 10.2 below shows global flows of Official Assistance to the two main participants in the Middle East Peace Process according to the latest figures available from the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD):

**Table 10.2    Official Assistance to Israel and the Palestine Administered Areas in 1999 (US$ million)**

|  | Israel | Palestine Administered Areas (PAA) |
|---|---|---|
| OA to Israel[1] ODA to PAA | $906 m | $512 m |
| Percentage of GNP | 0.9% (1998) | 11.6% (1999) |
| Private Flows[2] | $3,169 m | $28 m |
| Population (millions) | 6.1 | 2.8 |
| Per Capita GNP | $17,450 (1998) | $1,610 (1999) |
| Top Three Donors of OA/ODA (1998-1999 Average) | USA $1062.1 m France $8.1 m EC $6.8 m | UNRWA $148 m USA $80 m Japan $51 m |
| Major Sectors (1998-1999) | Program Assistance 90% Emergency Aid 7% Education 1% | Program Assistance 45% Education 12% Economic Infrastructure 10% |

**NOTES:**
1.    From 1997, aid to 'More Advanced Developing Countries' was called Official Assistance (OA) rather than Official Development Assistance (ODA).  Israel is in that category.
2.    Private Flows consist of flows at market terms financed out of private sector resources and private grants (ie grants from non-government organisations net of subsidies received from the official sector)

*Source      OECD Development Assistance Committee website, www.oecd.org/dac*

## Australian Aid to the Middle East

10.22    Despite the constraints recommended by the Simons Report, the Government continues to provide some aid to the Middle East as a demonstration of practical support to the Middle East Peace Process.

10.23    Australia's aid to the Middle East is contained within the 'Africa and Other' category in Table 10.1 above.  For its own operational purposes,

AusAID regards Egypt as part of 'Africa' rather than the Middle East. That is important in the context of this inquiry, as Egypt is a major recipient of Australian aid in the form of debt relief. This aid was not listed in the aid section of the DFAT submission compiled by AusAID.

## Egypt debt relief

10.24   If one includes debt relief to Egypt, the totals of aid flows to the Middle East more than double. Debt relief provided to Egypt under the aid program is shown in Table 10.3 below:

Table 10.3    Debt relief to Egypt, A$ millions

| 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 |
|---------|---------|---------|---------|---------|---------|---------|
| 7.2 | 12.0 | 14.3 | 14.4 | 16.8 | 16.3* | 15.9* |

* estimates

*Source*      *'Australia's Overseas Aid Program 2001-2' Statement by the Foreign Minister, 22 May 2001, page 66*

10.25   This debt was incurred in the late 1980s when Egypt failed to pay for wheat sold on credit. The sale was insured by the Australian Wheat Board with the Export Finance and Insurance Corporation under its national interest account.

10.26   In 1991 the Paris Club rescheduled Egypt's debt, granting 50 per cent debt forgiveness and 25 year repayment terms. Australia opted to provide this through 'debt service relief', under which Egypt pays the principal in full but receives a discount on the interest rate, such that the net present value of the repayment stream is 50 per cent of the face value of the debt.

10.27   Some $390 million of debt was rescheduled. In accordance with the Paris Club agreement, each six months Egypt pays an instalment of part of the principal and the interest accrued since the last payment, at the discounted rate. The interest shortfall is debt relief and qualifies as Official Development Assistance under the OECD definition, hence its inclusion in the aid figures.

10.28   The Committee believes that it would make sense for DFAT, Austrade and AusAID, which are all part of the same Ministerial portfolio, to define geographic regions in the same way.

## Other Middle East aid flows

10.29    Table 10.4 below shows the components of Australia's overseas aid
allocated to the Middle East since 1995-96, excluding the debt relief to
Egypt described above:

**Table 10.4    Aid Flows to the Middle East, A$ million**

| Program | 1995-1996 | 1996-1997 | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|---|---|---|---|---|---|---|
| | | | | | | *(estimate)* | *(estimate)* |
| Bilateral (includes some Palestinian Territories NGO activities) | 1.4 | 2.4 | 1.1 | 1.1 | 2.0 | 2.1 | 2.1 |
| UN Relief and Works Agency Core Grant | 2.9 | 2.7 | 2.6 | 2.7 | 3.7 | 3.8 | 3.7 |
| Emergency Appeals for Palestinian People | | | | | | | TBD |
| • International Committee of the Red Cross (2 Appeals) | | | | | | 1.05* | |
| • Australian NGOs | | | | | | 0.20* | |
| • UNRWA ( 2 ) | | | | | | 0.75* | |
| World Food Program directed at Middle East | 4.8 | 1.9 | 1.8 | 1.2 | 3.3 | 4.5* | TBD |
| Other NGO projects | 0.4 | 0.4 | 0.5 | 2.9 | 0.9 | 1.5 | TBD |
| De-mining initiative (Lebanon) | | | | | | 0.02 | 0.08 |
| **TOTAL** | **9.5** | **7.4** | **6.0** | **7.9** | **9.9** | **13.92*** | **9.9** |

\* *Higher than expected flows reflects emergency appeals and World Food Program allocations for Palestinian Territories, Syria and Egypt.*
*TBD = To Be Determined*
*Source    AusAID, Exhibit 39*

10.30    The AusAID budget for the Middle East (excluding Egypt) for 2001–02 is
$9.9 million.  The Committee recommends that Australian aid to the
Middle East be split into two separate parts—non-food aid and food aid.
The non-food part should be a minimum of $10 million per annum
(excluding Egypt debt relief), while the food aid component would
depend on how much Australia chooses to contribute to World Food

Program operations in the Middle East in any given year. The Committee believes that such a commitment is reasonable, given the Asia Pacific focus of Australia's aid program.

10.31   In fact, total aid flows to the Middle East (excluding Egypt debt relief) totalled $13.92 in 2000-2001 as shown in Table 10.4 above. The reason for this large increase was that the World Food Program, of which Australia is a key supporter, disbursed a much greater amount of food aid to the Middle East in that year in response to droughts and other natural disasters in the region.

10.32   The Committee suggests that non-food aid to the Middle East be set at a minimum of $10 million per annum, with the expectation based on recent experience that at least an additional $1.5 million per annum will go to the region in the form of food aid. This would give a total aid commitment greater than the target of $11 million per annum recommended by ACFOA's Middle East Working Group.[15]

10.33   ACFOA and APHEDA both expressed concern at the apparent lack of forward commitment to the Middle East aid program beyond 30 June 2001.[16] It would certainly assist planning by both AusAID and NGOs if a specific amount is known to be available two or three years ahead. The Committee recommends that the Government make a commitment under the overseas aid program to allocate a minimum of $10 million per annum in non-food aid to the Middle East (excluding Egypt debt relief) for the next three years.

## Recommendation 36

10.34   **The Committee recommends that the Government make a three year commitment to allocate a minimum of $10 million per annum in non-food aid to the Middle East, as well as continue to support the World Food Program in the region.**

10.35   A small amount of official aid has recently been apportioned to Lebanon. In April 2001, during a visit, the Minister for Foreign Affairs announced

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15   ACFOA, Submission, p. 1547 and Transcript, 14 September 2000, p. 377.
16   ACFOA, Submission, p. 2567 and Transcript, p. 383; APHEDA, Submission, pp. 1517 and 1532.

an allocation of $100,000 towards assessing the landmine situation in southern Lebanon following the withdrawal of Israeli forces.[17]

## Components of Australia's Current Aid Program in the Middle East

10.36 The primary focus of the Government's aid program has been placed on meeting the humanitarian needs of Palestinians in the Occupied Territories and in refugee camps in neighbouring countries, with minor amounts directed towards other projects in Lebanon. In recent years, between 80 and 90 per cent of Australia's non-food aid has been directed towards humanitarian relief for Palestinian refugees, delivered either through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) or through NGO programs. The remainder of the non-food aid budget has been directed towards two projects (Law and Agriculture) which are aimed at capacity-building of the PA.

10.37 ACFOA's submission suggested the Government's aid program be extended to include countries such as Iraq and Yemen.[18] The Committee disagrees with this proposal. Australia's aid program to the Middle East is modest as it is. The Middle East Peace Process is clearly worth supporting and there is a great need for assistance to the Palestinians. The Committee believes that it is best to focus our limited resources on this one major area of need.

10.38 Many Palestinian refugees reside in special refugee camps in the Occupied Territories of the Gaza Strip and the West Bank as well in camps located in Lebanon, Syria and Jordan. Other Palestinian refugees live in the Gaza Strip and the West Bank but have managed to find accommodation outside the camps.

10.39 Australia's aid to Palestinian refugees is allocated through two channels. The main channel is via UNRWA, and the other is through programs run by NGOs.

## United Nations Relief and Works Agency

10.40 UNRWA was established under United Nations General Assembly Resolution 302 (IV) of 8 December 1949 following the 1948 conflict in

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17 Hon Alexander Downer MP, media release, 27 April 2001.
18 ACFOA, Submission, pp. 1605 and 1612.

Palestine, and commenced operations on 1 May 1950. Its purpose was to provide humanitarian relief and works programs for Palestinian refugees. It has fed, clothed, housed, educated, and provided health care to hundreds of thousands of Palestinian refugees for more than 50 years.[19]

10.41 Originally envisaged as a temporary organisation, UNRWA is unique within the UN structure in that it has focused solely on one distinct set of refugees for such a long period. Due to the unresolved nature of the Palestinian refugee issue, the UN has had to renew UNRWA's mandate repeatedly. The current mandate runs until 30 June 2002.[20]

10.42 The UNRWA definition of a registered Palestinian refugee is 'a person whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948 and who lost both home and means of livelihood as a result of the 1948 conflict'. Palestinian refugees eligible for UNRWA assistance are persons who meet this definition as well as descendants of fathers fulfilling the definition.[21]

10.43 Today UNRWA is the main provider of basic services to 3.8 million registered Palestinian refugees in the Middle East—a dramatic increase on the 860,000 persons who were first registered with UNRWA in 1950. Table 10.5 on the following page shows the basic statistics in relation to UNRWA-registered Palestinian refugees and their locations in the Palestine Territories and neighbouring countries as at June 2001

10.44 UNRWA's base budget for 2001 is US$311 million. When UNRWA was established as a temporary agency, the UN considered it would be best if the Agency were able to collect voluntary contributions. Therefore, UNRWA is not part of the normal UN Assessed Contribution Scheme.[22] Although the UN covers the direct cost of international staff, all other funding comes from the annual voluntary contributions of donor states. UNRWA has been finding it increasingly difficult to obtain adequate levels of donations in recent years.[23]

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19  'Frequently asked questions about UNRWA', UNRWA web site www.un.org/unrwa, June 2001.
20  ibid.
21  ibid.
22  'Frequently asked questions about UNRWA', UNRWA website, June 2001.
23  See also Chapter 7, footnote 34.

**Table 10.5    Palestinian refugees registered with UNRWA**

|  | Gaza Strip | West Bank | Jordan | Syria | Lebanon | Total |
|---|---|---|---|---|---|---|
| Registered Refugees (Thousands) | 838 | 591 | 1610 | 388 | 380 | **3806** |
| Percentage of Total (Percentage) | 22 | 16 | 42 | 10 | 10 | **100** |
| Number of Camps (Number) | 8 | 19 | 10 | 10 | 12 | **59** |
| Registered Refugees in Camps (Thousands) | 457 | 160 | 285 | 113 | 213 | **1228** |
| Registered Refugees in Camps as a Percentage of Registered Refugees (Percentage) | 55 | 27 | 18 | 29 | 56 | **32** |
| Registered Refugees as a Percentage of Total Population (Percentage) | 79 | 30 | 33 | 3 | 11 | **N/A** |
| Increase in Registered Refugees over Previous Years (Percentage) | 3.6 | 2.6 | 4.4 | 2.4 | 1.8 | **3.5** |

N/A      Not applicable

*Source      'UNRWA in Figures', UNRWA website www.un.org/unrwa, June 2001*

10.45    UNRWA's largest donors are the United States, the European Commission, the United Kingdom, and Sweden.  Other major donors are the Persian Gulf States, Japan, and Canada.[24]

10.46    Table 10.6 below shows the major components of UNRWA's budget for 2001:

**Table 10.6    UNRWA General Fund Budget for 2001, US$ million**

|  | Gaza Strip | West Bank | Jordan | Syria | Lebanon | Total | |
|---|---|---|---|---|---|---|---|
| Education | 53 | 26 | 51 | 12 | 23 | 167 | (54%) |
| Health | 16 | 12 | 11 | 5 | 9 | 54 | (17%) |
| Relief and Social Services | 11 | 5 | 6 | 3 | 6 | 31 | (10%) |
| Operational and Common Services | 8 | 6 | 4 | 2 | 6 | 68 | (18%) |
| Total General Fund Budget | 88 | 49 | 72 | 22 | 44 | 311 | (100%) |

*Source      'UNRWA in Figures', UNRWA website www.un.org/unrwa, June 2001*

10.47    As shown in Table 10.5, one-third of UNRWA-registered refugees are housed in 59 camps—see the map at Figure 10.1 overleaf.  The other two thirds live in and around the cities and towns, often in the environs of the official camps. The host governments administer the refugee camps while

24    'Frequently asked questions about UNRWA', UNRWA website, June 2001.

> UNRWA is responsible for providing educational, health, relief and social services inside and outside the camps for UNRWA-registered refugees.[25]

10.48   A number of the submissions from NGOs described the increasingly desperate plight of the Palestinian refugees, especially those in camps in Lebanon.[26]  In Jordan, most Palestinian refugees have access to citizenship and are relatively well integrated socially and economically.  Only 18 per cent still live in the designated camps.

**Figure 10.1   UNRWA area of operations**
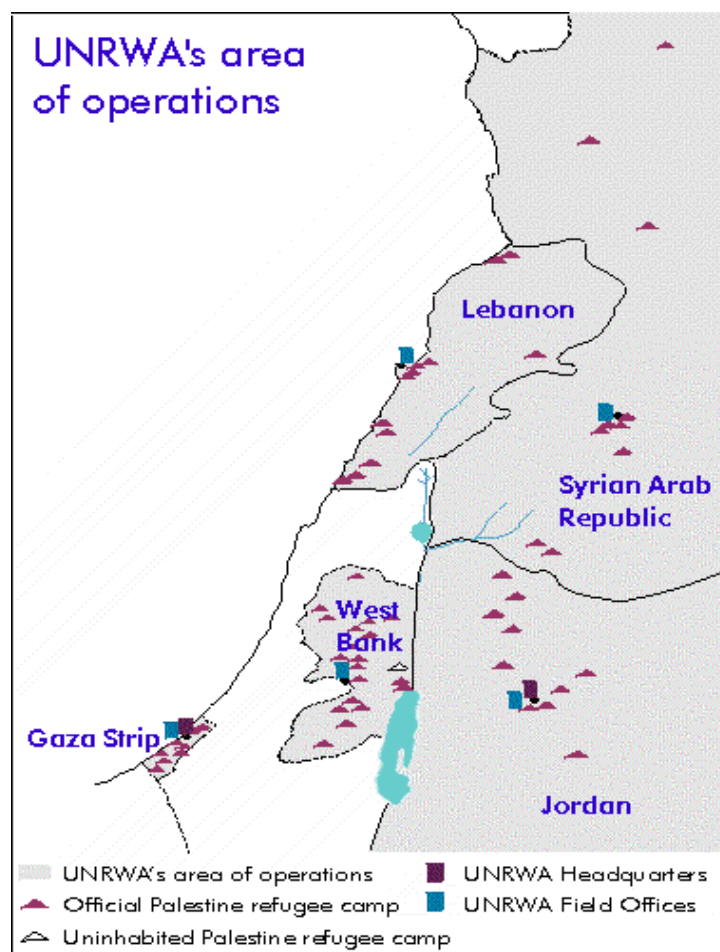


*Source*      *UNRWA website www.un.org/unrwa, June 2001.*[27]

25   ibid.

26   ACFOA, Submission, pp. 1607-08;  APHEDA, Submission, pp.1530-31 and Transcript, pp. 241 and 242;  Arab Australian Action Network, Submission, p. 313;  World Vision Australia, Submission, p. 1454.  NCCA, Submission, p. 942.

27   Maps on the UNRWA website are not drawn to scale and are not to be considered an authority on the delineation of international boundaries.

10.49    Palestinians in Syria are regarded as 'stateless' but they are afforded the same economic and social rights as Syrians, which opens up various means of survival to them. While the Lebanese Government also regards Palestinians as 'stateless', they are denied any social or economic rights. They are excluded by law from work, social services or civil rights, which makes their situation very vulnerable. As APHEDA stated in evidence:

> To see the situation of Palestinian refugees in Lebanon first-hand is to confront a human rights abuse that is obscene in its duration and appalling in its enormity.[28]

10.50    The 'second' Intifada, which commenced in late September 2000, has resulted in significant social and economic disruption. Humanitarian needs of the Palestinian refugees escalated to new heights, especially in the Gaza Strip and the West Bank. In response to the increased need, UNRWA launched a 'flash appeal' in October 2000 followed by two 'emergency appeals'—the first launched in November 2000 and the second in February 2001.[29]

10.51    The Flash Appeal raised US$1.7 million, the First Emergency Appeal raised US$44.6 million, and the Second Emergency Appeal had raised US$22.9 million by early May. Australia provided US$130,375 to the Flash Appeal, and US$254,712 to the Second Emergency Appeal.[30]

10.52    As shown in Table 10.4 above, UNRWA has received between 40 and 70 per cent of Australia's total non-food aid to the Middle East in recent years. While our contribution to UNRWA represents the largest component of Australia's non-food aid to the Middle East, Australia's contribution actually represents less than 1 per cent of UNRWA's annual budget requirements.

10.53    There is no doubt that UNRWA is fulfilling an essential need in regard to the Palestinian refugees and the Committee believes that it should continue to receive the major share of Australia's non-food aid to the Middle East.

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28    APHEDA, Transcript, 26 July 2000, p. 241.
29    UNRWA website, June 2001.
30    Ibid.

**Recommendation 37**

10.54    **The Committee recommends that**

- **the United Nations Relief and Works Agency receive at least 50 per cent of Australia's non-food aid to the Middle East;**

- **the Australian Government use its influence to urge the international community to reverse the decline in financial support for the United Nations Relief and Works Agency; and**

- **the Australian Government employ every diplomatic means at its disposal to encourage the Lebanese Government to improve the conditions of the Palestinian refugees within its territory.**

## Aid through NGOs

10.55    UNRWA is the main channel of AusAID funds allocated to Palestinian refugees.  The second channel is through NGOs.

10.56    NGOs play a key role in the provision of Australian aid to developing countries.  Through their strong links with communities in developing countries and partnerships with local organisations, NGOs are well placed to strengthen civil society and to build longer-term sustainable development at the grass roots level.

10.57    NGOs have also been successful in mobilising public support and voluntary contributions for aid projects and in engaging the Australian community in aid-related activities.[31]  For example, APHEDA's contribution to aid projects in the Middle East totalled nearly $4 million during the last four years, and 2,500 Australians sponsor children in the Middle East under a WVA program.[32]

10.58    UNRWA only assists refugees who meet its definition and are formally registered with that agency.  Many Palestinians became refugees as a result of disturbances after 1950, so they are not eligible for registration with UNRWA.  In a sense their plight is even worse than that of the UNRWA-registered refugees, as they have no special entitlement to

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31    'Australia's Overseas Aid Program 2001-02',  Statement by the Minister for Foreign Affairs, 22 May 2001, p. 21.

32    APHEDA, Transcript, 26 July 2000, p. 238;  World Vision Australia, Submission, p. 1438.

assistance.[33]  Many NGO projects are targeted at assisting the 'non-registered' Palestinian refugees.

10.59    AusAID now has a rigorous accreditation process for NGOs wishing to utilise government aid funds in their projects.  NGOs often have very good grass-roots contacts and can provide a very effective means of meeting humanitarian needs.  However, for an organisation to be eligible, AusAID must be convinced that individual NGOs have procedures in place to utilise aid funds efficiently.  These are public funds that must be properly accounted for.

10.60    ACFOA described the role of NGOs as follows:

> Our special role as humanitarian agencies is to address the issues of poverty alleviation, equitable sustainable development and focus on to promotion and realisation of fundamental basic human rights.  These include the right to livelihoods (access to food, shelter, land and natural resources such as water), as well as economic, social, political, cultural, religious and gender rights.[34]

10.61    Among the Palestine refugees, a number of groups have been specially targeted by NGOs for assistance—women, children, the elderly, and the disabled.  The following is an indicative list of NGO projects that received AusAID funding support in 2000-01.

**Table 10.7    AusAID supported NGO projects in the Palestinian Territories and Refugee Camps, in 2000-01**

| Non-Government Organisation | Project Brief Description | Indicative Timing | Amount budgeted in 2000/1 (A$) |
|---|---|---|---|
| Australian Care For Refugees | The project is located in Burj el-Barajneh refugee camp and addresses the need for refugees to learn practical skills in order to find employment outside the camp. | April 2000 – March 2001 | $74,694 |
| Australian People for Health, Education and Development Abroad | This project provides preventive health care needs of Palestinian refugee woman, children, elderly, and disabled in Burj el-Baranjneh refugee camp in Lebanon. | April 2000 – May 2001 | $133,135 |
| Australian People for Health, Education and Development Abroad | Nonformal education for refugees in the Burj el Barajneh refugee camp in Lebanon.  Provide vocational training for refugees who fall outside UNRWA's jurisdiction and upgrade management of the Womens Humanitarian Organisation. | July 2000 – June 2001 | $197,681  (cont.) |

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33    ACFOA/Austcare, Transcript, 14 September 2000, p. 385;  World Vision Australia, Transcript, 24 July 2000, p. 157.

34    ACFOA, Submission, p. 1546.

| | | | |
|---|---|---|---|
| Australian People for Health, Education and Development Abroad | The project is located in the northern part of the West Bank and in the Gaza Strip and is implemented by a local NGO, MA'AN Development Centre, based in Ramallah.  The Project provides marginalised women and children with basic education and training as well as primary health care. | Sept 2000 – Aug 2001 | $280,000 |
| *Australian People for the Health, Education and Development Abroad | The major objective of this project is to build the accounting and financial management capacity of a local NGO. | May 2001 – Dec 2001 | $9,000 |
| Australian Red Cross | Implemented in five West Bank and three Gaza communities, the goal of this project is the development of a replicable model for improved delivery of women's and children's health, including reproductive health and family planning. | May 2000 – June 2001 | $402,344 |
| Every Home for Christ | Implemented in six refugee camps, the objectives of the project are to provide access to education, to improve health practices, and to increase the empowerment of children in the camps. | April 2000 – June 2001 | $70,436 |
| *National Council of Churches | This project addresses health and humanitarian needs of Palestinian refugees in Gaza and farming communities in the Beqqa region in Lebanon suffering from chronic water shortage problems | Jan 2000 – Dec 2000 | $90,000 |
| Oxfam Community Aid Abroad | The goal of the project is to offer basic and vocational IT training to residents of five Palestine refugee camps in Gaza and the West Bank. | April 2000 – June 2001 | $114,938 |
| Salvation Army | In 12 Palestinian refugee camps in Lebanon this project provides income-generating skills to youth and upgrades pre-school facilities. | Aug 2000 – Nov 2001 | $320,000 |
| World Vision | The project is located in four rural villages in the West Bethlehem district if the West Bank all suffering from displacement, resettlement and land confiscation.  The project will furnish and equip four health clinics and form medical teams to provide women's health and baby programs. | July 2000 – Sept 2001 | $320,000 |
| *World Vision | The objective of this project is to increase the employability and income earning potential for youth with disabilities, refugees, rural unemployed and women. | Oct 2000 – Sept 2001 | $428,233 |

\* Projects which involve matching funds from the NGO involved.

Note:  Timing of several projects has been affected by the second Intifada

*Source      AusAID, Exhibit 39*


## Aid to the Palestinian Authority

10.62    Apart from aid focused on Palestinian refugees and delivered through UNRWA and NGOs as outlined above, AusAID has funded two projects to build the legal and agricultural capacity of the PA.  Funding for these projects has represented about 20 per cent of total aid in recent years.

10.63    The PA was established following the Oslo Agreement of 1993, to give Palestinians living in Gaza and the West Bank a limited form of self-rule. When a Palestine entity is eventually created, the PA is likely to form the basis for its government.

10.64    Australia contributed $1.2 million over two years to the second phase of the 'Rule of Law Assistance Project' which was undertaken in conjunction

with the Palestine Ministry of Justice. The project commenced in May 1999 and, after some delay, concluded at the end of June 2001. It was managed and implemented by Australian Legal Resources International.[35]

10.65 The Rule of Law project had a number of key objectives—to develop a legal infrastructure; to improve the forensic investigative capabilities of the Palestinian police; to enhance training provided by the Law Centre of Birzeit University; and to promote adherence to human and civil rights.[36] Despite the efforts of Australia and others to develop proper rule of law standards, there are continuing reports of violations of human rights by the PA.[37]

10.66 The Agriculture Capacity Building and Training Project is a four year program which commenced in November 1998. It is being implemented by SAGRIC International Pty Ltd and aims to strengthen the capacity of the Palestine Ministry of Agriculture by developing its human resource capabilities.[38]

10.67 With the Rule of Law project reaching finalisation, AusAID is considering a new project which would involve assisting the Palestine Ministry of Education to strengthen and extend vocational education—particularly commercial and business studies. This would be a five year project with an estimated budget of $5.3 million.[39]

10.68 The Committee feels that the current situation of active conflict/Intifada is not conducive to commencing a major new capacity-building project, such as the proposed vocational education project.

10.69 The Agricultural Project appears to be about half way through its cycle. Unless the Intifada makes progress increasingly difficult, the Committee recommends that this project be continued to completion.

10.70 Once normality returns to the Occupied Territories, AusAID will re-assess the feasibility of larger capacity-building type projects. It would be appropriate for Australia to focus on one or two sectors, such as agriculture and education, for future projects.

10.71 Australia has much experience to contribute in dry-land farming techniques. Indeed, this is an area where we might also learn from the

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35  DFAT, Submission, p. 1002; Transcript, 14 September 2000, p. 361; ACFOA, Submission, pp. 1614–17.

36  DFAT, Submission, p. 1002.

37  ACFOA, Submission, p. 1551; Uniting Church in Australia (Victoria), Transcript, 24 July 2000, pp. 92-93.

38  ACFOA, Submission, p. 1551.

39  AusAID, Exhibit 39.

Palestinians.  Arable land is virtually the only natural resource in the Occupied Territories and constitutes 24 per cent of the area of the Gaza Strip and 27 per cent of the West Bank.  Agriculture represents about one-third of the production of the Palestinian Territories.  ACFOA sees agriculture as a vital sector for development:

> Ongoing funding can strengthen ecologically sustainable agriculture in which Australian experience facilitated by support from the aid program can make a strategic contribution to strengthening Palestinian agriculture and increased food security in the region.[40]

10.72     APHEDA made the following comment regarding the agriculture sector:

> … as part of our commitment to sustainable development, APHEDA urges the Government to support agricultural development and training projects involving sustainable agricultural techniques, extension programs and agribusiness skills.[41]

10.73     Given the modest size of Australia's aid program, it would make sense to focus on one or two Palestinian Ministries, in order to understand fully their objectives, priorities, processes and key personnel.  The current agricultural project provides a sound base on which to build.

10.74     Agriculture is the mainstay of the Gaza and the West Bank, and likely to continue to remain important in the foreseeable future.  Any assistance Australia can provide in improving agriculture would be most worthwhile.

10.75     Equitable access to water resources and the management and use of water in an arid environment were raised by WVA and ACFOA as issues of vital current and future importance to the region:[42]

> Access to water has been a direct source of the conflict in the Middle East in the past and will be the cause of continuing conflict in the future.[43]

10.76     The Committee believes that Australia can make a useful and worthwhile contribution to the issue of water resources in the Palestinian Territories, particularly in relation to food production.

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40   ACFOA, Submission, p. 1609.
41   APHEDA, Submission, p. 1532.
42   ACFOA, Submission, p. 1609 and Transcript, 14 September 2000, p. 378;  APHEDA, Transcript, 26 July 2000, p. 244;  World Vision Australia, Submission, pp. 1441-42 and Transcript, 24 July 2000, pp. 154-55.
43   ACFOA, Submission, p. 1609.

## Australian Centre for International Agricultural Research

10.77    The Australian Centre for International Agricultural Research (ACIAR) aims to develop international agricultural research partnerships that result in a reduction of poverty, improved food security and enhanced natural resource management in developing countries.  AusAID will provide $45.4 million to ACIAR in 2001-02.  About 80 per cent of the funds will contribute to supporting 180 bilateral projects in 27 countries, while 20 per cent are used in ACIAR's multilateral program which supports international agricultural research centres.[44]

10.78    ACIAR's primary focus is on the Asia Pacific region, which the Committee supports entirely.  The bulk of ACIAR's funds should be used in neighbouring countries.  However, 6 per cent of ACIAR's bilateral program budget and 25 per cent of ACIAR's multilateral program budget is directed towards institutions in Africa, mainly Sub-Sahara Africa.

10.79    The Committee wonders whether some of this effort could be re-directed to support the aims of the Agricultural Project currently being undertaken with the Palestine Ministry of Agriculture.  In that way it would bolster an existing program and, hopefully, different projects leveraging off one another will result in greater overall benefits for the Palestinian people.

10.80    WVA, in its submission, recommended the establishment of an 'Institute for Water Management' by Australia, Israel and the Palestine Authority.[45] This is an interesting concept and the Committee suggests that ACIAR look at the feasibility of closer scientific linkages in this area.  There is no doubt that water is of critical importance to the future well-being of Australians, Israelis and Palestinians and that all parties would gain from joint research programs and an exchange of scientific and engineering personnel.[46]

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44    *Australia's Overseas Aid Program 2001-02*, Statement by Minister for Foreign Affairs, 22 May 2001, pp.  54-57.

45    Submission, p. 1443.

46    See also discussion on the Water Resources Working Group under Water Resources in Chapter 3 of this report.

## Recommendation 38

10.81    **The Committee recommends that:**

- **AusAID, in consultation with the Palestinian Authority, focus on the agricultural and educational sectors for longer-term capacity-building projects;**

- **the Australian Centre for International Agricultural Research (ACIAR) re-direct some of its research towards collaboration with the Palestine Ministry of Agriculture; and**

- **ACIAR examine the feasibility of establishing scientific linkages with Israel and the Palestinian Authority on water use and management.**

Senator Alan Ferguson
Chairman

# A
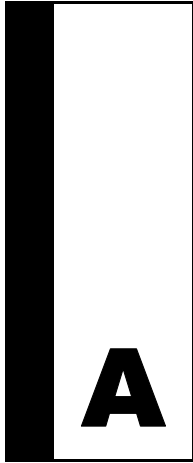
# Appendix A - List of Submissions

| Submission No. | Individual/Organisation |
| --- | --- |
| 1 | Australian National University |
| 1(a) | Australian National University |
| 2 | Mr Ronald Hayles |
| 3 | South Australian Exporters Association Inc. |
| 4 | Mr Stephen Copland |
| 5 | Refugee Advice and Casework Service Inc. |
| 6 | Department of Family and Community Services |
| 6(a) | Department of Family and Community Services |
| 7 | Israel Tourism Office Australasia and South West Pacific |
| 8 | Dr Obada Kayali |
| 9 | Mr Tony Michaels |
| 10 | Refugee Council of Australia |
| 10(a) | Dr William Maley |
| 11 | Mr David Addison |
| 12 | Export Finance and Insurance Commission |
| 13 | New South Wales and Federal Parliamentary Friendship Delegation to Egypt, Palestine, Israel, Jordan and the UAE |
| 14 | Mr Roy Skinner AO |
| 15 | Embassy of the Republic of Iraq |

| | |
|---|---|
| 16 | Dr Rod Barton |
| 17 | Mr John Ball |
| 18 | Mr L Ryan |
| 19 | Ms E Miller |
| 20 | Religious Society of Friends (Quakers) |
| 21 | Mr Bakr Khudeira |
| 22 | Northern Territory Government |
| 23 | Mr Wehbe Abdo |
| 23(a) | Mr Wehbe Abdo |
| 23(b) | Mr Wehbe Adbo |
| 24 | Council for the Advancement of Arab-British Understanding |
| 25 | Australian-Arab Chamber of Commerce and Industry |
| 26 | Australian Tourist Commission |
| 27 | Australian Friends of the Alexandria Library Egypt |
| 28 | Christians Israel Public Action Campaign |
| 28(a) | Christians Israel Public Action Campaign |
| 28(b) | Christians Israel Public Action Campaign |
| 28(c) | Christians Israel Public Action Campaign |
| 29 | Campaign for International Co-operations and Disarmament |
| 30 | Australian Customs Service |
| 31 | Australasian Middle East Studies Association, University of NSW |
| 32 | Australian Wheat Board |
| 33 | WA Ministry of the Premier and Cabinet |
| 34 | Mr Ian Jacobs |
| 35 | Arab Australian Action Network |
| 35(a) | Arab Australian Action Network |
| 36 | Dr Mayada Kayali |
| 37 | Dr Zahra Kamalkhani |

| 38 | Refugees and Displaced Persons South Australia |
| 39 | Mr Peter Jones |
| 40 | General Palestinian Delegation/Australia |
| 40(a) | General Palestinian Delegation/Australia |
| 41 | Mr Joe Hassan |
| 42 | National Library of Australia |
| 42a | National Library of Australia |
| 43 | HE Dr Gholamali Khoshroo, Ambassador of the Islamic Republic of Iran |
| 44 | Department of Industry Science Resources |
| 45 | Department of Health and Aged Care |
| 46 | International Christian Embassy Jerusalem |
| 47 | Centre for Arab and Islamic Studies ANU |
| 48 | Medical Association for the Prevention of War |
| 48(a) | Medical Association for the Prevention of War |
| 49 | Executive Council of Australian Jewry |
| 50 | Confidential |
| 51 | Australian Red Cross |
| 52 | Australia Israel and Jewish Affairs |
| 53 | University of New South Wales |
| 54 | Australia-Israel Chamber of Commerce |
| 55 | Qantas |
| 56 | Kraft Foods Ltd |
| 57 | Austrade |
| 58 | Mr Rory McGuire |
| 58(a) | Mr Rory McGuire |
| 59 | Mr Phillip Peters |
| 60 | National Council of Churches |
| 61 | Department of Foreign Affairs and Trade/AusAID |

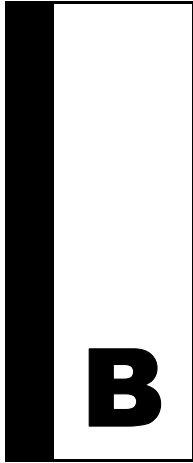| | |
|---|---|
| 61(a) | Department of Foreign Affairs and Trade |
| 61(b) | Department of Foreign Affairs and Trade |
| 61(c) | AusAID |
| 61(d) | Department of Foreign Affairs and Trade |
| 61(e) | Department of Foreign Affairs and Trade |
| 61(f) | Department of Foreign Affairs and Trade |
| 62 | CARE Australia |
| 63 | Australian Arabic Communities Council |
| 64 | Uniting Church in Australia |
| 65 | Deir Yassin Remembered/Australia |
| 65(a) | Deir Yassin Remembered/Australia |
| 66 | World Vision Australia |
| 67 | Hanthala Palestine |
| 68 | Mr David Howell |
| 68(a) | Mr David Howell |
| 69 | APHEDA |
| 70 | Australian Council for Overseas Aid |
| 70(a) | Australian Council for Overseas Aid |
| 71 | Department of Defence |
| 71(a) | Department of Defence, supplementary submission |
| 72 | Department of Education, Training, and Youth Affairs |
| 72(a) | Department of Education, Training, and Youth Affairs |
| 73 | Department of Employment, Workplace Relations and Small Business |
| 74 | National Party-Queensland |
| 75 | Department of Commerce and Trade, Western Australia |
| 76 | Department of Transport and Regional Services |
| 76(a) | Department of Transport and Regional Services |
| 77 | Australian Arabic Council |

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|---|---|
| 77(a) | Australian Arabic Council |
| 78 | Australian Chamber of Commerce and Industry |
| 79 | Amnesty International Australia |
| 80 | Department of Immigration and Multicultural Affairs |
| 80(a) | Department of Immigration and Multicultural Affairs |
| 80(b) | Department of Immigration and Multicultural Affairs |
| 81 | Kibbutz Ex Volunteer Association |
| 82 | Gold Coast City Council |
| 83 | New South Wales Department of State and Regional Development |
| 84 | The United Australian Lebanese Assembly Inc. |
| 85 | Confidential |
| 86 | Embassy of Israel |
| 86(a) | Embassy of Israel |
| 87 | Australia-Iraqi Friendship Bureau Inc. |
| 88 | Save the Children of Iraq |
| 88(a) | Save the Children of Iraq |
| 89 | Australian-Iraqi Friendship Society |
| 90 | Lebanese Coordination Bureau |
| 91 | SAGRIC International Ltd |
| 92 | Tourism Queensland |
| 93 | Chesterfield and Associates* |
| 93(a) | Chesterfield and Associates |

*Submission incorporated into the Hansard record, 16 November 2000, Adelaide*

**B**

# Appendix B - List of Hearings and Witnesses

**Monday 19 June 2000 - Canberra**

**AusAID**

Ms Nona Bennett, Director, Africa and Middle East Section

Mr Richard Jones, Middle East Program Office

**Austrade**

Mr Roger Bayliss, Executive General Manager, Middle East/Indian Ocean

Mr Jim Enright, Manager, Middle East/Indian Ocean

Mr Peter Langhorne, Deputy Managing Director

Ms Christina Murphy, Project Officer

Mr Ghassan Zarifeh, Manager, Middle East

**Department of Foreign Affairs and Trade**

Mr Richard Andrews, Director, Chemical Disarmament Section, International Security Division

Mr Graeme Robert Bowker, Acting Assistant Secretary, Middle East and Africa Branch

Ms Jill Courtney, Director, Middle East Branch

Mr Tony Grenenger, Desk Officer, Iran

Mr Peter Maxwell Heyward, Director, Human Rights and Indigenous Issues Section

Mr Stephen John Hill, Executive Officer, Arabian Peninsula, Middle East Section

Mr Sean Karam Singh, Executive Officer, Chemical Weapons Convention

## Monday 26 June 2000 - Canberra

### Department of Defence

Mr Patrick William Carroll, Director-General, Major Powers Global Security

Mr Martin Gascoigne, Director, Strategic Educations and Training.

Captain Peter David Jones, Director, Naval Strategy and Futures

Mr John Edmund McMahon, Director-General, Exports and International Programs

Colonel Paul Joseph Power, Director, Preparedness-Army

Group Captain Geoffrey Roberts, Director, Battlespace Management (Aerospace)- Air Force

Mr Hugh John White, Deputy Secretary, Strategy

## Monday 24 July 2000 - Melbourne

### Australian Arabic Council

Mr Roland Jabbour, Chairman

Mr Taimor Hazou, Member and Submission Coordinator

### Australia/Israel and Jewish Affairs Council

Dr Colin Lewis Rubenstein, Executive Director

Mr Tzvi Fleischer, Editor

Dr Daniel Mandel, Associate Editor

### Campaign for International Cooperation and Disarmament

Ms Pauline Mitchell, Secretary

## Uniting Church in Australia

Ms Stephanie Fern Tashkoff, World Mission Development Officer

Dr Mark Andrew Zirnsak, Social Justice Development Officer

## World Vision Australia

Mr Greg Thompson, Manager, Policy and Advocacy

Mr Bill Walker, Policy and Campaign Officer

## Tuesday 25 July 2000

## Melbourne

## Australia-Israel Chamber of Commerce

Mr Leon Kempler, OAM, Chairman

## AWB Ltd

Mr Phillip Hughes, Account Manager for the Gulf Markets and Iran

Mr Andrew McConville, Government Relations Manager, Public Affairs

## Deir Yassin Remembered/Australia

Mr Asem Judeh, Director

## Kraft Foods Ltd

Mr Ian Halliday, Director, Operations-Australia/New Zealand

## Individuals

Mr Ronald Hayles

Mr Mohammed Mostafa, accompanying Mr Asem Judeh

Master Yaser Mostafa, accompanying Mr Asem Judeh

Rev Alan Reid, accompanying Mr Asem Jedeh

## Wednesday 26 July 2000.-.Sydney

### APHEDA, Union

Mr Phillip Hazelton, Executive Officer

Ms Cecily Michaels, Project Officer, Middle East

### Executive Council of Australian Jewry Australia

Mrs Nina Bassat, President

Mr Jeremy Sean Jones, National Vic-President

Mr Ian Lacy, Consultant

### Export Finance and Insurance Corporation

Mr John Smith, General Manager, Credit Policy and Risk Management

Mr Michael Boyle, Head, Business Strategy and Marketing

### Israel Tourism Office

Dr David Beirman, Director

### Kibbutz ex-Volunteer Association

Ms Yoke Berry, Secretary

Mr William Berry, Member

### National Council of Churches in Australia

Ms Susan Gail Harris, Education/Advocacy Officer, National Program on Refugees

Mr Jamie Isbister, Manager, International Programs

### University of New South Wales

Dr Michael Humphrey, President, Australasian Middle East Studies Association

## Thursday 27 July 2000 - Sydney

### Arab Australian Action Network

Ms Alissar Chidiac, Member

Mr Sari Kassis, Member

**Australian Arabic Communities Council Inc**

Mr Nikolai Haddad, Member

Dr Louis Haddad, Member and former Deputy Chairperson

Mr Khaldoun, Hajaj, Member

**Australian Tourist Commission**

Mr William Ayre Calderwood, Deputy Managing Director

**University of New South Wales**

Mr Rory McGuire, Journalist, Faculty of Science and Technology, University of NSW

**Individuals**

Mr Charlie Moussa

The Hon Ian Michael MacDonald

## Thursday 14 September 2000 – Canberra

**Amnesty International**

Mr Des Hogan, Campaign Coordinator

Ms Larissa Shihoff, Volunteer

**AusAID**

Mr Richard Geraint Jones, Middle East Program Manager

Ms Annmaree O'Keeffe, Assistant Director-General, South Pacific and Africa Branch

**Australian Council for Overseas Aid**

Mr Andrew Nette, Policy Officer, ACFOA

Ms Martine Van de Velde, International Program Manager, Austcare

**Australian Legal Resources International**

Mr John Pace, Chief Executive

**Department of Foreign Affairs and Trade**

Mr Robert Bowker, Acting Assistant Secretary, Middle East and Africa Branch

Ms Jill Bernardine Courtney, Director, Special Projects, Middle East and Africa Branch

Mr Brendan Doran, Director, Africa

Mr Sean Karam Singh, Executive Officer, Chemical Weapons Convention

**Refugee Council of Australia**

Ms Margaret Claire Piper, Executive Director

## Wednesday 15 November 2000 - Brisbane

**Christians Israel Public Action Campaign**

Ms Amber Chandler, Member

**Gold Coast City Council**

Mr James Roy Fountain, Development Liaison Officer

**National Party of Australia, Queensland Branch**

COL John Patrick Power (Rtd), Chairman, FADT Policy Coordinating Committee

LTCOL Ian Douglas Wren (Rtd), Co-Chairman,

**International Christian Embassy**

Mr Bruce Howard Garbutt, Australian Director

**Tourism Queensland**

Mr Paul Francis Buggy, Manager, International Market Development

## Thursday 16 November 2000 - Adelaide

**Department of Human Services, South Australia**

Mr Albert Barelds, Manager, Multicultural and Equity Strategies

Ms Monica Leahy, Project Officer, New Arrivals and Refugees

**Lebanese Coordination Bureau**

      Mr Bachar Haikal, Coordinator

      Mr Ray Werden, Coordinator

**Norm Chesterfield and Associates**

      Mr Norman Chesterfield, Partner

      Mr Donald Richard Dalby, Partner

      Mrs Laura Ann Fell, Associate

**SAGRIC International Pty Ltd**

      Mr Roderick Charles Reeve, General Manager, Business Development

**Individual**

      Mr Denis Voight


## Friday 17 November 2000 - Perth

**Department of Commerce and Trade**

      Mr Verghese Jacob, Regional Manager, Indian Ocean Region

      Mr Simon Charles Johnson, Team Leader, International Trade Relations

**Western Australian Ministry of the Premier and Cabinet**

      Mr Bala Murali, Principal Policy Officer, Federal and Constitutional Division

**Individual**

      Dr Zahra Kamalkhani


## Monday 26 February 2001 – Canberra

**Department of Immigration and Multicultural Affairs**

      Ms Jennifer Bedlington, First Assistant Secretary, Refugee and Humanitarian Division

      Mr Todd Frew, Assistant Secretary, Temporary Entry Branch

      Dr Thu Nguyen-Hoan, Assistant Secretary, Multicultural Affairs Branch

      Mr Abul Rizvi, First Assistant Secretary, Migration and Temporary Entry Division

**General Palestinian Delegation**

Mr Ali Kazak, Head of Delegation to Australia

**Department of Family and Community Services**

Mr Roger Barson, Assistant Secretary, International Branch

Mr Peter Hutchinson, Director, International Agreements, International Branch

**Australian Friends of the Alexandria Library**

Mr Lorenzo Montesini, Chairman

## Tuesday 20 March 2001 – Canberra

**Australian Chamber of Commerce**

Mr Brent Davis, Director, Trade and International Affairs

**Australia Arab Chamber of Commerce and Industry Inc.**

Mr Anthony William Knight, Executive Director

**Australian National University**

Mr Robert William Barnes, Senior Lecturer, History Department

Professor Amin Saikal, Director, Centre for Arab and Islamic Studies

**National Library of Australia**

Mr Peter Robert Haddad, Technical Services Branch

**Individuals**

Dr Rod Barton

Mr Joseph Hassan

# C

# Appendix C – List of Exhibits

| Exhibit No. | Description |
|---|---|
| 1 | Documents supplied by Ms Eileen Delower— |
| | Press clippings and miscellaneous 'scrapbook' articles; |
| | 'The Gulf Crisis according to prophecy, as it is written, through the eyes of a woman', Second edition, 1991; |
| | 'Glad Tidings for Jerusalem', 1994. |
| 2 | Confidential Exhibit. |
| 3 | Book presented on 15 March 2000 by HE Dr G Khoshroo, Ambassador of the Islamic Republic of Iran— |
| | President Mohammad Khatami, 'Islam, Dialogue and Civil Society', Centre for Arab and Islamic Studies, the Australian National University, Canberra, 2000. |
| 4 | Documents supplied by the Embassy of Israel: |

    i    Statement given to the Conference on Disarmament in Geneva on 4 September 1997: 'Israel's approach to regional security, arms control and disarmament'

    ii    'Palestinian Authority and PLO Non-Compliance: A record of bad faith', November 2000

    iii    'Office of the UN Special Coordinator, 'Special Report: Palestinian Foreign Trade', Spring 2000

    iv    Background paper, 'PA Incitement and Domestic Disregard Create New Terrorists', 15 February 2001

See also Submission nos. 86 and 86a and Exhibit No 22.

| 5 | Appendices to the Submission (No. 52) from the Australia/Israel and Jewish Affairs Council: |

i    Adam Indikt: 'Insuring Disaster', Australia-Israel Review, 15-28 February 1996.

ii   Tzvi Fleischer, 'Net Losses', The Australia-Israel Review, August 1999.

iii  Table: Bilateral Trade Australia-Israel, 1987-1999.

iv   Map: The Israeli-Syrian international border and the 1948-1967 armistice lines.

v    Table: Examples of anti-Jewish propaganda from Palestinian organisations, Australia-Israel Review, 12 November-3 December 1998.

vi   Table: Australia's Recent Voting in the UN, The Review, April 1999.

vii  Daniel Mandel, 'An International Headache: Jerusalem -Too Many Cooks Spoiling the Broth', The Australia-Israel Review, May 1999.

viii Sir Martin Gilbert, 'Jerusalem: Past and Future', Policy Forum No. 1, Institute of the World Jewish Congress, November 1994.

ix   Professor Julius Stone Excerpts from, Israel and Palestine: Assault on the Law of Nations, John Hopkins University Press, Baltimore, 1981.

x    The Legal Opinion of Sir Robert Jennings QC regarding the exclusion of Israel from the United Nations Regional Group system.

xi   Excerpts from the address by the Secretary-General of the United Nations, His Excellency Kofi Annan, to the American Jewish Committee in New York, 12 December 1999, The Australia-Israel Review, February 2000.

xii  Patrick Clawson, 'Why Iraqis  Suffer', The Australia-Israel Review, April 2000

xiii Weapons of Mass Destruction in the Middle East', Center for Nonproliferation Studies, Monterey Institute of International Studies.

xiv  'Weapons of Mass Destruction in the Middle East: Iran', Center for Nonproliferation Studies, Monterey Institute of International Studies.

xv   'Weapons of Mass Destruction in the Middle East: Syria', Center for Nonproliferation Studies, Monterey Institute of International Studies.

xvi  Freedom House Survey of Human Rights 1999, 'The map of freedom 1999'.

xvii W Seth Carus, 'Iran and Weapons of Mass Destruction', The American Jewish Committee, June 2000. (See also Exhibit 22)

xviii Letter and attachments dated 27 February 2001 in relation to a visit to Australia by Dr Patrick Clawson, Director of Research at the Washington Institute for Near East Policy.

6 Appendices to Submission No. 54 from the Australia-Israel Chamber of Commerce:

   i Outcomes from Recent Trade Missions.

   ii 1999 Israel Trade Awards.

   iii Israel Office Activities for 1999.

   iv Letters regarding interest in Australia-Israel collaboration in research and development.

   v Various articles from the Australian and Israeli press.

   vi Israeli Trade Missions to Australia, 1998 to 2000.

7 Attachment to Submission No. 62 from CARE Australia:

   *Annual Report 1998-99*, CARE Australia.

8 Attachments to Submission No. 65, from Mr Asem Judeh, Deir Yassin Remembered Australia:

   'Refugees - The Right of Return', *News from Within*, Vol. XV No. 7, July 1999, pp. 20-27.

   Letter to Mr Judeh from the Hon Kathy Sullivan MP, Parliamentary Secretary for Foreign Affairs, 5 January 1999.

   Americans for Peace Now press release dated 20 July 1998.

   Article by Sharon Labi in *The Australian Jewish News*, Melbourne Edition, 2 October 1998, p. 2 et seq.

   Letter from Palestinian Refugee and Exile Awareness (PREA) to the Prime Minister, the Hon John Howard MP, dated 29 October 1998.

   Response from Department of the Prime Minister and Cabinet, 11 December 1998.

   Letter from PREA to Department of the Prime Minister and Cabinet, 7 January 1999.

   Response from Department of Prime Minister and Cabinet, 22 February 1999.

   Letter from PREA to Mr Howard, 6 April 2000.

   E-mail message from PREA to Mr Howard, 13 April 2000.

   Various media reports, *News from Within, The Australian, The Australian Jewish News, National Outlook*.

Letter from PREA to *The Age*, 14 February 1999 and e-mail message dated 1 March 1999.

Media articles from *The Age,* 1 and 3 March 1999, and *The Weekly Telegraph,* Issue No. 397.

A series of cartoons extracted from the *Journal of Palestine Studies*, XXVII, No. 3 (Spring 1998).

Fax dated 4 June 2000 from Mr Assem Judeh, together with the following additional material:

   i     Copy of a letter dated 21 November 1995 from Senator Nick Bolkus to the Palestine Information Office, Punchbowl NSW;

   ii    Copy of a letter dated 22 January 1997 from the Hon Philip Ruddock MP to Mrs Redaa Anshasy, Templestowe, VIC;

   iii   'The Sad State of Palestine Trade Unions', by Nina Sovich, *News From Within*, Vol. XV No. 6, June 1999, pp. 22-25;

   iv    e-mail from IPCRI, 31 January 1999;

   v     PREA Digest, 12 June 1999, 'The Pretty Little Road' (published in *The Age*, 12 June 1999) and extracts from 'All That Remains - The Palestinian Villages Occupied and Depopulated by Israel in 1948', Prof. Walid Khaldi (ed.), Institute of Palestine Studies, www.ipsjps.org;

   vi    e-mail from Co-Director IMRA, 25 May 2000.

9     Confidential Exhibit.

10    Attachments to Submission No. 40, Mr Ali Kazak, General Palestinian Delegation, and other documents:

   i     'Political Statement', 10 February 2000, Palestinian Leadership;

   ii    'Israel's Moral Responsibility Towards the Palestinian Refugees', Dr Nur Masalha;

   iii   'Jerusalem, a City in Danger', Palestinian National Authority Official Website,1998;

   iv    Report: *Israeli Settlement Activity and Land Confiscation in the West Bank and Gaza Strip report, July 1999 to the present*', PLO Negotiations Affairs Dept., 18 April 2000, PA Official Website;

   v     EU-Settlements Watch, 1 Sept.-31 Dec. 1999, executive summary, General Background, European Union Watch Report, PA Official Website;

   vi    Human Rights Report, submission to the 56th session of the UN Commission on Human Rights 1999, PA Official Website;

   vii   'People under Occupation', The Palestinian Council for Justice and Peace, May 2000;

viii   'Expulsion of Residents from the South Mt Hebron Area, Oct.-Nov. 1999', Ms Yael Stein, February 2000;

ix   'The Quiet Deportation Continues – Revocation of Residency and Denial of Social Rights of East Jerusalem Palestinians', B'tselem/Hamoked Centre for the Defence of the Individual, Sept. 1998;

x   Submission No. 10 to the Human Rights Sub Committee of the JSCFADT, [Inquiry into Freedom of Religion and Belief—report, *Conviction with Compassion*, tabled in November 2000];

xi   'Testimony of a former Zionist - The Jews of Iraq', reproduced from the UNITY website;

xii   Working Paper entitled 'United Nations Protection Force for Palestinian Civilians (UNPOF)', 31 October 2000;

xiii   Book titled *A People Dispossessed*, Palestine Human Rights Campaign, Melbourne 1982;

xiv   Peter Nagar: 'Lebanon Holocaust', published in *Free Palestine*, Issue No. 19, July/August, 1982;

xv   'A Crisis of Faith' - Second Submission of the Palestine Liberation Organisation to the Sharam El-Sheikh Fact Finding Committee;

xvi   *1948 Ethnic Cleansing of the Galilee*, The Nakba, from reports of the United Nations.  News from Within Vol 19 June 2000;

xvii   Report by Mr Giorgio Giacomelli to the UN Human Rights Commission 17-18 October 2000;

xviii   Handbook, International Conference on Palestine Refugees, held in Paris, April 2000;

xix   Report: *Israeli Settlement and International Law*, PLO Negotiations Affairs Dept, 26 March, 2000;

xx   Paper *Return and Compensation,* PLO Negotiations Affairs Dept., 24 August 1999;

xxi   Al-Haq Institute, Ramallah, Nasser Al-Rayyes, 'The Israeli Settlements from the Perspective of International Humanitarian Law', 2000;

xxii   Al-Haq, News Update, 'Israeli Settlement Expansion', 27 March 2001;

xxiii   Palestinian Academic Society for the Study of International Affairs, Jerusalem, Special Bulletin, 'Settlements and the Final Status Talks', March 2001;

xxiv   Haaretz Op-Ed, Amira Hass, 'All the way from the sea to the river', 30 May 2001;

xxv     Palestine Liberation Organisation, Negotiations AffairsDepartment, Senator George J. Mitchell 'The Sharm El-Sheik Fact-Finding Committee', Meridian International Center 1624 Cresent Place, NW Washington D.C. 20009, 15 May 2001;

xxvi    PLO Negotiations Affairs Department, 'Camp David Peace Proposal of July 2000: Frequently Asked Questions' and 'Loopholes to a Complete Settlement Freeze: From Natural Growth to building upward not outward'.

11      Letter to the Foreign Affairs Sub-Committee from the Medical Association for Prevention of War (Australia) dated 8 June 2000 and attached *Fifth Report* by the Canadian Standing Committee on Foreign Affairs and International Trade on the issue of sanctions against Iraq. See also Submission Nos. 48 and 48a.

12      Attachments to Submission No. 77a, Australian Arabic Council:

  i     *Australian Arabic Council Annual Report 1999*;

  ii    Pamphlet - 'Contributing to Community Relations in Australia'

13      Material supplied by the Uniting Church in Australia:

'The Jerusalem Sabeel Document';

Principles for a just peace in Palestine-Israel, Cornerstone Issue 19, Summer, Page 4.

14      World Vision Australia:

'World Vision in Action: Israel/Palestine'; 'Peace in Palestine/Israel: Vision and Lament'; 'Limited Peace'; and 'Water shortage: a threat to everyone?'.

15      Documents presented by Mr Asem Judeh, Deir Yassin Remembered Australia, at a public hearing in Melbourne on 25 July 2000:

Articles published in *The Australian Jewish News* —

    'Anti-Israel groups target Federal inquiry', 23 June 2000;

    'Warning on terrorism in Australia', 7 July 2000;

    'Gunn fires at Jews', 7 July 2000;

    'Rubenstein appointed to Multicultural Council', 14 July 2000.

16      Documents presented by Dr David Beirman at a public hearing on 26 July 2000:

'Israel Travel 2000-20001';

Travel advisories, Department of Foreign Affairs and Trade, 'Egypt' and 'Israel, the Gaza Strip and the West Bank', 21 July 2000.

17      Australian Tourist Commission, documents tabled at a public hearing on 27 July 2000, and other documents:

      i      *'Profile: Your guide to marketing in the Middle East'*;

      ii     '*Agency Arrangements Services in the Gulf*';

      iii    *'Market Profile: Middle East'*;

      iv    *'Short Term Overseas Visitor Arrivals'*;

      v     *'Internet website: User Sessions and Page Impressions'*.

**18**    Journal article tabled by Professor Moshe Ma'oz, Professor of Middle East History at the Hebrew University of Jerusalem, at a meeting with the Sub-Committee on 17 August 2000: 'The Future Israeli-Palestinian Relationship', *Middle East Policy*, Volume VII, Number 2, February 2000, published by the Middle East Policy Council.

**19**    Amnesty International Australia, documents tabled at a public hearing on 14 September 2000:

      i      Opening statement;

      ii     'Just Business: a human rights framework for Australian companies';

      iii    Open letter to Prime Minister John Howard, 5 September 2000.

**20**    Refugee Council of Australia—documents tabled at a public hearing on 14 September 2000, and other documents:

      i      'Information Paper on Temporary Protection Visas', September 2000;

      ii     'Temporary Protection Visa Holders: Current Issues and Future Concerns';

      iii    'UNHCR Recommendations re Return of Kosovo Albanians', 27 March 2000;

      iv    'Report on RCOA Field Visit to Kosovo and the Former Yugoslav Republic of Macedonia', Margaret Piper, November 1999;

      v     UNMIK: 'Requests for Support to Reintegration Efforts', October 2000;

      vi    UNMIK: 'Policy Paper on the Repatriation of Kosovar Albanians', Number 2, October 2000.

**21**    Embassy of the Republic of Iraq, Canberra - Extract from a working paper presented to the Commission on Human Rights, Sub-Commission on the Promotion and Protection of Human Rights, 21 June 2000: *The Adverse Consequences of Economic Sanctions on the Enjoyment of Human Rights* [Mr Marc Bossuyt].

**22**    Embassy of Israel, Canberra - 'Jerusalem: Points of Friction - and Beyond', Ma'oz/Nusseibeh (eds.), Kluwer Law International, The Hague, 2000.  (See also Exhibit 4).

23    Department of Foreign Affairs and Trade, East Asia Analytical Unit, *Accessing Middle East Growth: Business Opportunities in the Arabian Peninsula and Iran*, September 2000.

24    International Christian Embassy Jerusalem: Newspaper article from The Jerusalem Post, *'Palestine' is a myth*, October 24, 2000 (see also Submission No. 46).

25    Statement and media articles tabled at the public hearing on 16 November 2000 by the Lebanese Coordination Bureau (see also Submission No. 90).

26    WA Department of Commerce and Trade, documents presented at the public hearing on 17 November 2000 (see also Submission Nos. 33 and 75):

    i    'Market Opportunities in the Indian Ocean Region', May 1998;

    ii    Statistical update - Western Australia's Exports to the Middle East.

27    The Committee in Defence of Iraqi Women's Rights, media release entitled 'The Crimes of Iraqi Government Against Women', 2 November 2000.

28    Material presented by University of Wollongong:

    i    Background notes on the Dubai Campus;

    ii    Speech prepared for the Hon Michael Egan, NSW Treasurer;

    iii    Graduation speech by the Hon Michael Egan, October 2000;

    iv    Unpublished articled for the Al Khalej newspaper in Dubai, August 2000;

    v    Additional material on the Dubai Campus.

29    Material attached to a letter dated 19 February 2001 from The Christians' Israel Public Action Campaign Inc:-

    i    Various press reports;

    ii    'View from the East' by Daoud Kuttab, *The Jerusalem Post*, 14 February 2001;

    iii    'The meaning of UN Security Council Resolution 242', Foreign Ministry of Israel website;

    iv    'Violation of Agreements by the Palestinians Since the Outbreak of Violence', Israel Defence Forces Official website;

    v    'Children of the Jihad', The Middle East Media and Research Institute, 3 November 2000;

    vi    Special Dispatch No 178-PA, The Middle East Media & Research Institute, 16 January 2001;

vii    Special Dispatch No. 187:A Palestinian Legislator Discusses PA Corruption, The Middle East Media & Research Institute, 12 February 2001;

viii   'The Arab View: "Palestine" is a myth', *The Jerusalem Post*;

ix    'Sunni Sheikh says PA mufti distorts Islam', *The Jerusalem Post*;

x    'An open letter to Arafat', World Net Daily website 24 October 2000;

xi    AIJAC article , 'Rendezvous Israel' 25 January 2001;

xii   Palestinian Quote Sheet #40, IRIS website;

xiii  Palestinian Quote Sheet #50,IRIS website;

xiv  CAMERA update, 'Hanan Ashrawi: Kill Israeli Soldiers and Settlers', CAMERA Website 18 November 2000;

xv   'The Latest Palestinian Execution-on Film', GAMLA website, 15 January 2001;

xvi  *'Blood libel' alive and well* by Joseph Farah, The Middle East Media & Research Institute, 30 November 2000;

xvii  Excerpts from a Friday sermon in the Zayed bin Sultan Aal Nahyan mosque in Gaza;

xviii The Termination of 'Israel' A QUR'ANIC FACT published in Nida'ul Islam magazine Sept-Oct 1997;

xix  'The Greatest Lie Ever Told About Jerusalem,' GAMLA Website, 7 January 2001;

xx   'The Moslem Claim to Jerusalem is False', an analysis by Dr Manfred Lehmann;

xxi  CAMERA Media report, Fall 1995;

xxii  'The Tanzim', Israel Defence Forces Official website, 27 December 2000;

xxiii 'Fact and Fiction in the Middle East' 6 November 2000;

xxiv Video- 'JIHAD FOR KIDS', extracts from unsourced television program in 1998.

30    Mr Ali Kazak, General Palestinian Delegation:

Three photographs of the Caesaria Mosque near Haifa.  (see also Exhibit 10).

31    Statistical tables presented by the Department of Family and Community Services at a public hearing on 26 February 2001:

Table 1 - Country of Birth by Payment Type for Middle East and Gulf Region; and

Table 2 - Portability Statistics by Payment Type for Middle East and Gulf Region.

32     Mr Lorenzo Montesini, Chairman, Australian Friends of the Alexandria Library in Egypt, brochure entitled 'The Alexandria Library'.

33     Department of Foreign Affairs and Trade, updated trade statistics for the Middle East (see Submission No. 61).

34     United Australian Lebanese Assembly Ltd, 'The Building of a Mediterranean System'.

35     Department of Foreign Affairs and Trade:
    i     Membership status of WMD treaties (Middle East);
    ii    Data relating to IAEA Safeguards Protocols, the Zangger Committee and the Nuclear Suppliers Group;
    iii   Ratification Schedule of UN Human Rights Instruments;
    iv   Debt relief information (Egypt).

36     Austrade (Australian Trade Commission), additional information on trade activities in the Middle East region (see Submission No. 57).

37     Kibbutz ex-Volunteer Asssociation, private member's statement in the NSW Legislative Assembly, 5 June 2001 (O'Farrell).

38     Department of Immigration and Multicultural Affairs, List of 'Authorised Agencies' in the Persian Gulf region, and statistical data on protection visas.

39     AusAID:
    i     Aid Projects in the Middle East (Short Descriptions);
    ii    Aid Flows to the Middle East;
    iii   AusAID-supported NGO Projects in the Palestinian Territories.

40     IDP Education Australia, 'Marketing in the Gulf States', July 2001.

41     Department of Education, Training and Youth Affairs, 'Year 12 Enrolments in Arabic, Hebrew, Persian, French and Japanese'.

42     SBS, radio and television broadcasting statistics (Arabic, Yiddish and Hebrew languages) 1999-2001.

# D
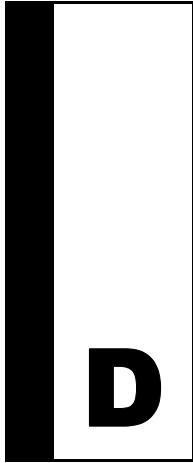
# Appendix D - Historical Maps of Israel's Borders

## 1947-1975

Source:    *Britain and the Arab-Israeli Conflict,* Aspects of Britain series, HMSO
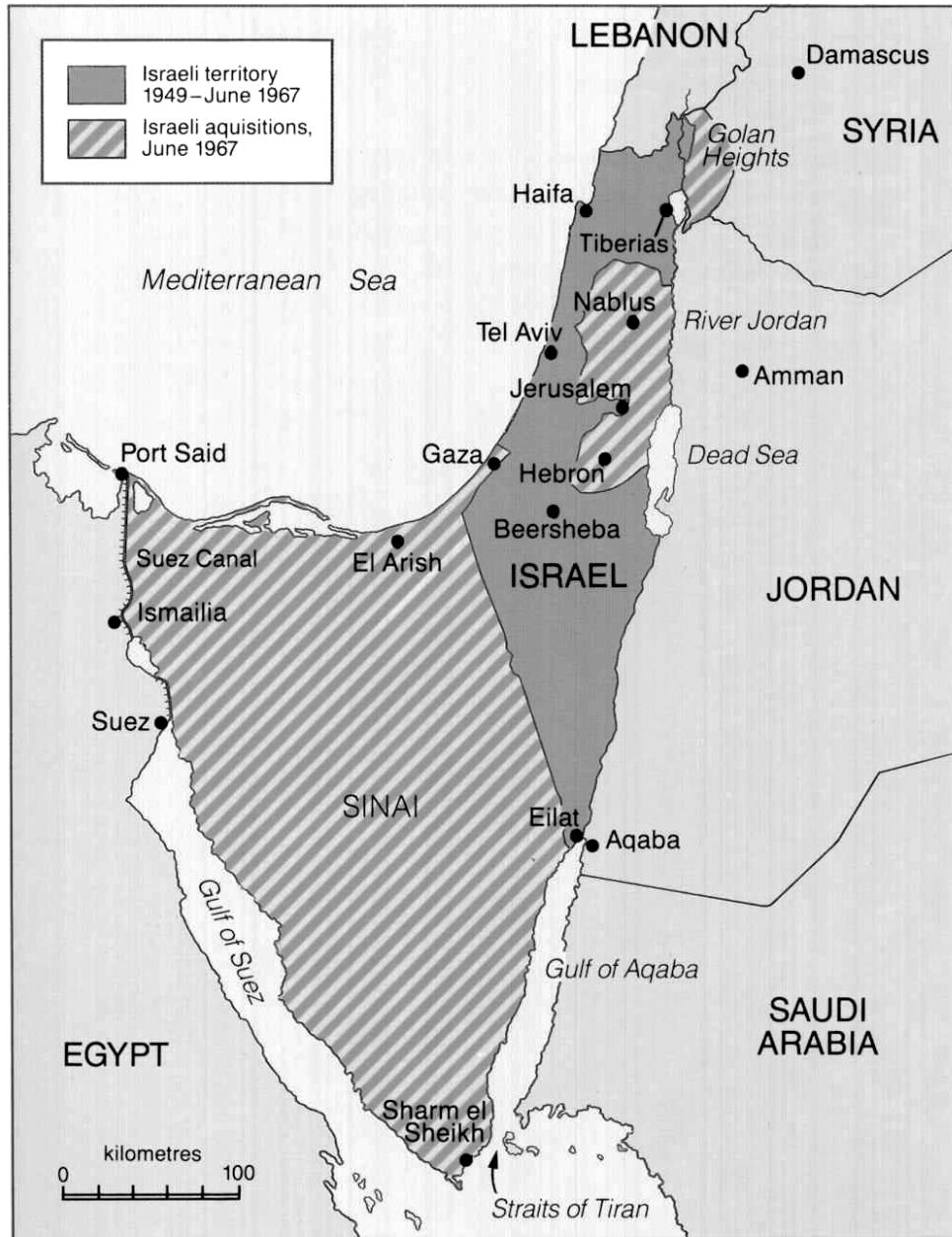Publications Centre, London, 1993, pp. 46-47.
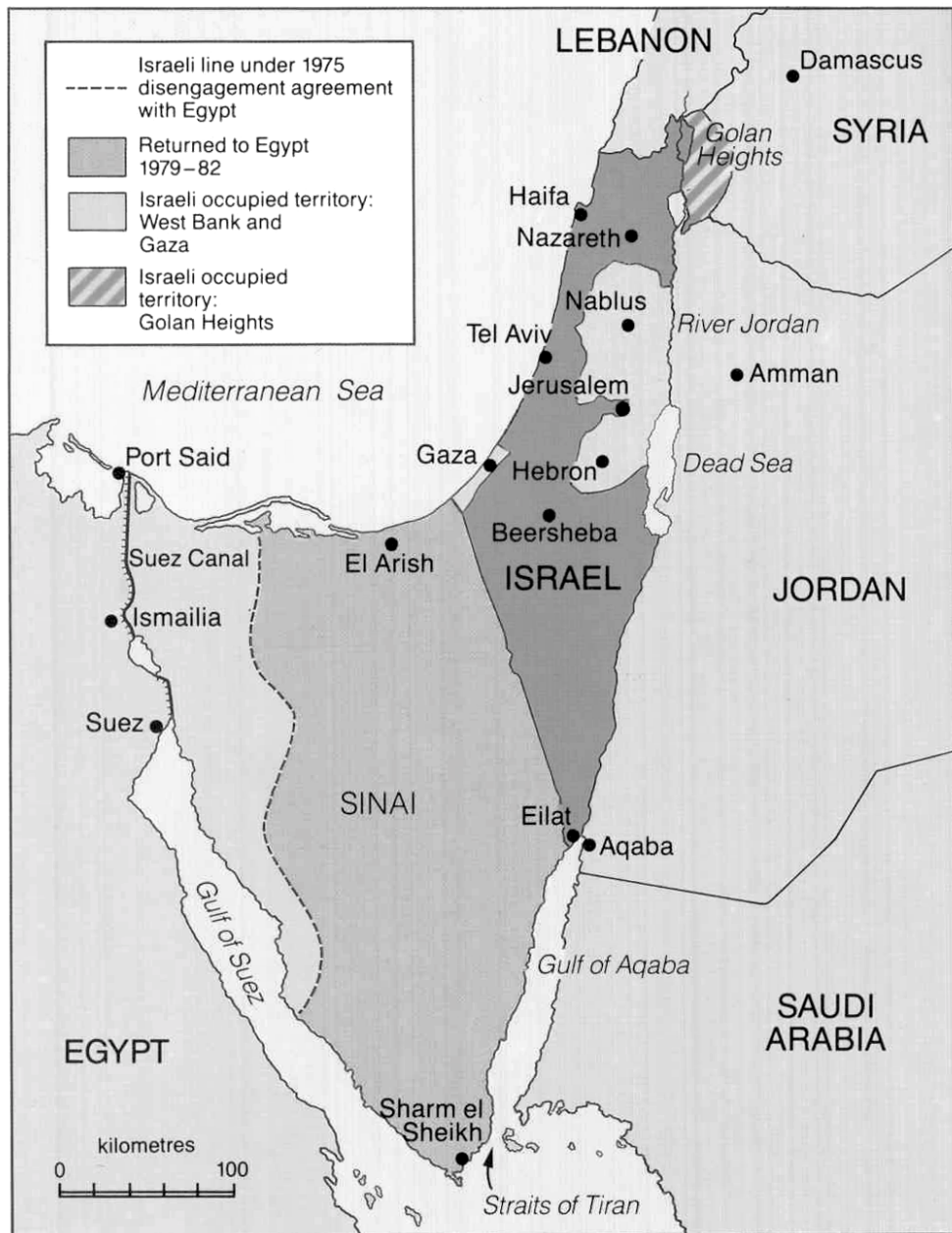
## Israel, Palestine and the Arabs, from 1947



1: The UN partition plan, 1947

2: Armistice boundaries, 1949

3: 1967 Arab-Israeli War

Israeli line under 1975
disengagement agreement
with Egypt

Returned to Egypt
1979-82

Israeli occupied territory:
West Bank and
Gaza

Israeli occupied
territory:
Golan Heights

LEBANON

Damascus

SYRIA

Golan
Heights

Haifa

Nazareth

Nablus

Tel Aviv

River Jordan

Mediterranean  Sea

Jerusalem

Amman

Port Said

Gaza

Dead Sea

Hebron

Suez Canal

El Arish

Beersheba

Ismailia

ISRAEL

JORDAN

Suez

SINAI

Eilat

Aqaba

Gulf of Suez

Gulf of Aqaba

SAUDI
ARABIA

EGYPT

kilometres

0          100

Sharm el
Sheikh

Straits of Tiran

4:  Arab-Israeli boundaries from 1975

# E
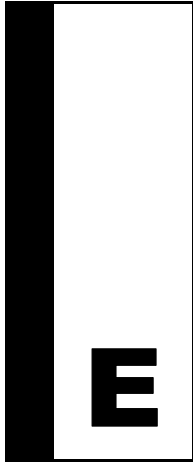
## Appendix E - Weapons Conventions: Schedule of Ratifications in the Middle East

| Middle East Countries: Status of Membership of WMD Treaties | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | BWC State Party | BWC Signatory | CWC State Party | CWC Signatory | CTBT Signatory | IAEA Signatory | NPT State Party | Zangger C'm'tee | NSG |
| Algeria | | | X | | X | | X | | |
| Bahrain | X | | X | | X | | X | | |
| Egypt | | X | | | X | | X | | |
| Iran | X | | | | X | | X | | |
| Iraq | X | | | | X | | X | | |
| Israel | | | | | X | | | | |
| Jordan | | | | | X | X | X | | |
| Kuwait | X | | X | | X | | X | | |
| Lebanon | | | | | | | X | | |
| Libya | X | | | | | | X | | |
| Morocco | | X | | | X | | X | | |
| Oman | X | | X | | X | | X | | |
| Qatar | X | | X | | | | X | | |
| Saudi Arabia | X | | X | | | | X | | |
| Syria | | X | | | | | X | | |
| Tunisia | X | | X | | X | | X | | |
| UAE | | X | | | X | | X | | |
| Yemen | X | | X | | X | | X | | |

BWC: Biological Weapons Convention
CWC: Chemical Weapons Convention
CTBT: Comprehensive Nuclear Test-Ban Treaty
IAEA: International Atomic Energy Agency (Strengthened Safeguards System)
NPT: Treaty on the non-Proliferation of Nuclear Weapons
Zangger Committee: Non-proliferation Treaty Exporters group
NSG: Nuclear Suppliers Group

# Terms used in above schedule:

## Signatory

A State which has signed an agreement. This does not necessarily mean the agreement is in force in that State, or even generally;

## State Party

A State which has consented to be bound by a treaty/agreement which is in force;

(cont.)

**Ratified**

A ratified agreement is one in which the signature has been confirmed (in Australia's case, this is by the Commonwealth or State Parliaments) and signifies the intention to be bound by its provisions;

**In Force**

The stage when all signatories have amended their domestic legislation to reflect the obligations of the agreement/treaty, and are therefore bound by it.  This is usually the final act in concluding a treaty.

*Source*    Exhibit 35, Department of Foreign Affairs and Trade

# F

# Appendix F - Security Council Resolutions on Iraq since 1990

## *Security Council Resolutions*

**661    6 August 1990**
   Imposed Comprehensive, mandatory sanctions
   Created sanctions committee
   Banned all trade
   Imposed oil embargo and arms embargo
   Suspended international flights
   Froze Iraqi government financial assets/prohibited financial
   transactions


**678    29 November 1990**
   Authorized member states to librate Kuwait
   Gave Iraq "pause of goodwill" to comply with UN demands

**687    3 April 1991**
   Established terms of cease-fire
   Established set of eight specific conditions for the lifting of sanctions

**706    15 August 1991**
   Authorized oil for food program
   Permitted sale of up to $1.6 billion in Iraqi oil over six-month period
   Directed that proceeds be deposited in UN escrow account to finance
   humanitarian imports, war reparations

**712    19 September 1991**

Established basic structure for oil for food program implementation
Iraq rejected Resolutions 706 and 712

**778    2 October 1992**

Called on member states to transfer Iraqi oil funds from pre-Gulf crisis
to UN escrow account

**986    14 April 1995**

Established new formula for oil for food
Permitted sale of up to $1 billion in Iraq oil every three months
Gave Baghdad primary responsibility for distribution of humanitarian
goods
Came into force December 1996

**1111    4 June 1997**

Extended oil for food program
Baghdad withheld distribution plans and oil sales

**1153    20 February 1998**

Extended oil for food program again
Raised oil sa;es to $5.25 billion every six months
Permitted revenues to finance urgent development needs (electricity
sector)

**1284    17 December 1999**

Established new UN Monitoring , Verification and Inspection
Commission (UNMOVIC)
Outline procedures for the completion of weapons verification process
Expanded humanitarian provisions
Declared Council's intention to suspend sanctions for renewable 120 –
day periods if Iraq cooperated with UNMOVIC and IAEA

**1293    31 March 2000**

Increased the amount that Iraq may use to purchas oil spare parts and
equipment from $300.0 million to $600.0 million under the 'Oil-for-
Food' program.

**1302    8 June 2000**

**1330    5 December 2000**

Sources:
D Cortright and G A Lopez, *The Sanctions Decade: Assessing UN Strategies in the 1990s*,
International Peace Academy, Lynne Rienner Publishers, London, 2000.

United Nations, http://www.un.org/Docs (at 12 June 2001).

# G
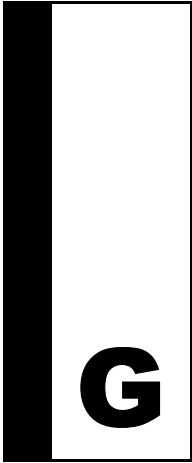
## Appendix G - Selected Middle East Countries Fact Sheets

- **Bahrain**
- **Egypt**
- **Iran**
- **Iraq**
- **Israel**
- **Jordan**
- **Kuwait**

- **Lebanon**
- **Oman**
- **Qatar**
- **Saudi Arbia**
- **Syria**
- **UAE**
- **Yemen**

These 'Fact Sheets' were reproduced from the Department of Foreign Affairs and Trade's website www.dfat.gov.au, May 2001
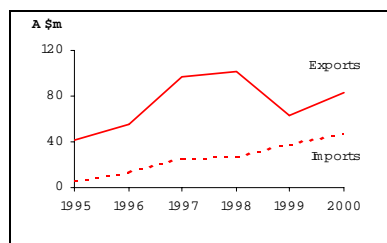
# —— BAHRAIN ——

## General information:

| | | | |
|---|---|---|---|
| **Capital:** | Manama | **Head of State:** | |
| **Surface area:** | 620 sq km | H.H. Amir Sheikh Hamad bin Isa Al-Khalifa | |
| **Official language:** | Arabic | **Head of Government:** | |
| **Population:** | 0.7 million (2000)[e] | H.H. Prime Minister Sheikh Khalifa bin Salman | |
| **Exchange rate:** | A$1 = 0.2012 Dinars (Feb 2001) | Al-Khalifa | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 5.2% (2000)[e]; 4.8% (2001)[a] | **Inflation:** | 2.0% (2000)[e] |
| **Unemployment:** | 15.0% (1998)[e] | **GDP:** | US$7.3bn (2000)[e] |
| **Current account surplus:** | US$671.4m (2000)[e] | **GDP per capita:** | US$10,400 (2000)[e] |



Australia's trade with Bahrain



Australia's exports to Bahrain
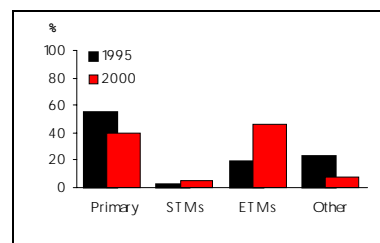
## Australia's trade relationship with Bahrain:

### Major Australian exports to Bahrain, 2000[b]:

Passenger motor vehicles A$25m;  Live animals A$15m;  Cheese and curd A$6m;
Inorganic chemical elements A$4m;  Alcoholic beverages A$2m.

### Major Australian imports from Bahrain, 2000:

Aluminium A$24m;  Fertilisers (excluding crude) A$14m;  Wire products A$8m;
Non-electric engines and motors A$1m; Clothing A$111,000.

### Australian merchandise trade with Bahrain, 2000:

| | | |
|---|---|---|
| Exports to Bahrain[b]: | A$83m | |
| Imports from Bahrain: | A$47m | |
| Merchandise trade surplus with Bahrain: | A$36m | |
| Bahrain's[b] rank in Australia's total trade in goods: | 59th | Share: 0.1% |
| Bahrain's[b] rank in Australia's exports of goods: | 60th | Share: 0.1% |
| Bahrain's rank in Australia's imports of goods: | 57th | Share: 0.0% |

### Australia's trade in services with Bahrain, 2000:

| | |
|---|---|
| Exports of services to Bahrain: | n.a. |
| Imports of services from Bahrain: | n.a. |
| Balance on services trade with Bahrain: | n.a. |

## Bahrain's global trade relationships:

| **Bahrain's principal export destinations, 1999:** | | | **Bahrain's principal import sources, 1999:** | | |
|---|---|---|---|---|---|
| 1. India | Share: | 8.6% | 1. France | Share: | 20.0% |
| 2. Saudi Arabia | Share: | 3.2% | 2. United States | Share: | 14.1% |
| 3. United States | Share: | 3.1% | 3. United Kingdom | Share: | 7.5% |
| 4. Japan | Share: | 2.6% | 4. Saudi Arabia | Share: | 7.2% |
| 5. Korea | Share: | 2.2% | 5. Japan | Share: | 5.2% |
| 23. Australia | Share: | 0.4% | 14. Australia | Share: | 1.6% |

# EGYPT

## General information:

| | | |
|---|---|---|
| **Capital:** | Cairo | **Head of State:** |
| **Surface area:** | 1,001 thousand sq km | H.E. President Mr Mohamed Hosni Mubarak |
| **Official language:** | Arabic | **Head of Government:** |
| **Population:** | 68.5 million (2000)[e] | H.E. Prime Minister Dr Atef Ebeid |
| **Exchange rate:** | A$1 = 2.0989 Pounds (31.01.01) | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth**[b]: | 3.9% (2000)[e]↓; 4.3% (2001)[a] | **Inflation:** | 2.7% (2000)↓ |
| **Unemployment**[b]: | 11.5% (2000)[e]↑ | **GDP**[b]: | US$93.0bn (2000)[e] |
| **Current account deficit:** | US$800m (2000)[e] | **GDP per capita**[b]: | US$1,400 (2000)[e] |



Australia's trade with Egypt
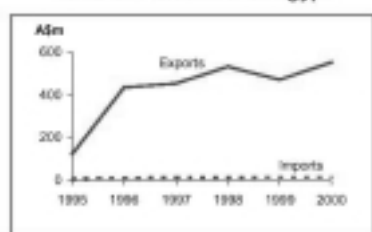


Australia's exports to Egypt
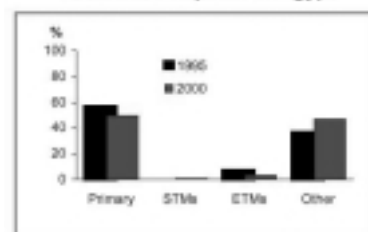
## Australia's trade relationship with Egypt:

**Major Australian exports to Egypt, 2000[c]:**
Live animals A$141m;  Fresh vegetables A$48m;  Butter A$37m;  Milk and cream A$15m;
Cheese and curd A$10m.  (Confidential items of A$257m, estimated to be wheat.)

**Major Australian imports from Egypt, 2000:**
Floor coverings A$7m;  Other textile manufactures A$2m;  Vegetables and fruit A$1.6m;
Furniture A$0.7m;  Artworks, collectors' pieces, antiques A$0.6m.

**Australian merchandise trade with Egypt, 2000:**

| | | |
|---|---|---|
| Exports to Egypt[c]: | A$554m | |
| Imports from Egypt: | A$16m | |
| Merchandise trade surplus with Egypt: | A$538m | |
| Egypt's rank in Australia's total trade in goods: | 39th | Share:  0.3% |
| Egypt's rank in Australia's exports of goods: | 30th | Share:  0.5% |
| Egypt's rank in Australia's imports of goods: | 68th | Share:  0.0% |

**Australia's trade in services with Egypt, 2000:**

| | |
|---|---|
| Exports of services to Egypt: | n.a. |
| Imports of services from Egypt: | n.a. |
| Balance on services trade with Egypt: | n.a. |

## Egypt's global trade relationships:

| Egypt's principal export destinations, 1999: | | | Egypt's principal import sources, 1999: | | |
|---|---|---|---|---|---|
| 1. | United States | Share:  12.3% | 1. | United States | Share:  14.4% |
| 2. | Italy | Share:  10.0% | 2. | Germany | Share:  8.7% |
| 3. | Netherlands | Share:  7.0% | 3. | Italy | Share:  6.6% |
| 4. | Israel | Share:  5.3% | 4. | France | Share:  4.9% |
| 5. | India | Share:  3.8% | 5. | Saudi Arabia | Share:  4.4% |
| 53. | *Australia* | *Share:  0.1%* | 9. | *Australia* | *Share:  2.7%* |

[a] EIU forecast.   [e] EIU estimate.*Compiled by Market Information and Analysis Unit DFAT, using latest ABS and various international sources.* n.a.  Data not available.[b] Year ending June 30.[c] Excludes exports of alumina.*April 2001*
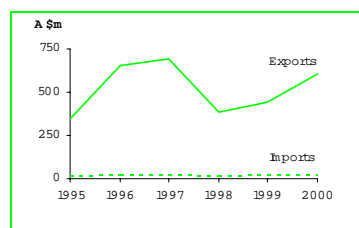
# IRAN

## General information:

| | | |
|---|---|---|
| **Capital:** | Tehran | **Head of State, and Head of Government:** |
| **Surface area:** | 1,648 thousand sq km | H.E. President Hojat Ol Eslam Seyed |
| **Official language:** | Farsi (Persian) | Mohammad Khatami |
| **Population:** | 63.8 million (2000)[e] | |
| **Official exchange rate:** | A$1 = 939.15 Rials (Feb 2001) | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 4.5% (2000)[e];  3.5% (2001)[a] | **Inflation**[c]: | 14.5% (2000) |
| **Unemployment:** | 14.0% (2000)[e] | **GDP:** | US$64.3bn (2000)[e] |
| **Current account surplus:** | US$11,700m (2000)[e] | **GDP per capita:** | US$1,000 (2000)[e] |



Australia's trade with Iran



Australia's exports to Iran
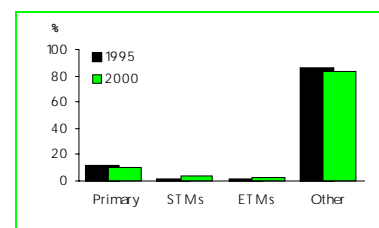
## Australia's trade relationship with Iran:

**Major Australian exports to Iran, 2000:**
Coal A$39m;  Wool A$22m;  Animal oils and fats A$8m;  Butter A$6m;  Sugars, molasses and honey A$5m.
(Includes confidential items of A$506m, 83.8% of total exports, estimated to be wheat.)

**Major Australian imports from Iran, 2000:**
Floor coverings A$13m;  Fruit and nuts, fresh or dried A$11m;  Organic chemicals A$2m;
Tubes, pipes and fittings of steel A$1.2m;  Plastics in primary forms A$0.7m.

**Australian merchandise trade with Iran, 2000:**

| | | |
|---|---|---|
| Exports to Iran: | A$604m | |
| Imports from Iran: | A$30m | |
| Merchandise trade surplus with Iran: | A$574m | |
| Iran's rank in Australia's total trade in goods: | 37th | Share:  0.3% |
| Iran's rank in Australia's exports of goods: | 26th | Share:  0.5% |
| Iran's rank in Australia's imports of goods: | 63rd | Share:  0.0% |

**Australia's trade in services with Iran, 2000:**

| | |
|---|---|
| Exports of services to Iran: | n.a. |
| Imports of services from Iran: | n.a. |
| Balance on services trade with Iran: | n.a. |

## Iran's global trade relationships:

| **Iran's principal export destinations, 1999:** | | | **Iran's principal import sources, 1999:** | | |
|---|---|---|---|---|---|
| 1. | Japan | Share:  19.0% | 1. | Germany | Share:  11.0% |
| 2. | Italy | Share:  9.1% | 2. | Korea | Share:  7.5% |
| 3. | Korea | Share:  9.0% | 3. | Italy | Share:  6.6% |
| 4. | France | Share:  5.1% | 4. | China | Share:  6.1% |
| 5. | Singapore | Share:  4.4% | 5. | France | Share:  6.1% |
| *45.* | *Australia* | *Share:  0.1%* | *12.* | *Australia* | *Share:  2.6%* |

# IRAQ

## General information:

**Capital:**                Baghdad

**Surface area:**           438.32 thousand sq km
**Official language:**      Arabic
**Population:**             23.1 million (2000)[e]
**Exchange rate:**          A$1 = 0.1663 Dinars (Feb 2001)

**Head of State, and Head of Government:**
H.E. President Mr Saddam Hussein

## Recent economic indicators:

**Real GDP growth:**        4.0% (2000)[e]; -11.0% (2001)[a]

**Unemployment:**           n.a.

**Current account surplus:**  US$315.1m (2000)[e]

**Inflation:**              100.0% (2000)[e]
**GDP:**                    US$26.7bn (2000)[e]

**GDP per capita:**         US$1,200 (2000)[e]



Australia's trade with Iraq
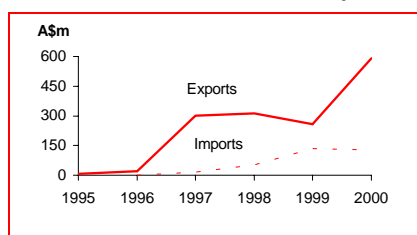


Australia's exports to Iraq

## Australia's trade relationship with Iraq:

**Major Australian exports to Iraq, 2000:**
Civil engineering equipment A$255, 000;  Telecommunications equipment A$8,000;  Pumps for liquids A$7,000.
(Exports include confidential items of A$590m, estimated to be wheat.)

**Major Australian imports from Iraq, 2000:**
Crude petroleum A$127m.

**Australian merchandise trade with Iraq, 2000:**

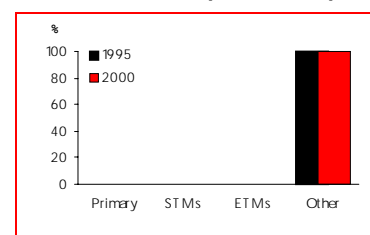| | | |
|---|---|---|
| Exports to Iraq: | A$590m | |
| Imports from Iraq: | A$127m | |
| Merchandise trade surplus with Iraq: | A$463m | |
| Iraq's rank in Australia's total trade in goods: | 35th | Share: 0.3% |
| Iraq's rank in Australia's exports of goods: | 28th | Share: 0.5% |
| Iraq's rank in Australia's imports of goods: | 44th | Share: 0.1% |

**Australia's trade in services with Iraq, 2000:**

| | |
|---|---|
| Exports of services to Iraq: | n.a. |
| Imports of services from Iraq: | n.a. |
| Balance on services trade with Iraq: | n.a. |

## Iraq's global trade relationships:

| Iraq's principal export destinations, 1999: | | | Iraq's principal import sources, 1999: | | |
|---|---|---|---|---|---|
| 1. | United States | Share: 44.4% | 1. | France | Share: 20.6% |
| 2. | France | Share: 8.3% | 2. | **Australia** | *Share: 12.0%* |
| 3. | Italy | Share: 8.3% | 3. | China | Share: 10.8% |
| 4. | Netherlands | Share: 7.5% | 4. | Germany | Share: 5.6% |
| 5. | Japan | Share: 7.4% | 5. | Russia | Share: 5.5% |
| *15.* | *Australia* | *Share: 1.0%* | | | |

# ——— ISRAEL ———

## *General information:*

| | | | |
|---|---|---|---|
| **Surface area:** | 21 thousand sq km | **Head of State:** | |
| **Official languages:** | Hebrew, Arabic | H.E. President Mr Moshe Katsav | |
| **Population:** | 6.3 million (2000)[e] | **Head of Government:** | |
| **Exchange rate:** | A$1=2.29 New Sheqalim (Jan 2001) | Prime Minister Mr Ariel Sharon | |

## *Recent economic indicators:*

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 5.7% (2000)↑;  2.2% (2001)[a] | **Inflation:** | 1.1% (2000)↓ |
| **Unemployment:** | 8.8% (2000)↓ | **GDP:** | US$110.3bn (2000) |
| **Current account deficit:** | US$1,200m (2000)[e] | **GDP per capita:** | US$17,500 (2000)[e] |



Australia's trade with Israel
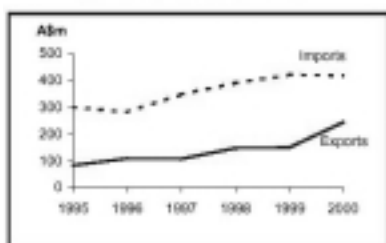


Australia's exports to Israel
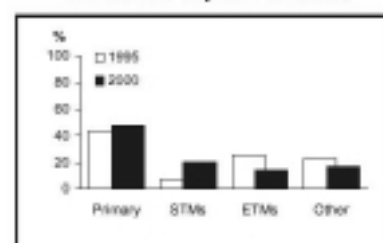
## *Australia's trade relationship with Israel:*

**Major Australian exports to Israel, 2000:**
   Coal A$100m;  Aluminium A$37m;  Live animals A$10m;  Pearls and gems A$10m;
   Medicaments (including veterinary) A$4m.

**Major Australian imports from Israel, 2000:**
   Pearls and gems A$83m;  Telecommunications equipment A$59m;  Fertilisers (excl. crude) A$33m;
   General industrial machinery A$28m;  Organo-inorganic compounds A$17m.

**Australian merchandise trade with Israel, 2000:**

| | | |
|---|---|---|
| Exports to Israel: | A$244m | |
| Imports from Israel: | A$418m | |
| Merchandise trade deficit with Israel: | A$174m | |
| Israel's rank in Australia's total trade in goods: | 36th | Share:  0.3% |
| Israel's rank in Australia's exports of goods: | 40th | Share:  0.2% |
| Israel's rank in Australia's imports of goods: | 35th | Share:  0.4% |

**Australia's trade in services with Israel, 2000:**

| | |
|---|---|
| Exports of services to Israel: | n.a. |
| Imports of services from Israel: | n.a. |
| Balance on services trade with Israel: | n.a. |

## *Israel's global trade relationships:*

**Israel's principal export destinations, 1999:**

| | | | |
|---|---|---|---|
| 1. | United States | Share: | 35.5% |
| 2. | United Kingdom | Share: | 5.5% |
| 3. | Belgium | Share: | 5.3% |
| 4. | Germany | Share: | 4.5% |
| 5. | Hong Kong | Share: | 4.1% |
| *18.* | *Australia* | *Share:* | *1.1%* |

**Israel's principal import sources, 1999:**

| | | | |
|---|---|---|---|
| 1. | United States | Share: | 20.3% |
| 2. | Belgium | Share: | 11.3% |
| 3. | Germany | Share: | 8.1% |
| 4. | United Kingdom | Share: | 7.5% |
| 5. | Switzerland | Share: | 5.6% |
| *30.* | *Australia* | *Share:* | *0.3%* |

# JORDAN

## *General information:*

| | | | |
|---|---|---|---|
| **Capital:** | Amman | **Head of State:** | |
| **Surface area:** | 89 thousand sq km | H.M. King Abdullah bin Hussein II | |
| **Official language:** | Arabic | | |
| **Population:** | 6.7 million (2000)<sup>e</sup> | **Head of Government:** | |
| **Exchange rate:** | A$1 = 0.3794 Dinars (Feb 2001) | H.E. Prime Minister Ali Abul Ragheb | |

## *Recent economic indicators:*

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 2.5% (2000)<sup>e</sup>; 3.5% (2001)<sup>a</sup> | **Inflation:** | 1.5% (2000)<sup>e</sup> |
| **Unemployment:** | 25-30% (1999)<sup>e</sup> | **GDP:** | US$7.9bn (2000)<sup>e</sup> |
| **Current account surplus:** | US$190m (2000)<sup>e</sup> | **GDP per capita:** | US$1,200 (2000)<sup>e</sup> |

Australia's trade with Jordan
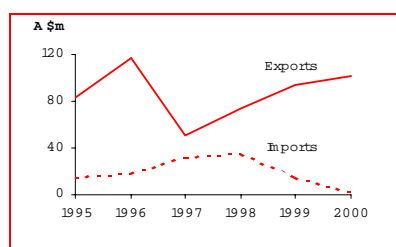


Australia's exports to Jordan
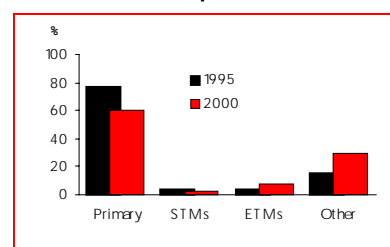


## *Australia's trade relationship with Jordan:*

**Major Australian exports to Jordan, 2000:**
Live animals A$42m;  Milk and cream A$7m;  Cheese and curd A$4m;  Butter A$3m;
Meat (excluding bovine) A$3m. (Includes confidential items of A$30m, 29.9% of total exports.)

**Major Australian imports from Jordan, 2000:**
Crude fertilizers A$1.8m;  Fertilizers (excluding crude) A$0.4m;  Preserved fruit and preparations A$0.3m;
Heating and cooling equipment A$0.2m;  Floor coverings A$0.1m.

**Australian merchandise trade with Jordan, 2000:**

| | | |
|---|---|---|
| Exports to Jordan: | A$102m | |
| Imports from Jordan: | A$3m | |
| Merchandise trade surplus with Jordan: | A$99m | |
| Jordan's rank in Australia's total trade in goods: | 65<sup>th</sup> | Share: 0.0% |
| Jordan's rank in Australia's exports of goods: | 54<sup>th</sup> | Share: 0.1% |
| Jordan's rank in Australia's imports of goods: | 105<sup>th</sup> | Share: 0.0% |

**Australia's trade in services with Jordan, 2000:**

| | |
|---|---|
| Exports of services to Jordan: | n.a. |
| Imports of services from Jordan: | n.a. |
| Balance on services trade with Jordan: | n.a. |

## *Jordan's global trade relationships:*

| **Jordan's principal export destinations, 1999:** | | | | **Jordan's principal import sources, 1999:** | | | |
|---|---|---|---|---|---|---|---|
| 1. | India | Share: | 13.9% | 1. | Germany | Share: | 10.1% |
| 2. | Saudi Arabia | Share: | 10.3% | 2. | United States | Share: | 8.8% |
| 3. | United Arab Emirates | Share: | 6.8% | 3. | Saudi Arabia | Share: | 5.8% |
| 4. | Japan | Share: | 5.7% | 4. | United Kingdom | Share: | 5.7% |
| 5. | United Kingdom | Share: | 2.9% | 5. | Italy | Share: | 5.4% |
| | Lebanon | Share: | 2.9% | *16.* | *Australia* | *Share:* | *1.8%* |
| | Pakistan | Share: | 2.9% | | | | |
| *26.* | *Australia* | *Share:* | *0.8%* | | | | |

# —— KUWAIT ——

## General information:

| | | |
|---|---|---|
| **Capital:** | Kuwait | **ead of State:** |
| **Surface area:** | 17.8 thousand sq km | Amir H.H. Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah |
| **Official language:** | Arabic | |
| **Population:** | 2.2 million (2000)$^e$ | **Head of Government:** |
| **Exchange rate:** | A$1 = 0.1639 Dinars (Feb 2001) | Prime Minister H.H. Sheikh Saad Al-Abdullah Al-Salem Al-Sabah |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 4.0% (2000)$^e$;  1.0% (2000)$^a$ | **Inflation:** | 3.0% (2000)$^e$ |
| **Unemployment:** | < 2.0% (1998) | **GDP:** | US$39.9bn (2000)$^e$ |
| **Current account surplus:** | US$14,242m (2000)$^e$ | **GDP per capita:** | US$18,100 (2000)$^e$ |

**Australia's trade with Kuwait**
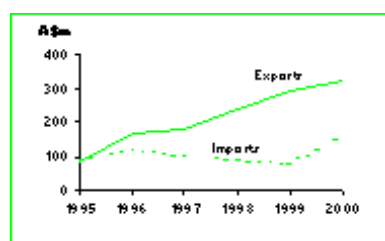
**Australia's exports to Kuwait**
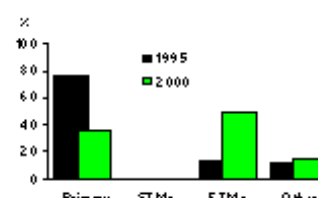
## Australia's trade relationship with Kuwait:

**Major Australian exports to Kuwait, 2000:**
Passenger motor vehicles A$140m;  Live animals A$63m;  Cheese and curd A$15m;
Meat (excluding bovine) A$6m;  Butter A$6m.

**Major Australian imports from Kuwait, 2000:**
Crude petroleum A$17m;  Fertilizers (excluding crude) A$5m;  Measuring and controlling instruments A$0.2m;
Other articles of plastics A$0.1m.  (Includes confidential items of A$137m, 85.7% of total imports.)

**Australian merchandise trade with Kuwait, 2000:**

| | | |
|---|---|---|
| Exports to Kuwait: | A$322m | |
| Imports from Kuwait: | A$160m | |
| Merchandise trade surplus with Kuwait: | A$161m | |
| Kuwait's rank in Australia's total trade in goods: | 41$^{st}$ | Share:  0.2% |
| Kuwait's rank in Australia's exports of goods: | 36$^{th}$ | Share:  0.3% |
| Kuwait's rank in Australia's imports of goods: | 41$^{st}$ | Share:  0.1% |

**Australia's trade in services with Kuwait, 2000:**

| | |
|---|---|
| Exports of services to Kuwait: | n.a. |
| Imports of services from Kuwait: | n.a. |
| Balance on services trade with Kuwait: | n.a. |

## Kuwait's global trade relationships:

| **Kuwait's principal export destinations, 1999:** | | | | **Kuwait's principal import sources, 1999:** | | |
|---|---|---|---|---|---|---|
| 1. | Japan | Share:  27.4% | 1. | Japan | Share:  12.8% |
| 2. | United States | Share:  13.9% | 2. | United States | Share:  12.3% |
| 3. | Korea Rep | Share:  12.7% | 3. | Germany | Share:  7.7% |
| 4. | Singapore | Share:  9.9% | 4. | Saudi Arabia | Share:  6.2% |
| 5. | Netherlands | Share:  8.0% | 5. | Italy | Share:  5.8% |
| *18.* | *Australia* | *Share:  0.5%* | *10.* | *Australia* | *Share:  3.2%* |

# —— LEBANON ——

## *General information:*

| | | |
|---|---|---|
| **Capital:** | Beirut | **Head of State:** |
| **Surface area:** | 10 thousand sq km | H.E. President Mr Emile Lahoud |
| **Official language:** | Arabic | |
| **Population:** | 3.4 million (2000)[e] | **Head of Government:** |
| **Exchange rate:** | A$1 = 837.72 Pounds (Jan 2001) | H.E. Prime Minister Mr Rafik al-Hariri |

## *Recent economic indicators:*

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 0.0% (2000)[e]; 1.5% (2001)[a] | **Inflation:** | 0.0% (2000)[e] |
| **Unemployment:** | 18.0% (1997)[e] | **GDP:** | US$16.6bn (2000)[e] |
| **Current account deficit:** | US$2,199m (2000)[e] | **GDP per capita:** | US$4,900 (2000)[e] |

| Australia's trade with Lebanon | Australia's exports to Lebanon |
|---|---|
|  |  |
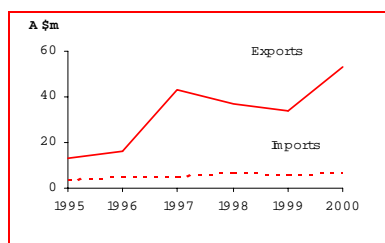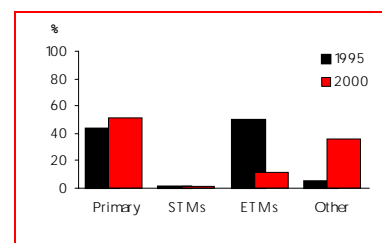
## *Australia's trade relationship with Lebanon:*

**Major Australian exports to Lebanon, 2000:**
Liquefied propane and butane A$20m;  Cheese and curd A$2m;  Passenger motor vehicles A$1.4m;
Woven cotton fabrics A$1.2m;  Butter A$1m  (Confidential items of A$19m, 35.3% of exports.)

**Major Australian imports from Lebanon, 2000:**
Vegetables and fruit A$1.6m;  Jewellery A$1m;  Other food products A$0.9m;
"Soft" fixed vegetable fats and oils A$0.5;  Floor coverings A$0.4;.

**Australian merchandise trade with Lebanon, 2000:**

| | | |
|---|---|---|
| Exports to Lebanon: | A$53m | |
| Imports from Lebanon: | A$7m | |
| Merchandise trade surplus with Lebanon: | A$46m | |
| Lebanon's rank in Australia's total trade in goods: | 74th | Share:  0.0% |
| Lebanon's rank in Australia's exports of goods: | 67th | Share:  0.0% |
| Lebanon's rank in Australia's imports of goods: | 82nd | Share:  0.0% |

**Australia's trade in services with Lebanon, 2000:**

| | |
|---|---|
| Exports of services to Lebanon: | n.a. |
| Imports of services from Lebanon: | n.a. |
| Balance on services trade with Lebanon: | n.a. |

## *Lebanon's global trade relationships:*

| **Lebanon's principal export destinations, 1999:** | | | | **Lebanon's principal import sources, 1999:** | | | |
|---|---|---|---|---|---|---|---|
| 1. | Switzerland | Share: | 18.3% | 1. | Italy | Share: | 12.8% |
| 2. | United Arab Emirates | Share: | 8.8% | 2. | France | Share: | 11.4% |
| 3. | Saudi Arabia | Share: | 7.5% | 3. | Germany | Share: | 8.3% |
| 4. | Syria | Share: | 6.3% | 4. | United States | Share: | 7.3% |
| 5. | United States | Share: | 6.1% | 5. | United Kingdom | Share: | 4.9% |
| *24.* | *Australia* | *Share:* | *0.5%* | *36.* | *Australia* | *Share:* | *0.4%* |

# —— OMAN ——

## General information:

| | | | |
|---|---|---|---|
| **Capital:** | Muscat | **Head of State, and Head of Government:** | |
| **Surface area:** | 212 thousand sq km | H.M. Sultan Qaboos Bin Said Al-Said | |
| **Official language:** | Arabic | | |
| **Population:** | 2.39 million (2000)[e] | | |
| **Exchange rate:** | A$1 = 0.2058 Rials Omani (Feb 2001) | | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 3.6% (2000)[e]; 5.5% (2001)[a] | **Inflation:** | 0.5% (2000)[e] |
| **Unemployment:** | n.a. | **GDP:** | US$19.4bn (2000)[e] |
| **Current account surplus:** | US$2.6bn (2000)[e] | **GDP per capita:** | US$8,100 (2000)[e] |



Australia's trade with Oman
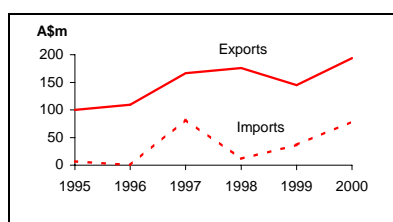


Australia's exports to Oman
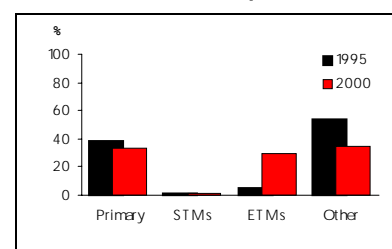
## Australia's trade relationship with Oman:

**Major Australian exports to Oman, 2000:**
Passenger motor vehicles A$49m; Milk and cream A$22m; Live Animals A$21m; Meat (excluding bovine) A$8m; Cheese and curd A$4m.
(Includes confidential items of A$68m, estimated to be wheat.)

**Major Australian imports from Oman, 2000:**
Crude petroleum A$69m; Copper A$9m; Construction materials A$0.8m; Cereal preparations $0.8m; Sugar confectionery A$0.1m.

**Australian merchandise trade with Oman, 2000:**

| | | |
|---|---|---|
| Exports to Oman: | A$194m | |
| Imports from Oman: | A$79m | |
| Merchandise trade surplus with Oman: | A$273m | |
| Oman's rank in Australia's total trade in goods: | 48th | Share: 0.1% |
| Oman's rank in Australia's exports of goods: | 45th | Share: 0.2% |
| Oman's rank in Australia's imports of goods: | 51st | Share: 0.1% |

**Australia's trade in services with Oman, 2000:**

| | |
|---|---|
| Exports of services to Oman: | n.a. |
| Imports of services from Oman: | n.a. |
| Balance on services trade with Oman: | n.a. |

## Oman's global trading relationships:

| **Oman's principal export destinations, 1999:** | | | | **Oman's principal import sources, 1999:** | | |
|---|---|---|---|---|---|---|
| 1. | Japan | Share: 23.1% | 1. | United Arab Emirates | Share: | 28.1% |
| 2. | Thailand | Share: 15.5% | 2. | Japan | Share: | 15.2% |
| 3. | Korea Rep | Share: 13.5% | 3. | United Kingdom | Share: | 6.8% |
| 4. | China | Share: 10.7% | 4. | United States | Share: | 6.4% |
| 5. | United Arab Emirates | Share: 10.1% | 5. | Germany | Share: | 3.9% |
| 1 | Australia | Share: 0.5% | 11 | Australia | Share: | 2.7% |
| 9. | | | . | | | |

# QATAR

## General information:

| | | | |
|---|---|---|---|
| **Capital:** | Doha | **Head of State:** | |
| **Surface area:** | 11 thousand sq km | H.H. Amir Shaikh Hamad bin Khalifa Al-Thani | |
| **Official language:** | Arabic | | |
| **Population:** | 0.6 million (2000)$^e$ | **Head of Government:** | |
| **Exchange rate:** | A$1 = 1.9478 Riyals (Feb 2001) | Prime Minister Shaikh Abdullah bin Khalifa Al-Thani | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 4.3% (2000)$^e$↑;  5.6% (2001)$^a$ | **Inflation:** | 1.0% (2000)$^e$↓ |
| **Unemployment:** | 1.4% (1999) | **GDP:** | US$16.4bn (2000)$^e$ |
| **Current account surplus:** | US$3,820m (2000)$^e$ | **GDP per capita:** | US$27,300 (2000)$^e$ |

**Australia's trade with Qatar**
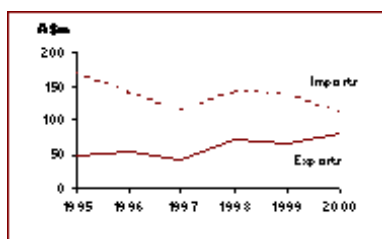


**Australia's exports to Qatar**
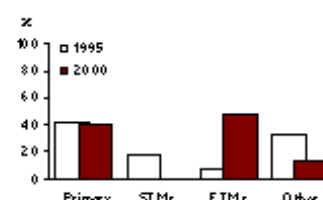


## Australia's trade relationship with Qatar:

**Major Australian exports to Qatar, 2000:**
Passenger motor vehicles A$34m;  Live animals A$16m;  Meat (excluding bovine) A$5m;  Cheese and curd A$3m;  Alcoholic beverages A$1m.  (Includes confidential items of A$10m, estimated to be wheat.)

**Major Australian imports from Qatar, 2000:**
Fertilizers (excluding crude) A$44m;  Inorganic chemical elements A$33m;  Crude petroleum A$26m;  Polymers of ethylene, primary A$8m;  Liquefied propane and butane A$1m.

**Australian merchandise trade with Qatar, 2000:**

| | | |
|---|---|---|
| Exports to Qatar: | A$81m | |
| Imports from Qatar: | A$113m | |
| Merchandise trade deficit with Qatar: | A$33m | |
| Qatar's rank in Australia's total trade in goods: | 56$^{th}$ | Share:  0.1% |
| Qatar's rank in Australia's exports of goods: | 61$^{st}$ | Share:  0.1% |
| Qatar's rank in Australia's imports of goods: | 45$^{th}$ | Share:  0.1% |

**Australia's trade in services with Qatar, 2000:**

| | |
|---|---|
| Exports of services to Qatar: | n.a. |
| Imports of services from Qatar: | n.a. |
| Balance on services trade with Qatar: | n.a. |

## Qatar's global trade relationships:

| Qatar's principal export destinations, 1999: | | | | Qatar's principal import sources, 1999: | | |
|---|---|---|---|---|---|---|
| 1. | Japan | Share:  51.0% | | 1. France | Share: | 18.5% |
| 2. | Korea | Share:  12.9% | | 2. United Kingdom | Share: | 10.8% |
| 3. | Singapore | Share:  9.1% | | 3. Japan | Share: | 8.9% |
| 4. | United States | Share:  4.3% | | 4. Saudi Arabia | Share: | 8.5% |
| 5. | Thailand | Share:  3.4% | | 5. Germany | Share: | 6.3% |
| *7.* | *Australia* | *Share:  1.5%* | | *13. Australia* | *Share:* | *1.6%* |

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$^a$  EIU forecast.   $^e$  EIU estimate. ***Compiled by Market Information and Analysis Unit DFAT, using latest ABS and various international sources.*** n.a.  Data not available. ***April 2001***

# — SAUDI ARABIA —

## General information:

| | | |
|---|---|---|
| **Capital:** | Riyadh | **Head of State, and Head of Government:** |
| **Surface area:** | 2,150 thousand sq km | King Fahd bin Abdulaziz Al-Saud |
| **Official language:** | Arabic | |
| **Population:** | 20.5 million (2000) | |
| **Exchange rate:** | A$1 = 2.0811 Riyals (Jan2001) | |

## Recent economic indicators:

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 4.1% (2000) [e];  1.5% (2001)[a] | **Inflation:** | -0.7% (2000) [e] |
| **Unemployment** [b]**:** | 14% (1999) | **GDP:** | US$165.1bn (2000) |
| **Current account surplus:** | US$15.2bn (2000) | **GDP per capita:** | US$8,100 (2000) |

**Australia's trade with Saudi Arabia**
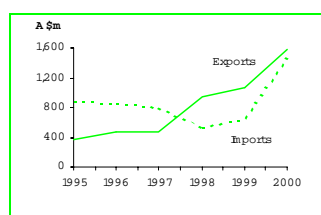


**Australia's exports to Saudi Arabia**
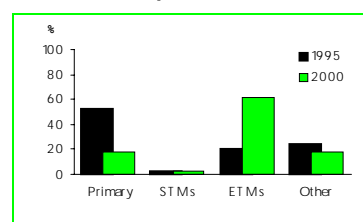


## Australia's trade relationship with Saudi Arabia:

**Major Australian exports to Saudi Arabia, 2000:**
Passenger motor vehicles A$895m;  Cheese and curd A$113m;  Meat (excluding bovine) A$59m;
Non-monetary gold A$37m;  Milk and cream A$34m;
(Includes confidential items of A$244m, estimated to be barley and sugar.)

**Major Australian imports from Saudi Arabia, 2000:**
Crude petroleum A$802m;  Refined petroleum A$351m;  Liquefied propane and butane A$117m;
Fertilizers (excluding crude) A$47m;  Glassware A$7m.

**Australian merchandise trade with Saudi Arabia, 2000:**

| | | |
|---|---|---|
| Exports to Saudi Arabia: | A$1,586m | |
| Imports from Saudi Arabia: | A$1,429m | |
| Merchandise trade surplus with Saudi Arabia: | A$157m | |
| Saudi Arabia's rank in Australia's total trade in goods: | 17th | Share:  1.3% |
| Saudi Arabia's rank in Australia's exports of goods: | 16th | Share:  1.4% |
| Saudi Arabia's rank in Australia's imports of goods: | 19th | Share:  1.2% |

**Australia's trade in services with Saudi Arabia, 2000:**

| | |
|---|---|
| Exports of services to Saudi Arabia: | n.a. |
| Imports of services from Saudi Arabia: | n.a. |
| Balance on services trade with Saudi Arabia: | n.a. |

## Saudi Arabia's global trade relationships:

| Saudi Arabia's principal export destinations, 1999: | | | | Saudi Arabia's principal import sources, 1999: | | | |
|---|---|---|---|---|---|---|---|
| 1. | United States | Share: | 16.8% | 1. | United States | Share: | 18.9% |
| 2. | Japan | Share: | 16.1% | 2. | Japan | Share: | 9.2% |
| 3. | Korea | Share: | 10.9% | 3. | United Kingdom | Share: | 8.1% |
| 4. | Singapore | Share: | 6.2% | 4. | Germany | Share: | 7.3% |
| 5. | France | Share: | 3.9% | 5. | Italy | Share: | 4.2% |
| *25.* | *Australia* | *Share:* | *0.9%* | *11.* | *Australia* | *Share:* | *2.2%* |

[a] EIU forecast.   [e] EIU estimate. *Compiled by Market Information and Analysis Unit DFAT, using latest ABS and various international sources.* n.a.  Data not available.  [b] Saudi  American Bank estimate of Saudi male workforce unemployment *April 2001*
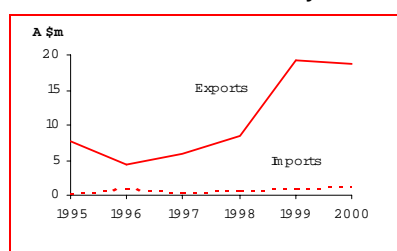
# — SYRIA —

## *General information:*

| | | | |
|---|---|---|---|
| **Capital:** | Damascus | **Head of State:** | |
| **Surface area:** | 185 thousand sq km | H.E. President Dr Bashar Al-Assad | |
| **Official language:** | Arabic | | |
| **Population:** | 16.6 million (2000) | **Head of Government:** | |
| **Exchange rate:** | A$1 = 29.9605 Pounds (2000)[b] | H.E. Prime Minister Mr Mohammed Mustapha Miro | |

## *Recent economic indicators:*

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 1.5% (2000)[e]; 3.0% (2001)[a] | **Inflation:** | 0.5% (2000)[e] |
| **Unemployment:** | 12-15% (1998)[e] | **GDP:** | US$16.8bn (2000)[e] |
| **Current account surplus:** | US$1383.7m (2000)[e] | **GDP per capita:** | US$1,000 (2000)[e] |

**Australia's trade with Syria**



**Australia's exports to Syria**
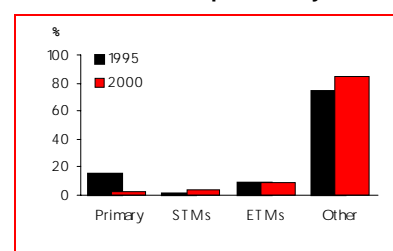


## *Australia's trade relationship with Syria:*

**Major Australian exports to Syria, 2000:**
Passenger motor vehicles A$884,000;  Aluminium A$583,000;  Milk and cream A$512,000;
Agricultural machinery (excluding tractors) A$250,000;  Other optical goods A$173,000.
(Includes confidential items of A$16m, 84.4% of total exports).

**Major Australian imports from Syria, 2000:**
Structures of iron, steel or aluminium A$294,000;  Spices A$176,000;
"Soft" fixed vegetable fats and oils A$123,000;  Preserved vegetables A$89,000;  Clothing A$78,000.

**Australian merchandise trade with Syria, 2000:**

| | | |
|---|---|---|
| Exports to Syria: | A$19m | |
| Imports from Syria: | A$1m | |
| Merchandise trade surplus with Syria: | A$17m | |
| Syria's rank in Australia's total trade in goods: | 95th | Share: 0.0% |
| Syria's rank in Australia's exports of goods: | 86th | Share: 0.0% |
| Syria's rank in Australia's imports of goods: | 121st | Share: 0.0% |

**Australia's trade in services with Syria, 2000:**

| | |
|---|---|
| Exports of services to Syria: | n.a. |
| Imports of services from Syria: | n.a. |
| Balance on services trade with Syria: | n.a. |

## *Syria's global trade relationships:*

| **Syria's principal export destinations, 1999:** | | | | **Syria's principal import sources, 1999:** | | |
|---|---|---|---|---|---|---|
| 1. | Germany | Share: 20.9% | 1. | France | Share: 10.2% |
| 2. | Italy | Share: 12.3% | 2. | Italy | Share: 7.5% |
| 3. | France | Share: 9.5% | 3. | Germany | Share: 6.8% |
| 4. | Saudi Arabia | Share: 8.8% | 4. | Korea Rep | Share: 4.9% |
| 5. | Turkey | Share: 7.7% | 5. | Turkey | Share: 4.8% |
| *49.* | *Australia* | *Share: 0.0%* | *45.* | *Australia* | *Share: 0.3%* |

[a] EIU forecast.   [e] EIU/CIA estimate. *Compiled by Market Information and Analysis Unit DFAT, using latest ABS and various international sources.*[b] 'Neighbouring Countries' rate   n.a.  Data not available. *April 2001*

# UNITED ARAB EMIRATES

## *General information:*

**Capital:** Abu Dhabi
**Surface area:** 84 thousand sq km
**Official language:** Arabic
**Population:** 3.0 million (2000)[e]
**Exchange rate:** A$1 = 2.0408 Dirhams (Jan 2001)

**Head of State:**
H.H. President Sheikh Zayed Bin Sultan Al-Nahayyan
**Head of Government:**
H.H. Prime Minister Sheikh Maktoum Bin Rashid Al-Maktoum

## *Recent economic indicators:*

**Real GDP growth:** 5.0% (2000)[e] ↑; 4.6% (2001)[a]
**Unemployment:** n.a.
**Current account surplus:** US$10,250m (2000)[e]

**Inflation:** 4.5% (2000)[e] ↑
**GDP:** US$60.5bn (2000)[e]
**GDP per capita:** US$20,000 (2000)[e]



Australia's trade with UAE
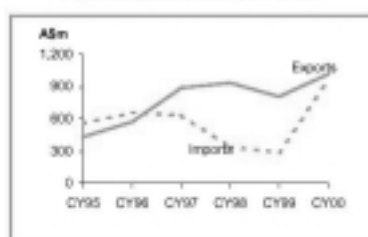


Australia's exports to UAE
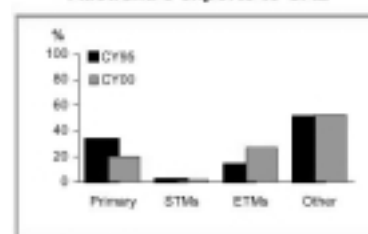
## *Australia's trade relationship with United Arab Emirates:*

**Major Australian exports to UAE, 2000:**
Passenger motor vehicles A$176m;  Non-monetary gold A$58m;  Meat (excluding bovine) A$40m;  Live animals A$30m;  Fresh vegetables A$21m.  (Includes confidential items of A$465m.)

**Major Australian imports from UAE, 2000:**
Crude petroleum A$856m;  Refined petroleum A$53m;  Liquefied propane and butane A$12m;  Structures of iron, steel or aluminium A$9m;  Chocolate A$4m.

**Australian merchandise trade with UAE, 2000:**

| | | |
|---|---|---|
| Exports to UAE: | A$1,016m | |
| Imports from UAE: | A$955m | |
| Merchandise trade surplus with UAE: | A$62m | |
| UAE's rank in Australia's total trade in goods: | 24th | Share:  0.9% |
| UAE's rank in Australia's exports of goods: | 21st | Share:  0.9% |
| UAE's rank in Australia's imports of goods: | 24th | Share:  0.8% |

**Australia's trade in services with UAE, 2000:**

| | |
|---|---|
| Exports of services to UAE: | n.a. |
| Imports of services from UAE: | n.a. |
| Balance on services trade with UAE: | n.a. |

## *United Arab Emirates' global  trade relationships:*

| UAE's principal export destinations, 1999: | | | UAE's principal import sources, 1999: | | |
|---|---|---|---|---|---|
| 1. | Japan | Share:  28.5% | 1. | United States | Share:  8.9% |
| 2. | Korea | Share:  8.2% | 2. | Japan | Share:  8.4% |
| 3. | India | Share:  5.7% | 3. | United Kingdom | Share:  7.6% |
| 4. | Oman | Share:  4.2% | 4. | Germany | Share:  6.3% |
| 5. | Singapore | Share:  3.9% | 5. | France | Share:  6.2% |
| *18.* | *Australia* | *Share:  0.7%* | *19.* | *Australia* | *Share:  1.9%* |

# YEMEN

## *General information:*

| | | | |
|---|---|---|---|
| **Capital:** | Sana'a | **Head of State:** | |
| **Surface area:** | 528 thousand sq km | H.E. President General Ali Abdullah Saleh | |
| **Official language:** | Arabic | | |
| **Population:** | 18.3 million (2000)[e] | **Head of Government:** | |
| **Exchange rate:** | A$1 = 92.2795 Rials (Jan 2001) | H.E. Prime Minister Dr Abdul Karim Al-Aryani | |

## *Recent economic indicators:*

| | | | |
|---|---|---|---|
| **Real GDP growth:** | 6.2% (2000)[e]↑; 5.4% (2000)[a] | **Inflation:** | 10.0% (2000)[e]↑ |
| **Unemployment:** | 30.0% (1995)[e] | **GDP:** | US$9.2bn (2000)[e] |
| **Current account surplus:** | US$900m (2000)[e] | **GDP per capita:** | US$500 (2000)[e] |



Australia's trade with Yemen
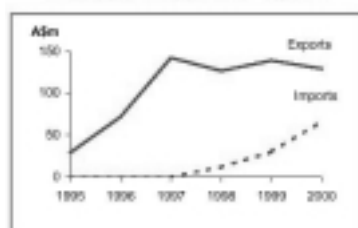


Australia's exports to Yemen
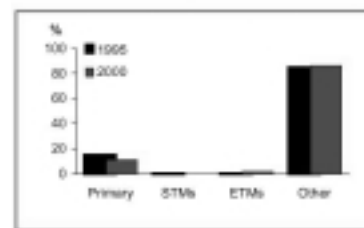
## *Australia's trade relationship with Yemen:*

**Major Australian exports to Yemen, 2000:**
   Milk and cream A$7m;  Cheese and curd A$3m;  Fresh vegetables A$3m; Passenger motor vehicles A$1m;  Butter A$1m.  (Confidential items of A$112m, 86.7% of total exports, estimated to be wheat.)

**Major Australian imports from Yemen, 2000:**
   Crude petroleum A$67m.

**Australian merchandise trade with Yemen, 2000:**

| | | |
|---|---|---|
| Exports to Yemen: | A$129m | |
| Imports from Yemen: | A$67m | |
| Merchandise trade surplus with Yemen: | A$63m | |
| Yemen's rank in Australia's total trade in goods: | 55th | Share: 0.1% |
| Yemen's rank in Australia's exports of goods: | 50th | Share: 0.1% |
| Yemen's rank in Australia's imports of goods: | 54th | Share: 0.1% |

**Australia's trade in services with Yemen, 2000:**

| | |
|---|---|
| Exports of services to Yemen: | n.a. |
| Imports of services from Yemen: | n.a. |
| Balance on services trade with Yemen: | n.a. |

## *Yemen's global trade relationships:*

| Yemen's principal export destinations, 1999: | | | Yemen's principal import sources, 1999: | | |
|---|---|---|---|---|---|
| 1. Thailand | Share: | 33.6% | 1. Saudi Arabia | Share: | 9.7% |
| 2. China | Share: | 25.8% | 2. United Arab Emirates | Share: | 7.5% |
| 3. Korea | Share: | 14.2% | 3. France | Share: | 7.1% |
| 4. Singapore | Share: | 9.0% | 4. United States | Share: | 7.0% |
| 5. Taiwan | Share: | 2.8% | 5. Italy | Share: | 6.3% |
| *8. Australia* | *Share:* | *1.0%* | *9. Australia* | *Share:* | *3.8%* |

# H

# Appendix H - Ratification of Core International Human Rights Instruments in the Middle East

Source: DFAT, Exhibit 35

### International Covenant on Civil and Political Rights (ICCPR)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | |
| **Egypt** | 4 August 1967 | 14 January 1982 | |
| **Iran** | 4 April 1968 | 24 June 1975 | |
| **Iraq** | 18 February 1969 | 25 January 1971 | |
| **Israel** | 19 December 1966 | 3 October 1991 | |
| **Jordan** | 30 June 1972 | 28 May 1975 | |
| **Kuwait** | | | 21 May 1996 |
| **Oman** | | | |
| **Lebanon** | | | 3 November 1972 |
| **Qatar** | | | |
| **Saudi Arabia** | | | |
| **Syria** | | | 21 April 1969 |
| **UAE** | | | |
| **Yemen** | | | 9 February 1987 |

## International Covenant on Economic, Social and Cultural Rights (ICESCR)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | |
| **Egypt** | 4 August 1967 | 14 January 1982 | |
| **Iran** | 4 April 1968 | 24 June 1975 | |
| **Iraq** | 18 February 1969 | 25 January 1971 | |
| **Israel** | 19 December 1966 | 3 October 1991 | |
| **Jordan** | 30 June 1972 | 28 May 1975 | |
| **Kuwait** | | | 21 May 1996 |
| **Lebanon** | | | 3 November 1972 |
| **Oman** | | | |
| **Qatar** | | | |
| **Saudi Arabia** | | | |
| **Syria** | | | 21 April 1969 |
| **UAE** | | | |
| **Yemen** | | | 9 February 1987 |

## International Convention on the Elimination of All Forms of Racial Discrimination (CERD)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | 27 March 1990 |
| **Egypt** | 28 September 1996 | 1 May 1967 | |
| **Iran** | 8 March 1967 | 29 August 1968 | |
| **Iraq** | 18 February 1968 | 14 January 1970 | |
| **Israel** | 7 March 1966 | 3 January 1979 | |
| **Jordan** | | | 30 May 1974 |
| **Kuwait** | | | 15 October 1968 |
| **Lebanon** | | | 12 November 1971 |
| **Oman** | | | |
| **Qatar** | | | 22 July 1976 |
| **Saudi Arabia** | | | 23 September 1997 |
| **Syria** | | | 21 April 1969 |
| **UAE** | | | 20 June 1974 |
| **Yemen** | | | 18 October 1972 |

## Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | |
| **Egypt** | 16 July 1980 | 18 September 1981 | |
| **Iran** | | | |
| **Iraq** | | | 13 August 1986 |
| **Israel** | 17 July 1980 | 3 October 1991 | |
| **Jordan** | 3 December 1980 | 1 July 1992 | |
| **Kuwait** | | | 2 September 1994 |
| **Lebanon** | | | 16 April 1997 |
| **Oman** | | | |
| **Qatar** | | | |
| **Saudi Arabia** | 7 September 2000 | 7 September 2000 | |
| **Syria** | | | |
| **UAE** | | | |
| **Yemen** | | | 30 May 1984 |

## Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | 6 March 1998 |
| **Egypt** | | | 25 June 1986 |
| **Iran** | | | |
| **Iraq** | | | |
| **Israel** | 22 October 1986 | 3 October 1991 | |
| **Jordan** | | | 13 November 1991 |
| **Kuwait** | | | 8 March 1996 |
| **Lebanon** | | | 5 October 2000 |
| **Oman** | | | |
| **Qatar** | | | 11 January 2000 |
| **Saudi Arabia** | | | 23 September 1997 |
| **Syria** | | | |
| **UAE** | | | |
| **Yemen** | | | 5 November 1991 |

## Convention on the Rights of the Child (CROC)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | 13 February 1992 |
| **Egypt** | 5 February 1990 | 6 July 1990 | |
| **Iran** | 5 September 1991 | 13 July 1994 | |
| **Iraq** | | | 15 June 1994 |
| **Israel** | 3 July 1990 | 3 October 1991 | |
| **Jordan** | 29 August 1990 | 24 May 1991 | |
| **Kuwait** | 7 June 1990 | 21 October 1991 | |
| **Lebanon** | 26 January 1990 | 14 May 1991 | |
| **Oman** | | | 9 December 1996 |
| **Qatar** | 8 December 1992 | 3 April 1995 | |
| **Saudi Arabia** | | | 26 January 1996 |
| **Syria** | 18 September 1990 | 15 July 1993 | |
| **UAE** | | | 3 January 1997 |
| **Yemen** | 13 February 1990 | 1 May 1991 | |

## International Convention on the Elimination of All Forms of Racial Discrimination (CERD)

| Country | Signature | Ratification | Accession |
|---|---|---|---|
| **Bahrain** | | | 27 March 1990 |
| **Egypt** | 28 September 1996 | 1 May 1967 | |
| **Iran** | 8 March 1967 | 29 August 1968 | |
| **Iraq** | 18 February 1968 | 14 January 1970 | |
| **Israel** | 7 March 1966 | 3 January 1979 | |
| **Jordan** | | | 30 May 1974 |
| **Kuwait** | | | 15 October 1968 |
| **Lebanon** | | | 12 November 1971 |
| **Oman** | | | |
| **Qatar** | | | 22 July 1976 |
| **Saudi Arabia** | | | 23 September 1997 |
| **Syria** | | | 21 April 1969 |
| **UAE** | | | 20 June 1974 |
| **Yemen** | | | 18 October 1972 |

# Appendix I – Humanitarian Program Visa Grants by Region

(A) Offshore Humanitarian Program Grants, 2000-01

(B) Overall Humanitarian Program Grants, 2000-01

(C) Humanitarian Program Visa Grants by Region, 1997-98 to end December 2000

**(A) - Offshore Humanitarian Program Grants, 2000-01**

| Region | Refugee | SHP | SAC | Total |
|---|---|---|---|---|
| Europe | 1712 | 1205 | 545 | 3462 |
| Middle East | 960 | 683 | | 1643 |
| South West Asia | 163 | 290 | 59 | 512 |
| Asia (Other) | 50 | 141 | 125 | 316 |
| Africa | 1102 | 780 | 150 | 2032 |
| Americas | 10 | 17 | | 27 |
| **Total** | **3,997** | **3,116** | **879** | **7,992** |

**(B) - Overall Humanitarian Program Grants, 2000-01**

| Applicants Region of Birth | Grants |
|---|---|
| Europe | 3,866 |
| Middle East | 4,527 |
| South-west Asia | 2,256 |
| Asia (other) | 752 |
| Africa | 2,148 |
| Americas | 94 |
| Stateless/Unknown | 90 |
| **Total** | **13,733** |

*Source*     *Hon Phillip Ruddock MP, Media Release MPS 111/2001, 7 August 2001*

**(C) - Humanitarian Program Visa Grants by Region**

| Region | 1997-1998 | | | | 1998-1999 | | | | 1999-2000 | | | | 2000-31 Dec 2000 | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Off-shore | On-Shore | Yearly Total | % of Yearly Intake | Off-Shore | On-shore | Yearly total | % of Yearly Intake | Off-Shore | On-shore | Yearly Total | % of Yearly Intake | Off-Shore | On-Shore | Yearly Total | % of Intake to Date | |
| **Europe** | 5,307 | 94 | 5,401 | 47.8 | 4,736 | 169 | 4,905 | 46.7 | 3,424 | 83 | 3,507 | 38.5 | 2,065 | 226 | 2,291 | 29.9 | 16,104 |
| **ME and SW Asia** | 2,952 | 348 | 3,300 | 29.9 | 2,919 | 491 | 3,410 | 32.5 | 2,206 | 1,272 | 3,478 | 38.0 | 1,401 | 2,922 | 4,323 | 56.4 | 14,511 |
| **Africa** | 1,473 | 134 | 1,606 | 14.2 | 1,552 | 90 | 1,642 | 15.6 | 1,738 | 40 | 1,778 | 19.4 | 580 | 56 | 636 | 8.3 | 5,667 |
| **Asia** | 685 | 208 | 894 | 7.9 | 295 | 148 | 443 | 4.2 | 113 | 145 | 258 | 2.8 | 110 | 229 | 339 | 4.4 | 1,934 |
| **Americas** | 50 | 22 | 72 | 0.6 | 24 | 52 | 76 | 0.7 | 21 | 17 | 38 | 0.4 | - | 38 | 38 | 0.5 | 224 |
| **Stateless** | - | 27 | 27 | 0.2 | - | 29 | 29 | 0.3 | - | 14 | 14 | 0.2 | - | 38 | 38 | 0.52 | 108 |
| **Unknown** | - | 2 | 2 | | - | - | - | | - | 82 | 82 | 0.9 | - | 4 | 4 | | 88 |
| **Total** | 10,467 | 835 | 11,302 | | 9,526 | 979 | 10,505 | | 7,502 | 1,653 | 9,155 | | 4,156 | 3,513 | 7,669 | | |

*Source    DIMA, Supplementary Submission No.80 b*

Note: Offshore grants are recorded by applicant's country of birth, whereas onshore grants are recorded by an applicant's country of citizenship.

# J
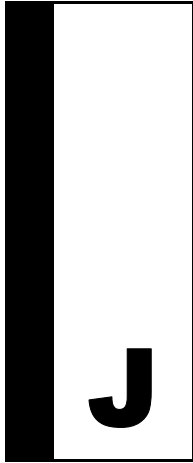
## Appendix J – Private Schools in Australia, and Community Settlement Projects

**Table J1:** Middle East Communities in Australia— Government-funded private schools as at December 2000

**Community Settlement Services Scheme (CSSS) projects funded by DIMA—**

**Table J2:** 1999

**Table J3:** 2000

# Middle East Communities in Australia – government-funded Private Schools as at December 2000

Table J1    Enrolment by level of education as at December 2000

| School | Primary | | Secondary | |
|---|---|---|---|---|
| | *1996* | *2000* | *1996* | *2000* |
| **Christian (Coptic/Maronite/Catholic)** | | | | |
| Antonine Sisters Maronite Catholic College | - | 279 | - | - |
| Our Lady of Lebanon School | 645 | 692 | 385 | 405 |
| St Anthony's Coptic Orthodox College | 112 | 170 | - | 41 |
| St Gregory's Armenian School | 175 | 178 | 62 | 73 |
| St Mark's Coptic College | 212 | 248 | 26 | 130 |
| St Mary And St Mina's Coptic Orthodox College | - | 110 | - | - |
| St Mary's Coptic Orthodox College | 282 | 353 | 86 | 244 |
| **Total Christian (Coptic/Maronite/Catholic)** | **1,426** | **2,030** | **559** | **893** |

| School | Primary | | Secondary | |
|---|---|---|---|---|
| | *1996* | *2000* | *1996* | *2000* |
| **Jewish** | | | | |
| Adass Israel School | 266 | 280 | 100 | 129 |
| Bentleigh Chabad Jewish Day School` | - | 24 | - | - |
| Bialik College | 488 | 429 | 379 | 448 |
| Carmel School | 347 | 383 | 203 | 255 |
| King Solomon College | - | 28 | - | - |
| Leibler Yavneh College | 373 | 364 | 206 | 221 |
| Masada College High School | - | - | 396 | 406 |
| Masada College (Adelaide) | 97 | 84 | - | - |
| Masada College (Sydney) | 339 | 324 | - | - |
| Moriah College | 687 | 763 | 617 | 712 |
| Mount Scopus Memorial College | 613 | 472 | 939 | 977 |
| Mount Scopus Memorial College (Gandel-Besen House) | 301 | 296 | - | - |
| Mount Sinai College | 189 | 247 | - | - |
| Sholem Aleichem College | 158 | 145 | - | - |
| Sinai College | 73 | 59 | - | - |
| The Emmanuel School | 262 | 280 | 222 | 358 |
| The King David School | 278 | 261 | 46 | 164 |
| Yeshiva College | - | 272 | - | 167 |
| Yeshivah and Beth Rivkah Colleges | 627 | 596 | 398 | 503 |
| **Total Jewish** | **5,098** | **5,307** | **3,506** | **4,340** |

**Table J1 (Cont.)**          **Enrolment by level of education as at December 2000.**

| School | Primary | | Secondary | |
|---|---|---|---|---|
| | *1996* | *2000* | *1996* | *2000* |
| **Islamic** | | | | |
| Al Amanah College | - | 226 | - | - |
| Al Faisal College | - | 341 | - | - |
| Al Noori Muslim Primary School | 117 | 173 | - | - |
| Al Zahra College | - | 143 | - | - |
| Al-Hidayah Islamic School | 138 | 145 | - | - |
| Australian Islamic College (North of the River) | 204 | 339 | - | - |
| Australian Islamic College, Kewdale | - | 208 | - | 643 |
| Darul Ulum College Of Victoria | - | 230 | - | 54 |
| East Preston Islamic College | - | 266 | - | 13 |
| Islamic College North Western Region | 192 | 161 | - | 64 |
| Islamic College Of South Australia | - | 100 | - | - |
| Islamic School Of Brisbane | 80 | 235 | - | 22 |
| King Abdul Aziz College | - | 182 | - | 17 |
| King Khaild Islamic School | 533 | 611 | 323 | 409 |
| Minaret College | - | 293 | - | 178 |
| Noor Al Houda Islamic College | 90 | 411 | 51 | 265 |
| Qibla College | - | 75 | - | - |
| Rissalah College | - | 283 | - | - |
| The Australian Islamic College | 399 | 443 | 329 | - |
| The Islamic Schools Of Victoria (Werribee College) Inc | 326 | 496 | 103 | 205 |
| The Malek Fahd Islamic School | 862 | 1163 | 213 | 494 |
| **Total Islamic** | **2,941** | **6,541** | **1,019** | **2,364** |

*Source     Department of Education Training and Youth Affairs, July 2001*

*Note 1 : The 2000 statistics for school enrolments suggest that roughly 44% of children attending Christian primary schools, continue on in Christian secondary schools.  The figure is 82% for Jewish primary schools, and 36% for Islamic schools.*

*Note 2 : Based on 1996 census figures, about 11% of Australian residents who said they followed Judaism attended Jewish Schools in 1996, while 2% of Australian residents who said they followed Islam attended Islamic schools.*

# Community Settlement Services Scheme Projects (CSSS), 1999

**Table J.2  Grants in 1999 under DIMA's Community Settlement Services Scheme (CSSS).  Projects awarded to Middle East communities & networks.**

*Note:  Projects related to Kurds and Turks have <u>not</u> been included in this listing.  This list is not comprehensive. It is only indicative of the types of projects involving communities from the Middle East.  See the DIMA website for the full list of projects funded under CSSS in 1999.*

| Organisation | No. of Years | Project Description | Award $ |
|---|---|---|---|
| **New South Wales** | | | |
| Al Zahra Muslim Women's Association Inc | 2 | To provide information, referral and direct casework and community services; to assist Muslim women to overcome problems due to isolation, language and culture through workshops and support activities; and to represent the needs of Muslim women in the St George and Sutherland regions. | 100,633 |
| Australian Arabic Communities Council Inc | 1 | To provide direct services including casework, group work/information sessions and community development activities; to raise awareness of service providers to the settlement needs of the Arabic speaking community, focussing on humanitarin entrants in the Fairfield local government area (LGA) and the elderly in the Bankstown LGA | 47,921 |
| Australian Islamic Cultural Centre Inc | 1 | To provide settlement services including information and referral services, focusing in families, women and youth, to newly arrived refugees and humanitarian entrants from war torn countries such as Somalia, Afghanistan, Albania, Iraq and Bosnia. | 23,961 |
| Australian Jewish Welfare Society - Jewish Community Services | 2 | To provide direct settlement services and participate in the planning and delivery of settlements services to Russian speaking migrants in the Sydney Eastern, Southern and Northern Regions; and to improve existing community structures and awareness of mainstream agencies to the needs of Jewish migrants. | 96,608 |
| Australian Lebanese Welfare Group | 2 | To provide direct services including information and referral services, assist community and service providers to improve their services and the establishment of support groups for newly arrived refugees and humanitarian entrants from Arabic speaking communities in Western Sydney including Holroyd, Parramatta, Blacktown and Penrith. | 193,216 |
| Botany Neighbourhood Centre | 1 | To provide direct services including provision of casework and information services and linkage to local services; group work and support for women; and to present the settlement needs of migrants and refugees of the Arabic speaking community in Botany, Randwick and South Sydney local government areas to local service providers. | 47,921 |

| Organisation | | Description | Amount |
|---|---|---|---|
| Canterbury Bankstown Migrant Resource Centre | 3 | To provide culturally sensitive and bilingual casework and case management services to Iraqi and other Arabic speaking refugees; and for the provision of information on key services and the formation of social and support groups, with a focus on women and youth in the latter part of the grant. The Project is a partnership with the Australian Arabic Communities Council. | 146,074 |
| Coptic Orthodox Church NSW | 1 | To address the needs of Coptic humanitarian and refugee entrants who face additional settlement needs due to lack of family support networks in the Sydney Metropolitan area. | 24,958 |
| Human Rights In Iraq | 1 | To identify the settlement needs of the Iraqi community in NSW to ensure direct services are better targeted. | 5,000 |
| Iranian Community Organisation | 1 | To provide direct services and settlement support to Iranians living in NSW through the delivery of casework, group work, community support and development activities, focussing on newly and recently arrived refugee and humanitarian entrants. | 49,917 |
| Islamic Council of NSW | 3 | To address the settlement needs of refugees, new arrivals and the long term needs of Muslim ethnic communities of NSW, including coordinating services; strategic planning; consultation and liaison with government and ethnic organisation and the establishment of a One Stop Shop. | 180,745 |
| Lebanese Community Council of NSW | 1 | To ensure service providers address the settlement needs of the Lebanese community in an equitable, accessible and culturally appropriate manner; to undertake research into the social issues faced by, and to develop programs for, Australian Lebanese youth; to inform and resource voluntary networks and service providers of community needs to ensure these are addressed; and to raise awareness of Lebanese culture and the contribution of the Lebanese community to Australian society. | 56,923 |
| Lebanese Community Council of NSW | 1 | To increase awareness of and access to services through the provision of direct services including information, casework and referral services, support groups and interaction with other service providers in order to assist newly arrived Muslim migrants, refugees and humanitarian entrants in the Canterbury Bankstown local government areas. | 49,917 |
| Maronite Catholic Society Inc | 1 | To provide bi-lingual information and referral settlement services for newly arrived migrants and humanitarian entrants from an Arabic speaking background, including women, and to inform service providers on needs of target group in the Parramatta area. | 24,958 |
| Riverwood Community Centre | 1 | To deliver settlement services to Arabic speakers through the provision of direct services including casework, information sessions and training to the community; to provide information to service providers on the special needs of the Arabic speaking community through workshops and seminars; and for the creation of new social networks and self help networks to assist the Arabic speaking community in the Riverwood Housing Estate and surrounding areas. | 20,668 |
| St George Lebanese Joint Committee Inc | 1 | To provide direct settlement services including casework, information and referral for new arrivals; to develop support structures for youth and consult with service providers to raise their awareness of the issues facing the Lebanese and other Arabic speaking community in the St George area | 24,958 |
| The Australian Lebanese Christian Federation Incorporated | 3 | To provide a casework, information and referral service; to develop specialist programs for target groups and to increase awareness of mainstream service deliverers to the needs of the Arabic speaking community in the Sydney Metropolitan, with direct services focussing on the Bankstown local government area. | 96,608 |

| | | | |
|---|---|---|---|
| The Crows Nest Centre | 3 | To provide casework, information and referral services for newly arrived migrants and humanitarian entrants, particularly from Afghanistan, Iran, Sri Lanka, China and Korea, in the Hornsby Kur-ing-gai areas; and the development of support groups and coordination of service provision for the target groups. | 146,074 |
| The United Muslim Women Association | 3 | To provide direct settlement services, organise community education classes and workshops addressing access to mainstream services; to assess the needs and increase awareness amongst mainstream and community agencies to the settlement needs of Muslim women in South Western Sydney, focussing on Canterbury/Bankstown, Liverpool and Campbelltown local government areas. | 146,074 |
| The United Muslim Women Association | 3 | To provide direct settlement services including information, referral and casework services; to assess the needs and increase awareness of and sensitivity amongst mainstream and community agencies and to conduct community education classes and workshops to address the settlement needs of Muslim women in Canterbury/Bankstown, Auburn and Ryde local government areas. | 146,074 |
| Wyoming Community Centre Inc | 2 | To provide a broad range of settlement services including information, referral and case management services to migrants, refugees and humanitarian entrants including new and emerging communities on the Central Coast such as Bosnian, Somali, Iranian and Filipino communities; and to increase awareness of mainstream providers in the area to the needs of these groups. | 54,331 |
| | | **Sub Total** | **1,683,539** |

## Victoria

| | | | |
|---|---|---|---|
| Australian Lebanese Welfare Committee | 2 | To provide a casework and community development service to Arabic-speaking and Lebanese communities in metropolitan Melbourne. | 101,608 |
| Australian Lebanese Welfare Committee | 3 | To provide a casework and community development service to Arabic-speaking and Lebanese communities in metropolitan Melbourne. | 147,474 |
| Islamic Women's Welfare Council of Victoria (Inc) | 3 | To provide a community development and settlement casework service to Muslim women. | 180,000 |
| Jewish Community Services Inc | 3 | To provide settlement services to newly arrived Jewish migrants especially from the Former Soviet Union. | 173,517 |
| Merhamet Muslim Welfare Association | 2 | To provide a complete range of culturally sensitive settlement services to Bosnian refugees and humanitarian entrants through personal counselling, home visits, referrals to mainstream welfare support agencies as well as advocacy on behalf of clients. | 89,109 |
| Migrant Resource Centre North East | 2 | To support an Arabic speaking case work service, focussing on newly arrived Iraqis. | 96,608 |
| | | **Sub Total** | **788,316** |

## Queensland

| | | | |
|---|---|---|---|
| Islamic Women's Association of Queensland Incorporated | 3 | To provide support for the settlement of Muslim women and their families through access to culturally appropriate services and linking to mainstream services by provision of assessment, information, referral and counselling services; and to increase awareness by mainstream services of the needs of Muslim women and their families. | 150,044 |

| | | | |
|---|---|---|---|
| Multicultural Development Association Inc | 3 | To deliver culturally appropriate settlement services to migrant and humanitarian entrants in the Brisbane region, including members of small and emerging communities, such as from the Former Yugoslavia, Greater Horn of Africa, Iraq, Iran, Afghanistan and Kurds, with a special focus on refugee/humanitarian entrants with ongoing settlement needs, as well as assisting the communities and relevant services to better address the needs of the target groups. | 217,265 |
| | | **Sub Total** | **367,309** |
| **South Australia** | | | |
| Jewish Community Services Inc | 1 | To undertake needs analysis research; and to provide casework, information provision and the development of a volunteer network for Jewish people from various countries of origin living in Adelaide. | 10,000 |
| Migrant Resource Centre of SA Inc | 1 | To provide direct settlement services including casework, information provision, group support programs and the development of a volunteer network and to arrange community consultations to identify needs and issues affecting people from Middle Eastern communities living in the Adelaide metropolitan area. | 19,000 |
| South Australian Lebanese Women's Association | 2 | To provide a range of settlement related services, including information, counselling and referral for Arabic speakers in the Adelaide metropolitan area, community education, and the establishment of a volunteer network, to support activities and develop self help initiatives to enhance the community's capacity to meet client needs. | 51,000 |
| The Muslim Women's Association of SA Inc (MWA) | 2 | To provide a settlement casework service for women and their families of an Islamic background; and will also focus on co-operative service partnerships with other service providers, cross-cultural training and advocacy with mainstream agencies. | 70,000 |
| | | **Sub Total** | **150,000** |
| **Tasmania** | | | |
| Hobart Women's Health Centre | 1 | To develop a project working with relevant organisations to find culturally appropriate solutions to domestic violence, to enable mainstream agencies to develop culturally sensitive and appropriate services to women of non English speaking backgrounds. One example is enhancing cultural awareness and processes to assist Muslim women who have difficulties | 27,500 |
| | | **Sub Total** | **27,500** |
| Western Australia | | | |
| Lockridge Community Group Inc | 1 | To provide generalist settlement services for migrants, with a focus on people from specific national and state priority target groups (eg Refugee/Humanitarian entrants from Muslim, Kurdish, Iraqi, Chinese, Vietnamese and Middle Eastern communities). | 45,000 |
| Muslim Women Support Centre of WA Inc | 1 | To assist Muslim women settle in WA through the provision of a casework, information, counselling and referral service. | 22,000 |
| | | **Sub Total** | **67,000** |
| | | **Overall Total** | **3,083,664** |

# Community Settlement Services Scheme Projects (CSSS), 2000

**Table J.3  Grants in 2000 under DIMA's Community Settlement Services Scheme (CSSS).  Projects awarded to Middle East communities & networks.**

*Note: Projects related to Kurds and Turks have not been included in this listing.  This list is not comprehensive. It is only indicative of the types of projects involving communities from the Middle East.  See the DIMA website for the full list of projects funded under CSSS in 2000.*

| Organisation | No. of Years | Project Description | Award $ |
|---|---|---|---|
| **New South Wales** | | | |
| Assyrian Australian Association | 3 | Address the settlement needs of the Assyrian community in the Fairfield LGA & South Western Region of Sydney. Services will include casework, case management, information and referral; community education; maintenance of social support groups for elderly isolated. | 154,594 |
| Australian Arabic Communities Council Inc | 2 | Assist from Arabic speaking communities, particularly women and the aged, in the Bankstown & Fairfield LGAs and later in the Macarthur Region. Negotiate linkages with mainstream services to help the target group to become self-sustaining. | 98,153 |
| Australian Islamic Cultural Centre Inc | 1 | Assist Lebanese, Iraqi, Somali, Turkish, Pakistani and Afghani clients in the Parramatta and Auburn LGA's to access mainstream services. Develop settlement planning and service delivery networks and engage mainstream service deliverers in the development of culturally appropriate services. | 24,344 |
| Botany Neighbourhood Centre | 1 | Provide casework, information and referral services for the Arabic speaking community in Botany, Randwick and South Sydney LGAs. Represent community needs with local service providers to address their settlement needs. | 48,687 |
| Coptic Orthodox Church NSW | 2 | Provide settlement services to Coptic Egyptian and Sudanese settling in St George, Marrickville, Bankstown and Sutherland Shire. Research the needs of those in Blacktown, Parramatta, Fairfield and Liverpool. Focus on linking clients with mainstream services. | 51,122 |
| Friends of Refugees of Eastern Europe | 2 | Information and settlement support services for Jews from the former Soviet Union, including those from the major language groups such as Russian, Ukrainian, Belorus, and the Turkic group of languages, who have settled in the Waverley and Randwick LGAs. | 60,726 |
| Iranian Community Organisation | 2 | Settlement services for newly arrived Iranian refugee and humanitarian entrants in Western Sydney including Blacktown, Fairfield, Auburn and Parramatta. Establish women's and youth support groups and represent community needs at mainstream forums. | 102,243 |
| Lebanese Community Council of NSW | 2 | Assist newly arrived Arabic speaking communities including Lebanese, Egyptians, Iraqi and Kuwaitis across the state, but focussing mainly on the Sydney metropolitan area. Promote cultural awareness among mainstream service providers. | 116,594 |

| | | | |
|---|---|---|---|
| Lebanese Moslems Association | 1 | Information and referral and community development services for Muslim migrants and refugees of Lebanese, Syrian, Egyptian and Bosnian background in the Canterbury/Bankstown LGA, Western Sydney and in Fairfield & Cabramatta LGAs. | 50,716 |
| Maronite Catholic Society Inc | 1 | Provide settlement services, including bilingual information and referral, to Arabic speaking newly arrived migrants and humanitarian entrants in Parramatta and Hornsby LGAs. Raise awareness of mainstream service providers to the needs of this target group | 25,358 |
| St George Lebanese Joint Committee | 2 | Provide settlement services for newly arrived Arabic speaking migrants and refugees including Lebanese, Iraqis, Sudanese, Egyptian, Syrian and, Jordanian, residing in St George area. Undertake community development projects focussing on recently arrived youth, women and the elderly. Work with mainstream services. | 51,121 |
| The Crows Nest Centre | 2 | Provide information, casework and support services to arrivals from Mainland China, Hong Kong, Taiwan, India, Phillipines, Fmr USSR, South Africa, Indonesia, Iran, Korea, Sri Lanka and Afghanistan, who are settling in the Lower North Shore. Represent community needs with mainstream service providers; participate in local networks and provide settlement information sessions. | 98,153 |
| | | **Sub Total** | **881,811** |
| **South Australia** | | | |
| Jewish Community Services | 2 | Provide a counselling, referral, client advocacy, casework service, develop a volunteer network and engage in cultural awareness activities to mainstream service providers, to address the settlement needs of the Jewish community in the Adelaide metropolitan area | 21,000 |
| Migrant Resource Centre of SA Inc | 2 | Provide settlement services including casework, group support, community consultation and education, development of a volunteer network, and service coordination for people from Middle Eastern communities in the Adelaide metropolitan area. | 42,000 |
| | | **Sub Total** | **63,000** |
| **Victoria** | | | |
| Australian Lebanese Welfare Inc | 1 | Provide a casework and referral service to Arabic-speaking newly arrived youth. | 58,822 |
| Ethnic Council of Shepparton & District Inc | 2 | Provide a casework and referral service to the Arabic-speaking population of Cobram and Shepparton. | 111,587 |
| | | **Sub Total** | **170,409** |
| **Western Australia** | | | |
| Muslim Women Support Centre WA (Inc) | 1 | Assist Muslim women to become part of the community through the provision of information seminars and workshops. Provide casework, counselling and a referral service. | 25,000 |
| | | **Sub Total** | **25,000** |
| | | **Overall Total** | **1,140,220** |

*Source    DIMA website www.immi.gov.au/grants*