



**COMMONWEALTH OF AUSTRALIA**

# **JOINT STANDING COMMITTEE ON TREATIES**

**Reference: Treaties tabled on 30 September and 21 October 1997**

**CANBERRA**

**Monday, 27 October 1997**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

## JOINT STANDING COMMITTEE ON TREATIES

Members:

Mr Taylor (Chairman)

Mr McClelland (Deputy Chairman)

|                |                    |
|----------------|--------------------|
| Senator Abetz  | Mr Adams           |
| Senator Bourne | Mr Bartlett        |
| Senator Coonan | Mr Laurie Ferguson |
| Senator Cooney | Mr Hardgrave       |
| Senator Murphy | Ms Jeanes          |
| Senator Neal   | Mr McGauran        |
| Senator O'Chee | Mr Tony Smith      |

For inquiry into and report on:

Treaties tabled on 30 September and 21 October 1997.

## WITNESSES

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| <b>BIGGS, Mr Ian David Grainge, Executive Director, Treaties Secretariat,<br/>Department of Foreign Affairs and Trade, Casey Building, John<br/>McEwen Crescent, Barton, Australian Capital Territory . . . . .</b>          | <b>2</b>  |
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| <b>CAMPBELL, Mr William McFadyen, First Assistant Secretary, Office of<br/>International Law, Attorney-General's Department, Robert Garran<br/>Offices, National Circuit, Barton, Australian Capital Territory . . . . .</b> | <b>2</b>  |
| <b>COLEY, Mr Michael Denis George, Director, Film Development Section,<br/>Department of Communications and the Arts, CWA House, Moore<br/>Street, Canberra City, Australian Capital Territory 2600 . . . . .</b>            | <b>24</b> |
| <b>FARQUHAR, Ms Susan Ann, Director, External Relations Section, Australian<br/>Industrial Property Organisation, Discovery House, Bowes Street,<br/>Phillip, Australian Capital Territory 2606 . . . . .</b>                | <b>11</b> |
| <b>GALLAGHER, Mr John Paul, Executive Director, Australia-Malaysia<br/>Business Council, Commerce House, 24 Brisbane Avenue, Barton,<br/>Australian Capital Territory . . . . .</b>  | <b>2</b>  |
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| <b>HURRY, Mr Glenn, Director, Aquaculture Section, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory . . . . .</b>                              | <b>26</b> |
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| <b>KELLY, Ms Patricia, General Manager, Pharmaceutical, Government Purchasing and Environment Industries Branch, Department of Industry, Science and Tourism, 20 Allara Street, Canberra City, Australian Capital Territory . . . . .</b> | <b>14</b> |
| <b>MANNING, Mr John, Manager, Geodesy, AUSLIG, Department of Industry, Science and Tourism, Scrivener Building, Fern Hill Park, Bruce, Australian Capital Territory . . . . .</b>   | <b>14</b> |
| <b>MORRIS, Ms Megan Philomena, Acting Assistant Secretary, Film Branch, Department of Communications and the Arts, CWA House, Moore Street, Canberra City Australian Capital Territory 2600 . . . . .</b>                                 | <b>24</b> |
| <b>RAYNER, Mr Craig, Assistant Director, Medicare Eligibility, Department of Health and Family Services, GPO Box 9848, Canberra, Australian Capital Territory . . . . .</b>   | <b>5</b>  |
| <b>READ, Mr Timothy Phillip, Director, Film Development, Australian Film Commission, Level 4, 150 William Street, Woolloomooloo, New South Wales 2011 . . . . .</b>   | <b>24</b> |
| <b>SMITH, Mr Bernard Robert, Research Program Coordinator, Fisheries Program, Australian Centre for International Agricultural Research, NSW Fisheries Research Institute, PO Box 21, Cronulla, Sydney, New South Wales . . . . .</b>     | <b>26</b> |
| <b>STOREY, Ms Sarah, Legal Officer, Administrative and Domestic Law Group, Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent, Barton, Australian Capital Territory . . . . .</b>                              | <b>20</b> |
| <b>THORNBUR, Dr Peter Michael, Special Veterinary Assistant, Office of Chief Veterinary Officer, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory . . . . .</b>                  | <b>26</b> |

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| <b>TODD, Mr Andrew Shaw, Director, Western Europe and European Institutions<br/>Section, Department of Foreign Affairs and Trade, Casey Building, John<br/>McEwen Crescent, Barton, Australian Capital Territory . . . . .</b> | <b>5</b>  |
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| <b>ZILLMAN, Dr John William, Director of Meteorology, Bureau of<br/>Meteorology, 150 Lonsdale Street, Melbourne, Victoria 3000 . . . . .</b>   | <b>19</b> |

JOINT STANDING COMMITTEE ON TREATIES

*Treaties tabled on 30 September and 21 October 1997*

CANBERRA

Monday, 27 October 1997

Present

Mr Taylor (Chairman)

Senator Coonan

Senator Murphy

Mr Laurie Ferguson

Mr Hardgrave

Ms Jeanes

Mr McClelland

Mr Tony Smith

The committee met at 9.10 a.m.

Mr Taylor took the chair.

**BIGGS, Mr Ian David Grainge, Executive Director, Treaties Secretariat, Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent, Barton, Australian Capital Territory**

**CAMPBELL, Mr William McFadyen, First Assistant Secretary, Office of International Law, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton, Australian Capital Territory**

**GALLAGHER, Mr John Paul, Executive Director, Australia-Malaysia Business Council, Commerce House, 24 Brisbane Avenue, Barton, Australian Capital Territory**

**TSIRBAS, Ms Marina, Executive Officer, Treaties Secretariat, Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent, Barton, Australian Capital Territory**

### **Trade and Economic Cooperation Agreement with Malaysia**

**CHAIRMAN**—Welcome. This particular agreement was discussed in the committee last week. We just felt that it would be appropriate if the Australia-Malaysia Business Council could make some comments on the *Hansard* record. The record of our previous meeting indicated that it was extensively discussed and that the council was enthusiastic about it. We would just like to hear your comments on it and, in particular, whether, as a result of what is going on in east Asia at the moment, those views have been coloured, or whether they remain the same. Would you like to make an opening statement?

**Mr Gallagher**—Yes, thanks, I will. Thank you very much for the opportunity to appear before the committee. It was not possible last week because a number of us were in Malaysia because it coincided with the joint trade committee meeting between Minister Fischer and his Malaysian counterpart.

The council certainly does welcome the new trade agreement with Malaysia. The agreement provides an appropriate framework for the growing relationship between our two countries. It includes investment activities—you have seen that yourself under article 1—and there is framework, also, for enhanced industrial and technical cooperation. This is something that did not exist between our two countries 20 years ago. It also provides for ministerial joint trade committee talks. This is the forum which particularly interests the Australia-Malaysia Business Council because we have the opportunity to join with the joint trade committee as representing the private sector.

The terms for the new agreement also reflect the national commitment to the bilateral economic relationship. We believe that it is important that that recognition should occur because Malaysia is a very significant partner. It is either the 11th or 12th largest trading partner that Australia has. Our trade with Malaysia has certainly changed over the 40 years since the initial document and we are very pleased to see that it has been

updated.

**CHAIRMAN**—Could you just outline the membership of your council and, perhaps, say whether those views are unanimous? Some of the personalities I suspect, could immediately give us an indication. Who is involved in the council?

**Mr Gallagher**—Yes. The Australia-Malaysia Business Council is a membership organisation. We have about 300 members nationally. We have got chapters in each of the mainland states. We do not have one in Tasmania. We have a coordinator up in the Northern Territory and one here in the ACT, also. Our members vary from BHP, and corporate giants of that dimension, right through to a number of single-person consultancies.

Once I received the document I was in a position to send it out to each of our chapters and ask whether there was any comment or feedback. It is not one of those documents that has yet gone out to all of the members asking them for feedback, so I cannot say whether views are unanimously held. But this is not a controversial document and so I think that you will find that people would be very happy with the document.

**CHAIRMAN**—My committee is very keen on the word ‘consultation’ and, of course, we are keen to understand how extensively individuals and organisations like yours have been consulted, and when, in relation to the preparation of the NIA. When was your council involved?

**Mr Gallagher**—Our president, Paul McClintock, was particularly involved. I checked with Paul specifically on this issue. He has been involved on the different provisions of it from a very early date well back into last year. He has had extensive contact with pertinent people at different times. Again, as I say, because it is a non-controversial document, I think that it has been more than appropriate. Paul is a practitioner in the area. His firm has had 30 years involvement in the bilateral relationships so, therefore, I could not think of a better person to be consulted.

**Senator MURPHY**—I do not want to sound parochial, but why is there no coordinator in Tasmania?

**Mr Gallagher**—At this stage, there has not been enough interest from that state. I think that you have got to appreciate that, as a membership organisation, there has to be a critical mass for larger business councils. I work with the Australian Chamber of Commerce and Industry where I provide this secretariat facility to a number of business councils, and even a far more substantive council, like the Australia-Indonesia Business Council, which has over 600 members nationally, whilst it has some members from Tasmania, does not have enough to warrant its own branch or chapter.

**CHAIRMAN**—That was easy. I am sorry to take up your valuable time—



**Mr Gallagher**—No, that is fine. I did appreciate it.

**CHAIRMAN**—I think that it is important that we get it on the record and make quite sure before we make appropriate recommendations in terms of verification.

**Mr Gallagher**—No, I do understand that. I fully expected that that would be the case on this occasion. Thank you very much.

**CHAIRMAN**—Thank you very much indeed. Let us move on to the medical treatment of temporary visitors between Australian and Ireland.

[9.18 a.m.]

**BURNESSE, Mr Mark, Director, Medicare Eligibility, Department of Health and Family Services, GPO Box 9848, Canberra, Australian Capital Territory**

**RAYNER, Mr Craig, Assistant Director, Medicare Eligibility, Department of Health and Family Services, GPO Box 9848, Canberra, Australian Capital Territory**

**TODD, Mr Andrew Shaw, Director, Western Europe and European Institutions Section, Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent, Barton, Australian Capital Territory**

#### **Agreement on Medical Treatment for Temporary Visitors**

**CHAIRMAN**—Welcome. Would Health and Family Services like to make a short opening statement?

**Mr Burness**—Thank you very much. This is a bilateral agreement which mirrors to a great degree seven other bilateral agreements which are currently in place in Europe. It is for the purposes of assisting in travel and commercial arrangements of people between Ireland and Australia in the sense that it will enable them to travel without the inconveniences that people face in protecting their health whilst travelling between the two countries. The agreement is primarily structured, as is acknowledged in the papers and as we described it, as a knock-for-knock agreement.

The countries are countries which have similar or matching health conditions, standards and arrangements so that there are equivalent access and standards of care at both ends. The agreements, as I indicated, are basically run on a no-cost basis between the two countries.

**CHAIRMAN**—It is basically a standard agreement.

**Mr Burness**—Yes, it is basically a standard agreement.

**CHAIRMAN**—One dimension of that standard is the treatment of students. I guess that is a standard approach too, that students are taken out of all these things and put in under an education—

**Mr Burness**—There is in Australia an overseas student health cover which is one that was set by the government some years ago which was basically set at a price which was affordable. It is a very broad cover. It is private health insurance as well as public health cover in its components, and yes, that is standard.

**CHAIRMAN**—The only item that really raises some questions and that has been referred to in the NIA anyhow is about Queensland Health and Western Australia raising concerns about the cost. We have been in touch with Queensland. We have a comment

back at an official level from Queensland. It still puts a bit of a question mark about it. What are the unresolved issues in terms of costings?

**Mr Burness**—We have had correspondence as far back as August 1996 with all the states and territories. We certainly had a letter from Queensland and they indicated in that letter that they would like to look at their data. We have spoken to them since and we were of the opinion that at this stage there was no real concern in terms of the cost implications of these agreements.

We have also had correspondence with Western Australia and people are looking at it from the point of view of what is the initial cost that might be incurred. We are looking at a flow of people between the two countries of somewhere in the vicinity of about 20,000, both ways. When we were discussing it with Queensland we were basically saying to them that the agreements, as with all the others, have been operating on the basis that for every cost that might be incurred at this end there is an equal and attributable cost which will be incurred in the Irish community in terms of our health care needs over there. Therefore, you have basically a knock-for-knock agreement.

**CHAIRMAN**—Could the committee have some advice from your department quickly to make sure that these concerns are manageable and will be dealt with at official level satisfactorily so we do not hold up the recommendation in terms of ratification, bearing in mind that this agreement comes into force when the parties notify each other the domestic requirements have been met. Basically, what we would want is an assurance that the concerns are manageable and that they can be covered fairly quickly so this thing can be ratified and agreed by the parties. Can we do that?

**Mr Burness**—Certainly.

**Ms JEANES**—Do we collect the overseas student health cover payments?

**Mr Burness**—In Australia?

**Ms JEANES**—Does the Commonwealth?

**Mr Burness**—It is collected through the now Medibank Private scheme. It is done through the insurance Medibank Private.

**Ms JEANES**—What is the cost per student?

**Mr Rayner**—It is about \$260 dollars a year, single.

**Ms JEANES**—And that is distributed back to the states who are paying for the health services?

**Mr Burness**—No, it is a private insurance arrangement; it is fully paid for privately. There is no cost to the state in that.

**Ms JEANES**—Do we have reciprocal arrangements? Do our students have to pay these sorts of insurance costs when they go overseas?

**Mr Burness**—In some of the countries, that is right, it is totally free.

**Ms JEANES**—How do we get away with that?

**Mr Burness**—In Finland, if you enter that country they have a very generous health system whereby if you are in that country you are treated free of charge under their health system. It is the way they operate.

**Mr HARDGRAVE**—I am left wondering why it is that I need to buy travel insurance when I go to New Zealand, the UK, Italy, Malta, Sweden, the Netherlands and Finland when obviously there is this you-beaut agreement here?

**Mr Burness**—Because if you stop over in Singapore and get ill and you are off-loaded in Singapore you are not covered by the agreement. You may decide that whatever your condition is it is not something which is of an urgent nature that you want to have treated because it is an inconvenience and therefore it would not be covered by this agreement. There are a number of circumstances in which you can fall outside of the agreements because they are focused on urgent needs, necessary medical care, that arises during your stay. Fundamentally, it does mean that you would need to have that sort of coverage but you would not need, if you were there for 12 months or 18 months, to have ongoing insurance in the UK, whilst in the UK.

**Mr HARDGRAVE**—The \$40,000 figure is the difference between the comings and goings.

**Mr Burness**—It is the Medicare costs that arose out of an equivalent country.

**Mr HARDGRAVE**—Right. Obviously, Australians going to Ireland under this particular agreement and falling ill will be afforded treatment that could cost more than \$40,000.

**Mr Burness**—There would be a similar cost at that end if you are looking at average utilisations.

**Mr HARDGRAVE**—How many Australians are travelling to Ireland each year?

**Mr Burness**—About the same number, about 20,000.

**Mr HARDGRAVE**—That travel back here?

**Mr Burness**—That is right. They are within an equivalent range.

**Mr HARDGRAVE**—Regarding the diplomats and consular officers and their families, with a broader range of treatment than is available to visitors including private medical treatment, is this a cute add-on at the diplomatic level to—

**Mr Burness**—It is just an encouragement, both ways again.

**Mr HARDGRAVE**—What do you mean by that?

**Mr Burness**—The diplomats quite often stay here for longer periods of time. Therefore, you have other medical situations with children being born and those sorts of things.

**Mr HARDGRAVE**—So we are meeting the private health costs of diplomats from these various countries?

**Mr Burness**—They would have access to private hospitals, and having access to private hospitals they would then have the Medicare component of that for the medical side.

**Mr TONY SMITH**—Last year you said the numbers were about the same but I see here 2,100 more Irish people visited Australia than Australians visited Ireland.

**Mr Burness**—They do fluctuate.

**Mr TONY SMITH**—That is a fair difference. It is not actually the same. I would have thought 100 maybe, but that is 2,100.

**Mr Burness**—You are talking about 20,000. They are never going to be matched up exactly.

**Mr TONY SMITH**—No, but you talk about the costs here. Of course, numbers do not necessarily equate to costs either. There could be a major problem for one person that could cost \$40,000.

**Mr Burness**—Certainly. Equally, it could be the other way around.

**Mr TONY SMITH**—Have any studies been done on the costs of medical treatment to Irish people as opposed to Australians who were in Ireland?

**Mr Burness**—Not that I am aware of that would be conclusive.

**Mr TONY SMITH**—At the moment it favours Ireland more than it favours us.

**Senator MURPHY**—The luck of the Irish!

**CHAIRMAN**—You could take that on notice to give us some confirming advice in terms of the states. I agree, I think it is a quid pro quo and can vary from year to year, but there seems to be nothing exceptional about the agreement.

**Mr LAURIE FERGUSON**—Can you give us some idea of the kind of process that leads to a particular country being selected? Where did the initiative for this one come from?

**Mr Burness**—It flowed out of the UK agreement and Northern Ireland being included in the UK agreement. You therefore had a group of people and the Irish who were keen to have an agreement which took in the whole of the British Isles.

**Mr LAURIE FERGUSON**—Concerning Finland, I would have thought there is very little tourist travel between our two countries. I could be wrong. Why would that hit the margins a lot more than say Germany or the Netherlands?

**Mr Burness**—The Netherlands are in the agreements. We have had discussions with the Germans but the east-west consolidation has meant that there are higher priorities than negotiating a reciprocal health care agreement in terms of tax and social security, which were major issues for them. They have said to us that they would like to wait.

Mainly it has been on the basis that one might ask the question, ‘You have got an agreement with Italy; why have you not got it with France?’ The reason you have not got it with France is that they have a fully private situation which cannot match up to our public health care system in any way. That is one of the major constraints in the system. There is flexibility in the flow of numbers, but only to a degree. Where they are reasonably close, the health systems are of a similar standard and the health structure is on a public health care system, rather than a private one. Those are the main three contingencies that link the two together.

**Mr HARDGRAVE**—Are you really satisfied that the health systems in each of these countries are of a similar standard? Public hospitals in Italy are fairly notorious.

**Mr Burness**—Yes, in the sense that you have to look at the scope across the country as a whole. Obviously rural Australia is not going to match up all that well with inner Sydney in the instant standard of care you can achieve. In various places in Italy you will find the fluctuations in standards. But we are fairly comfortable with the treatment being handed out over there in their major public hospitals for people who have heart attacks and come back perfectly healthy. When they enter our system for check-ups, they have been quite adequately treated. Those sorts of things have shown up through the

various systems.

**CHAIRMAN**—Thank you very much indeed.

[9.32 a.m.]

**FARQUHAR, Ms Susan Ann, Director, External Relations Section, Australian Industrial Property Organisation, Discovery House, Bowes Street, Phillip, Australian Capital Territory 2606**

**HERALD, Mr David, Acting Commissioner of Patents, Australian Industrial Property Organisation, Discovery House, Woden, Australian Capital Territory**

**Agreement with the Intellectual Bureau of the World Intellectual Property Organisation**

**CHAIRMAN**—Welcome. Did you want to make a short opening statement?

**Ms Farquhar**—Thank you, Mr Chairman. We would like to emphasise that this agreement represents a continuation of the appointment of the Australian Patent Office as an international search authority and international preliminary examination authority. This arrangement has been in place for some 17 years and represents a considerable advantage to Australian industry and Australian users of the patent system as a means of accessing most efficiently and economically the international patent system. The continuation of that arrangement will be seen as providing ongoing certainty and convenience to that sector of the industry.

**CHAIRMAN**—We in this committee have not had a lot to do with patents. We do from time to time at the electorate office level. What is the difference between the international search authority and the international preliminary examination authority? What is the significance of 2007. Who decided 2007 was a good date?

**Ms Farquhar**—The date 2007 comes from the term of the agreement. The last agreement was for a period of 10 years. The first agreement was completed in 1980. That was when the patent cooperation treaty, under which this agreement is made, came into effect. That agreement, for reasons which I am not aware of, went through for seven years.

The second agreement was completed in 1988 and was for a period of 10 years—from 1 January 1988 through to 31 December 1997. What the international bureau of the World Intellectual Property Organisation is effectively doing with the drawing up and completion of the new agreements is to bring all nine offices appointed as international search authorities and international preliminary examination authorities into conformity for another period of 10 years. That brings us through to 31 December 2007.

**CHAIRMAN**—Okay. What about ISA and IPEA?

**Mr Herald**—Dealing first with the search authority role, when a patent application is filed the searching authority conducts a search of patent literature around the world and other material to ascertain whether or not the invention that has been described is something which is new. That entails accessing a database of about 30 to 40 million patent



specifications plus material in technical journals. It is a very massive and very difficult undertaking to find the needle in the haystack and that is a compulsory part of the Patent Cooperation Treaty application process. All applications are subjected to an international search before they proceed onwards and that gives the applicant an opportunity also to decide whether or not to commit themselves to the cost of going on with the process.

The second part of the process, the preliminary examination function, is an optional part of the Patent Cooperation Treaty but it is a part which more and more applicants are using. It looks at whether the way the applicant has defined their invention is an adequate way of defining it and distinguishes it from what is known from the prior art.

**CHAIRMAN**—I did note the WIPO building in Geneva recently. It is a fairly large building and obviously a lot of people work there. Are you on-line in terms of computer facilities with the WIPO international headquarters in Geneva?

**Mr Herald**—They do not maintain the databases there. We do access a lot of material on-line. There is a variety of sources of information on-line plus we have paper holdings ourselves. The Australian Patent Office has had reciprocal arrangements with basically all patent offices of note since the turn of the century and we have got a massive store of patent material which we can access, but we are becoming more and more electronic.

We are relatively small in terms of some of the larger offices which have large paper holdings but, we like to think, we apply greater intellect on how to more efficiently access the material. The best ways of accessing the relevant prior art depend very much on the technology of the inventions.

**Ms JEANES**—I was just wondering what the cost to the applicant was.

**Mr Herald**—The international application search fee, I think, is \$850. There are a variety of fees—

**CHAIRMAN**—Eight hundred dollars according to the annexure.

**Mr Herald**—In my job I do not deal with—

**CHAIRMAN**—This might be now a little out of date.

**Mr Herald**—The overall cost for an applicant to file an international application depends on how many countries they want the application to apply in. The initial cost is somewhere between \$3,000 and \$4,000, of which the \$800 is a component.

If the applicant was to go directly into each of the countries and make their applications, their costs go up rather more because they have to have translations into the various languages when they file in those countries. One of the bigger advantages of the Patent Cooperation Treaty is they can file an application here in English and it can apply in any country no matter what the language is, whereas if you do not use this treaty

process and go directly into the foreign countries, you have to have the translation into that language when you file. Those translations can be very expensive and at that stage you have got no idea whether or not you are going to get a patent granted. The international search that we conduct gives the applicant a reasonable idea of the likelihood of getting a patent granted, so there is significant saving of costs.

**CHAIRMAN**—Thank you.

[9.40 a.m.]

**GROHOVAZ, Mr Elio, Manager, Space Policy Unit, Department of Industry, Science and Tourism, 20 Allara Street, Canberra City, Australian Capital Territory**

**KELLY, Ms Patricia, General Manager, Pharmaceuticals, Aerospace and Supplier Development Branch, Department of Industry, Science and Tourism, 20 Allara Street, Canberra City, Australian Capital Territory**

**MANNING, Mr John, Manager, Geodesy, AUSLIG, Department of Industry, Science and Tourism, Scrivener Building, Fern Hill Park, Bruce, Australian Capital Territory**

### **Agreement with Germany on the PRARE Project**

**CHAIRMAN**—Welcome. Would you like to make an opening statement?

**Ms Kelly**—Thank you, Mr Chairman. The treaty level agreement before the committee today provides for the establishment in Australia of a satellite ground station as part of the German based PRARE network of satellite navigation facilities. The acronym PRARE stands for precise range and range-rate equipment. The PRARE facility will be used to determine the precise position of satellites and the ground stations that communicate with those satellites over the Asia-Pacific region. The station will link Australia into a global network of PRARE ground stations through a master station in Germany.

The location of the Australian facility is yet to be finally determined. However, it is likely to be in Hobart or, if not Hobart, in Townsville or the Canberra region. The PRARE facility will be the responsibility of AUSLIG, the Australian Surveying and Land Information Group, which is our national mapping and land information agency. The station will be operated and maintained by Australian personnel working alongside German contractors who will educate and train our scientists and technicians in its use.

The kinds of satellite which PRARE serves can deliver significant social and economic benefits for Australia. They are the Meteor 3 series of meteorological satellites which enable us to better understand and more reliably predict the impact of weather patterns such as El Nino in Australia. The system will also track the European Space Agency's remote sensing satellite ERS 2, from which Australian agencies can obtain detailed information about the effect on Australia of global environmental changes.

PRARE's instruments will help improve the in-flight performance and hence the quality of data obtained from these satellites. Operation of the facility through AUSLIG will also significantly advance Australia's scientific knowledge and application in the area of space geodesy. While we will make a significant contribution of effort, the price of our participation in this system will be minimal. The AUSLIG management team will operate on a cost recovery basis with the German government bearing all direct and other costs associated with the facility.

The treaty sets out that all the activities of the PRARE facility will be operated with the full knowledge and concurrence of the Australian government. It ensures that Australia has unimpeded access to the PRARE data, and it indemnifies the Australian government against a range of third party actions.

**CHAIRMAN**—The agreement enters into force when each country notifies the other in writing that requirements for entry have been met. You have just said that the siting is undecided. It is a pretty wide geographic spread from Hobart to North Queensland. When is that likely to be finalised, and will the entering into force be dictated by the site decisions?

**Ms Kelly**—No, I do not believe it will, but I think Mr Manning can give you more information about that.

**Mr Manning**—The reason for the wide geographic distribution is that this system needs to be placed on a primary, very accurately known point. Our very strong geodetic points are in Hobart, Canberra and Townsville. Coupled with the German requirement to try to get as much coverage in the South Pacific area as possible, this makes Hobart their preferred site. However, the University of Tasmania, which occupy the site of Mount Pleasant, have some reservations about this system being put very close to their radioastronomy facility.

There are some negotiations taking place between the university and the Germans. The Germans would like it as close as possible; the University of Tasmania want to protect the site and keep it at some distance. If this is not satisfactory to the University of Tasmania, we would place it in the Canberra region where our primary geodetic system is optical, not electrical.

**CHAIRMAN**—Would that be university based, and would North Queensland be James Cook? They are all university based, are they?

**Mr Manning**—No; the one in Canberra most likely would be ANU at Mount Stromlo, but the site where we have our prime geodetic station is at the Institute of Marine Science in Townsville.

**CHAIRMAN**—When is that all likely to be finalised?

**Mr Manning**—The treaty has taken quite a while to be finalised. We would expect it to be installed this year, in December. The expectation is that we will decide within a month where the site will be.

**CHAIRMAN**—How long does it take to install the equipment—just a short period of time?

**Mr Manning**—Yes. A technician will come with the equipment from Germany

and do the installation.

**CHAIRMAN**—How many Australians are likely to be involved, in a cooperative sense, working at the station?

**Mr Manning**—It is an automatic system so it would just need a little bit of tending by the University of Tasmania perhaps and there would be one or maybe two people from AUSLIG who would be involved in monitoring and using the data and becoming more involved in that global program.

**Mr TONY SMITH**—AUSLIG is the agency responsible for national mapping and geodesy, and for remote sensing. What does that mean?

**Mr Manning**—Remote sensing, in that manner, means observing the earth from satellites or from ground. So it is taking satellite photographs, which we do. At AUSLIG we record and we accept downloaded imagery from a number of satellites, through the Australian Centre for Remote Sensing. So Landsat or SPOT are typical remote sensing images that come down.

**Senator MURPHY**—Is that something similar to the thing at Exmouth?

**Mr Manning**—This is really more for making maps. You have probably seen some satellite photographs about, and we use this for revising or making new maps. We can cover the whole of Australia. It is a very good way of monitoring the land use of Australia. You can see where fires are happening, or floods, or the difference in vegetation.

**Ms Kelly**—And it can be used quite extensively in minerals exploration, and in agricultural applications as well.

**Mr TONY SMITH**—So it can detect, from a great distance, activities of people?

**Mr Manning**—These sensors typically need about a 20-metre ground segment to be able to register. But increasingly now, not so much us but globally, people are working on satellites that will sense a target of one metre. So if you are a big person—20 metres—it will see you, but if you are smaller you will only get the linear—the road alignments. But it does monitor the environment in general terms.

**Senator MURPHY**—How many of those do we have?

**Mr Manning**—Our main reception systems are at ACRES, at Alice Springs, and at TERSS in Hobart. You might have seen the one on Mount Droughty—the dish there. These are our two principal ground stations.

**Senator MURPHY**—I am just curious about its use or its application. I know we have been doing some work with regard to monitoring our waters to the south.

**Mr Manning**—Yes; from TERSS you can just reach the Antarctic with its footprint.

**Senator MURPHY**—Is it able to detect illegal fishing boats?

**Mr Manning**—There are different types of remote sensing applications. We have mainly two bands—the optical area and the radar imagery. Optical will just show you what you have, so if you have a very big wake you might see it. But the radar gives a much stronger signal from a wake, so radar is the system which would best show ships' wakes. Mainly you will see the wake, not the ship, but it is technically possible.

**Mr TONY SMITH**—In relation to article 3(2), the indemnity, and 3(3), what does Australia have in mind in relation to claims, et cetera, with respect to operation of the ground station? What is in mind there? Is there any particular aspect of a claim that the government had in mind?

**Ms Kelly**—I think there is very little expectation that there would be any claim. It is more the case that it is a fairly standard practice in such treaties to include this kind of indemnity.

**Mr Campbell**—The negotiation of this agreement followed the negotiation of an earlier agreement with Germany which involved a project called German Express, which involved the landing of a satellite in South Australia. There was a long negotiation over the liability provisions in that particular project, and some of the wording relating to that project flowed into this project. It is very much a case of trying to get the best indemnity we can even though certain events might not arise—that we make sure that we get the best liability provisions we can.

**Mr TONY SMITH**—We are not looking at any immediate prospects, I hope, of any hostilities. But if hostilities should ever arise involving Australia, will it expose Australia to the potential for some strike by having this sort of facility on Australian soil?

**Ms Kelly**—The Department of Defence was certainly consulted as part of the process of putting this treaty together. To the best of my knowledge, they saw no exposure for Australia in hosting this facility.

**Mr TONY SMITH**—On the basis that there was no immediate threat perhaps?

**Ms Kelly**—I would have to check what the basis was.

**Mr Grohovaz**—Perhaps I can clarify that somewhat. First of all, one of the

reasons that we have this type of treaty for what would be a fairly low-key activity is just to get the assurances that you are seeking. One other thing is that the satellite that operates with this system must also have a PRARE on-board system; otherwise it will not work. Australia can determine which satellite it will or will not work with, and if there is any doubt whatsoever it is very simple just to switch off the PRARE beacon in Australia. We had a similar query once in the past with a French beacon when the same types of concerns arose about whether these could be used for missiles to home into. That has been a specific consideration by the Department of Defence.

**CHAIRMAN**—All right. I think we have covered it. The main thing is when do you expect the station to be operational?

**Ms Kelly**—By the end of this calendar year.

**CHAIRMAN**—Okay. Thank you very much.

[9.53 a.m.]

**ZILLMAN, Dr John William, Director of Meteorology, Bureau of Meteorology, 150 Lonsdale Street, Melbourne, Victoria 3000**

**Agreement with Japan for the Geostationary Meteorological Satellite-5 System**

**CHAIRMAN**—Welcome. Would you like to make a short opening statement?

**Dr Zillman**—Thank you. This exchange of notes is essentially an updating of an arrangement that has existed between Japan and Australia since 1977 governing the operation of the Japanese geostationary meteorological satellite, which is a remote sensing satellite that gives these sorts of pictures of the world every hour. They enable us to keep track of weather systems over Australia for tropical cyclone warnings, flood forecasting and the like. The first such agreement was put in place in 1977, with the first of these satellites, and a new agreement has been put in place each time subsequently.

The program is overwhelmingly of benefit to Australia. It costs the Japanese government well in excess of \$US100 million a year to maintain the satellite in the sky. It costs us about \$20,000 a year and, as well as getting free access to all the data on the international scene, enables us to present ourselves as contributing in a cooperative way to an international system from which we and all other countries benefit.

**CHAIRMAN**—Thank you. Where is the station?

**Mr Zillman**—The actual station which helps us to keep the satellite in the sky is at Crib Point in Victoria. It was initially located at Orroral Valley, for the first satellite, but moved to Crib Point 10 or 15 years ago.

**CHAIRMAN**—Why Crib Point? That is near Westernport.

**Mr Zillman**—It is a convenient location not too far from the headquarters of the Bureau of Meteorology, it is relatively free of radio noise, and a number of our other satellite receiving facilities are located there. It is simply economies of scale. It is essentially an automated facility that enables us to keep them all together in the same place.

**CHAIRMAN**—Putting on my old navy hat again, there are no problems with r.f. transmissions from HMAS *Cerberus*?

**Mr Zillman**—None at all. In fact, we work closely with *Cerberus*. When the facility was opened, they were our hosts.

**CHAIRMAN**—Thank you very much.



[9.58 a.m.]

**GOODWIN, Mr Brian, Director, Protocol Services and Protection Section,  
Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent,  
Barton, Australian Capital Territory**

**STOREY, Ms Sarah, Legal Officer, Administrative and Domestic Law Group,  
Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent,  
Barton, Australian Capital Territory**

**Agreement with Holland on Employment of Dependants of Diplomatic and Consular  
Personnel**

**CHAIRMAN**—Would you like to make a short opening statement on the Netherlands?

**Ms Storey**—Thank you. I will give a brief introduction to the bilateral employment agreement with the Netherlands, which was signed in Canberra on 24 September by the Minister for Foreign Affairs, Mr Downer, and the Dutch Vice-Minister for Social Security and Employment, Mr Frank de Grave.

I will briefly mention three points. The first is Australia's global bilateral employment arrangement program, the second is why this particular arrangement has treaty status and the third is how many people this treaty actually applies to.

First, the global bilateral employment program: what these arrangements do. The ability of spouses and dependants of DFAT officers posted overseas to work legally in their country of posting continues to be a priority of DFAT. DFAT aims to conclude as many of these arrangements as possible. Bilateral employment arrangements allow the dependants of Australian diplomatic and consular personnel to engage in paid work when posted to the country with which the arrangement is concluded.

On the basis of reciprocity, these arrangements oblige Australian authorities to allow the dependants of diplomatic and consular personnel of that country, posted in Australia, to engage in paid work but only for the duration of the official's posting. This authorisation is handled by DFAT's Protocol Branch, of which Mr Brian Goodwin is the representative this morning.

The standard form of these arrangements is usually as a memorandum of understanding, or an MOU, which is an arrangement of less than treaty status. To date, Australia has concluded 16 bilateral employment arrangements, of which this agreement is the second treaty status document. Negotiations are under way with another 24 countries, with particular emphasis on the negotiations with countries where Australia has large diplomatic missions.

From a policy perspective, bilateral employment arrangements are consistent with the government's family friendly policies. They encourage officers to balance work and

family responsibilities, and to stay together. Bilateral employment arrangements recognise that it is a significant disincentive for diplomatic and consular personnel with families to apply for postings in countries where their spouses or dependants are not allowed to engage in paid work. Two incomes are common for Australian families. Without the capacity of the accompanying spouse to work during an officer's posting, there is an immediate loss of family income which is not compensated for through family allowances. The career path and aspirations of the accompanying spouse are affected and it takes time to find a job for their spouse upon return to Australia, once they have been out of the labour market. Finally, the spouse often forfeits superannuation benefits.

Accordingly, Foreign Affairs finds it difficult to fill postings to particular countries, especially those where spouses and dependants decide not to accompany officers on posting. This means that there is an unbalanced profile of Australian representation overseas as fewer families are represented; and there are consequences for the separated families, which sometimes lead to family breakdown.

Turning to the priority placed on these negotiations by the department, negotiations for bilateral employment agreements are followed keenly within the department. Indeed, Mr Downer noted in his speech when he signed this agreement that, while it may not be the most historic treaty, it is, nevertheless, one that is very popular among DFAT officers.

Organisations with a particular interest include the department's family liaison officer, the Foreign Service Families Association, the Foreign Affairs and Trade Association, the equal opportunity officer and the Overseas Conditions Section. Mrs Maria Selleck, the president of the Foreign Service Families Association, who was unable to attend the hearing today, has asked that a paper be passed to the committee to be placed into the record of proceedings.

**CHAIRMAN**—Thank you; we will do that before we go any further.

Resolved (on motion by Ms Jeanes):

That the submission from Foreign Services Families Association, dated 25 October, be received as evidence.

**Ms Storey**—Why is this particular arrangement of treaty status? As I have mentioned, these arrangements are usually in less than treaty status format. However, the Dutch ministry of foreign affairs and the Dutch diplomatic representatives in Australia both affirmed in 1996 that there was no latitude to conclude a less than treaty status arrangement, even though they were advised that to conclude a treaty status document would add significantly to time delays in its operation.

How many people are involved? It is not that many. There are six Australian diplomatic and consular personnel posted in the Netherlands. These are the ambassador, a

counsellor, two first secretaries, a third secretary and an administrative assistant. Conversely, there are eight Dutch diplomatic and consular personnel posted in Australia. In Canberra, there is an ambassador for the Netherlands and three diplomatic personnel. In addition, there is a Dutch consul-general and a vice-consul in Sydney and, again, in Melbourne. Thanks.

**CHAIRMAN**—Thank you very much. We have made comments on another one of these—the one with Chile—in the eighth report to the parliament, where we said, in 2.6:

We have signalled two matters with such agreements. First, it would be a concern if the privileges afforded by employment agreements were used by dependants of diplomatic and consular personnel to secure favourable treatment and alter their status in order to reside in Australia beyond the term of the posting. Second, the question of immunity needs to be carefully monitored to ensure that the privilege is waived when appropriate.

We continued in 2.7:

Nevertheless, agreements such as these and the opportunity for spouses and dependants to be employed in Australian missions abroad are important if the Commonwealth is to have access to as wide a field of candidates as possible to serve in positions overseas and if officers are to have full opportunities to pursue their careers. We therefore endorse the negotiation of further agreements to allow employment opportunities to spouses and dependants of Australian Government personnel.

I assume that DFAT agrees in general with those statements.

**Ms Storey**—Yes.

**CHAIRMAN**—Does this vary from the Chile agreement?

**Ms Storey**—No. In fact this is closer to the standard form that the memoranda of understanding usually take for these agreements.

**CHAIRMAN**—And of those—I think you mentioned 24 being negotiated—how many are likely to be treaties and how many will be MOUs?

**Ms Storey**—At present, there is only one likely to be of treaty status. The rest are all likely to be either memoranda of understanding or even more informal than that.

**CHAIRMAN**—I see.

**Ms JEANES**—If there are 24 negotiations under way, is there any consideration given to higher education opportunities for spouses and dependants? With this focus on employment, I was just wondering whether any consideration was given to higher education.

**Ms Storey**—Yes. That is very important for spouses of diplomats. That is actually something that spouses commonly pursue when they are overseas. However, this agreement in particular merely focuses on the ability of those spouses to engage in paid employment if they so desire.

**Ms JEANES**—So there is no special consideration at the moment for spouses to go into higher education facilities with any of these agreements?

**Ms Storey**—No, these agreements do not actually cover that at all, although—

**Mr Goodwin**—No. These agreements are purely for paid employment. At this stage, we do not have any active consideration for further education. A consideration we would have to give, of course, is the reciprocal impact in Australia. We would equally have to allow for spouses to have access to universities here in Australia. At the moment, any diplomatic dependants pay full overseas fees. In Australia, we have to consider the impact if we are to go to any bilateral negotiations on that question also.

**CHAIRMAN**—Thank you for your evidence.

[10.07 a.m.]

**BENNETT, Mr Bruce, Department of Foreign Affairs and Trade, Casey Building, John McEwen Crescent, Barton, Australian Capital Territory 0221**

**COLEY, Mr Michael Denis George, Director, Film Development Section, Department of Communications and the Arts, CWA House, Moore Street, Canberra City, Australian Capital Territory 2600**

**MORRIS, Ms Megan Philomena, Acting Assistant Secretary, Film Branch, Department of Communications and the Arts, CWA House, Moore Street, Canberra City Australian Capital Territory 2600**

**READ, Mr Timothy Phillip, Director, Film Development, Australian Film Commission, Level 4, 150 William Street, Woolloomooloo, New South Wales 2011**

#### **Films Co-production Agreement with Israel**

**CHAIRMAN**—Thank you. Would someone like to make an opening statement?

**Mr Read**—Australia has had a number of agreements or memoranda of understanding and, on 25 June 1997, it signed an agreement with the state of Israel. The agreement was signed between the minister for the arts and the ambassador of the state of Israel here in Canberra.

These treaties can be considered frameworks of opportunity to allow film producers of both countries to create film productions where otherwise none might exist. They do this by allowing that any eligible production be considered a national production of each country, and therefore eligible for the benefits that each country awards national productions.

In the case of Australia, these benefits are principally access to film finance via the Australian Film Finance Corporation and eligibility as Australian quota content on television. There are other minor benefits, but they are the main two.

Since these treaties came into existence, the total budgeted cost of co-productions has been \$A250.162 million, of which the Australian financial investment portion has been \$109.288 million or 44 per cent. The total foreign financial investment has been \$140,874 million or 56 per cent. The total expenditure on Australian elements has been 49 per cent of the whole figure, implying a benefit to Australia and its productions. The total expenditure on foreign elements has been 51 per cent.

There have been 33 such co-productions since the arrangements began. The most recent has been an Australian-UK co-production entitled *Moby Dick*. It is hoped that this agreement with Israel will, as I said earlier, facilitate productions between producers of both countries, but the program itself is not an initiator. It is a framework that becomes

active when it is called upon.

**CHAIRMAN**—This committee reported in its fourth report some months ago on a similar production agreement with Italy. Is it a standard one? Is this one similar or are there any variations on the Italian one?

**Mr Read**—Yes, Mr Taylor. These agreements are developed from a standard model which was developed by the Australian Film Commission in association with its colleague departments. The variations are there, but they are not major variations.

**CHAIRMAN**—No, the only cost to the commission will be in terms of attending meetings of the mixed commission.

**Mr Read**—That is correct. Those meetings are always held at moments when officers of the two competent authorities are attending meetings which have otherwise been arranged—for instance, the Cannes Film Festival.

**CHAIRMAN**—The commission has also consulted the industry bodies and everybody is happy that this fulfils not only requirements of the Israelis but also our indigenous requirements.

**Mr Read**—That is correct. I chair that committee.

**CHAIRMAN**—Are there any final comments? Nothing? It is a standard?

**Mr Bennett**—No, it is standard. The only thing I could indicate is that the agreement and the signing have been very well received by the Australian Jewish community. The agreement has been given wide publicity in their various publications.

**CHAIRMAN**—Do we have we any feel for the likely investment both ways in terms of this one?

**Mr Read**—I could not put a figure on that. I do know that at least two major producers in Sydney are interested in accessing films under this treaty.

**CHAIRMAN**—All right. Thank you very much.

[10.15 a.m.]

**BEERS, Dr Peter Thomson, Acting Senior Principal Veterinary Officer, AQIS, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory**

**HARWOOD, Ms Mary, Assistant Secretary, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, GPO Box 858, Canberra, Australian Capital Territory**

**HURRY, Mr Glenn, Director, Aquaculture Section, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory**

**JARZYNSKI, Mr Stan, Assistant Director, Aquaculture Section, Fisheries and Aquaculture Branch, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory**

**THORNER, Dr Peter Michael, Special Veterinary Assistant, Office of Chief Veterinary Officer, Department of Primary Industries and Energy, Edmund Barton Building, Barton, Australian Capital Territory**

**SMITH, Mr Bernard Robert, Research Program Coordinator, Fisheries Program, Australian Centre for International Agricultural Research, NSW Fisheries Research Institute, PO Box 21, Cronulla, Sydney, New South Wales**

#### **Agreement on the Network of Aquaculture Centres in Asia and the Pacific**

**CHAIRMAN**—Welcome back, Mary and others. We will keep this one a little shorter than the tuna. Would you like to make an opening statement?

**Ms Harwood**—Yes. Mr Hurry has an opening statement.

**Mr Hurry**—I have got a reasonably detailed opening statement. When I get to the benefits, I will give you the option of my running through the benefits from this, or you might like to pull me up and I can table that document.

**CHAIRMAN**—Sure.

*Overhead transparencies were then shown—*

**Mr Hurry**—The question of Australian membership to NACA has been discussed in different forums since 1987. When NACA was officially formed, it was an independent body from 1990. Australia did not take up its opportunity for membership because at that time aquaculture was at an early stage of development in Australia. The second wave of aquaculture expansion was only just beginning and the cost of membership was

significant. However, now in 1997, a number of developments have occurred, or are occurring in aquaculture in Australia. These are up on the overhead here. Aquaculture is now one of Australia's fastest growing rural industries with a growth rate of some 18 per cent per annum. The industry provides employment growth and infrastructure in a number of rural areas in Australia. The industry makes significant contributions to fisheries export, through salmon from Tasmania, tuna from South Australia, prawns from northern New South Wales and Queensland, and pearls from north Australia.

Australia has numerous competitive advantages: out of season production to northern hemisphere producers, clean waters, a good reputation for high quality seafood, reasonably cheap land and a good fish health and disease status. Aquaculture has developed in Australia at a slower rate and in a more controlled manner than in other parts of the world. We are ideally placed to learn from experiences in these other countries.

If we look at what has changed to make us want to take up membership of NACA, earlier this year the state aquaculture managers who report annually through the aquaculture committee of the standing committee on fishers and aquaculture, produced the following figures on current value of production, farm gate prices and the estimates of level of employment in the industry. For the first time, the managers had an industry of sufficient size and growth that they felt comfortable to attempt to predict the path of growth for the industry over the next 10 years. These figures indicate that the industry will continue to grow in all states and that by 2005, if the predicted growth is achieved, it will be worth in the vicinity of \$1.3 billion per annum—more than double its present value.

The industry is labour intensive and, at that time, will provide some 10,000 direct jobs, predominantly in rural and remote areas of Australia. To give you an idea of the spread of aquaculture, if you look at the map you will see that most of our prime growing sites are in some of the remoter areas of Australia and that they are spread pretty much around all states and that the benefits accrue to all states. If you go back to the overhead on potential production, you will notice that the growth is across the board and the growth of employment levels are predicted to follow across the board, as well.

Increased trade in fishery products and the prevalence of disease in aquaculture products overseas have made us aware of the need for continued vigilance in quarantine, translocation and disease management. There are, however, some barriers to the continued growth in Australia. These include: environmental aspects; access to suitable sites; disease outbreaks; quarantine issues for imported fish and fish products, such as prawn food and pilchards; reliance on overseas fishmeals for diets and feeds and enclosing the knowledge of the breeding cycle for key species, such as the black tiger prawn. These problems are not unique to Australia and are shared by our Asian neighbours, and that is reflected in the current NACA work program.

Through the work of the Australian Centre for International Agricultural Research, ACIAR, where we have undertaken a number of projects with NACA and conducted joint workshops, there has grown a greater appreciation of the benefits that would accrue to Australia from NACA membership. The cost of NACA membership is set at \$US60,000



per annum which translates to approximately \$A77,000 Australian, but that will change with the change in conversion rates.

The funds for membership have been approved by Cabinet for a four-year period. At the end of this period, the benefits of membership will need to be evaluated prior to a commitment being made for long-term membership of NACA. This level of contribution—the Australian level of \$US60,000 per annum—has been set for all group 1 countries, and this includes Australia, China, India, Korea and Brunei.

The benefits of NACA membership fit into three broad categories: knowledge of Asian aquaculture and aquaculture development, including exchange of knowledge of ideas and technology, farming techniques, management and institutional issues, and education exchange; disease monitoring, fish health and quarantine, and aspects of fisheries trade. If you like, I can go into those in more detail, or I can table that as a—

**CHAIRMAN**—How about you table it? We do not want to take up too much of your time. That is fine.

**Mr Hurry**—All right. Can I just run through the consultations and outstanding issues and then I will close up? The fisheries and agriculture branch of the department of primary industry has consulted with state fisheries managers, state governments and with industry through the Australian Aquaculture Forum, the Australian Seafood Industry Council, the Australian Pearl Producers, the Pet Industry Joint Advisory Council, the Australian Prawn Farmers Association and the Australian Barramundi Farmers Association. The Australian Aquaculture Forum represents a large segment of Australian aquaculture industry and, following the clarification of issues sought by them in their first response to the proposal to join NACA, they have now forwarded a letter of support, and that has been tabled.

A list of member organisations taken from a recent ASIC bulletin is tabled and I have got a copy of that there for you. A letter of support has been tabled from PIJAC, the Pet Industry Joint Advisory Council, and this morning I am pleased to be able to table that as expressing strong support, and there are supporting reasons for Australia joining NACA from two important aquacultural industry bodies, the Australian Prawn Farmers Association and the Australian Barramundi Farmers Association.

The only outstanding issue is the question of support from the pearl farmers, and I am advised that they are not having a meeting to discuss the matter until 7 November. In summary, aquaculture is emerging as an important rural industry in Australia. It is an established industry and activity in Asian countries where it is important for trade, foreign exchange and for food security. NACA is a significant Asian based aquacultural research and education provider and is increasingly prominent in regional international forums on disease, quarantine and other trade related issues. I believe that the Australian industry will benefit through accelerated development for the closer engagement with Asia, made

possible through membership with NACA. Thank you for the opportunity to comment.

**CHAIRMAN**—Thank you very much. Are there any other opening comments?

**Ms Harwood**—No.

**CHAIRMAN**—Let me say at the outset that this committee, as DFAT and the Attorney-General's Department, in particular, would know, put a lot of emphasis on consultation, and I want to commend DPIE for the degree of consultation that has taken place in this. This is the sort of real consultation that is so important in terms of a judgment on the need to ratify some of these agreements. We note the situation with the pearl producers and, of course, we would like to have a copy of their comments in due course. I suppose that implicit in your remarks is the understanding that you do not anticipate any problems from the pearl producers?

**Mr Hurry**—No, I do not. I suspect that if we get any comments, it will be that they are not interested.

**CHAIRMAN**—All right.

**Senator MURPHY**—Who comprises the governing council of NACA?

**Mr Hurry**—It comprises some 16 Asian countries and there is a list of them tabled, I think.

**Senator MURPHY**—So, they are all, in effect, on the—

**Mr Campbell**—All member countries are on the governing council, yes.

**Senator MURPHY**—Yes. I just wanted to clarify whether it was a governing council, or some executive body—

**Mr Hurry**—No. It is made up of everyone.

**Senator MURPHY**—I have a question with regard to quarantine. I notice that in the NIA it says that under the terms of the agreement Australia would be bound by measures adopted by the governing council. Does that also relate to quarantine?

**Mr Hurry**—I think it goes on to say that, to the degree—

**Senator MURPHY**—It says before that, in so far as our taking additional measures—which we are, as I understand it, under World Trade Organisation requirements, if we see fit, and either scientifically or under sanitary and phytosanitary agreements—if it is deemed that there is an additional measure that needs to be taken, we can do that: this does not affect any of that capacity?

**Mr Hurry**—No. My understanding is that it does not. Dr Beers could comment on

that.

**Dr Beers**—My understanding is that it would not affect our sovereign rights to set our level of quarantine protection.

**Mr Hurry**—The other issue on quarantine is that NACA has a quarantine research program under way through the OIE. Because of our record on quarantine, they are looking to us to lead in some of that program work.

**Senator MURPHY**—At the end of the NIA I note that the Australian Seafood Industry Council have given their say to the Australian Aquaculture Forum. Those outstanding questions have now been resolved?

**Mr Hurry**—Yes, they have been.

**Senator MURPHY**—Who makes up the Australian Aquaculture Forum?

**Mr Hurry**—I have a list of the members of that organisation which I will table.

**Senator MURPHY**—Could I have a copy of that?

**Mr Hurry**—Yes.

**Mr TONY SMITH**—I have a couple of questions on consultation. Firstly, was CSIRO consulted?

**Mr Hurry**—CSIRO sits as a member on the aquaculture committee. That committee has been a supporter of Australia getting involved in NACA for some time.

**Mr TONY SMITH**—I have recently inspected the CSIRO facility in Indooroopilly in Brisbane. They are constantly conducting tests in relation to aquaculture—particularly of prawns and fish. They advised me of some very serious problems that were occurring in South-East Asia in relation to disease problems and told me how catastrophic it would be for the Australian aquaculture industry if those sorts of problems came here. Would you like to comment on the downside of aquaculture? It is great to see the figures, but there is a real downside, and people could be wiped out if these diseases came in to infect some of the prawn farms and so forth.

**Mr Hurry**—From an Asian aquaculture perspective, yes, there have been significant problems with disease outbreaks. There are two major diseases over there—yellow head disease and white spot disease—which have had a fairly devastating effect on the prawn industry. Part of the problem is the way the industry has grown over there and the lack of controls over it. The Australian industry does not grow in the same way. We have fairly strong environmental controls over the Australian industry. We do a lot of

disease monitoring, and we would expect to pick up on some of those problems as they arise.

There are some problems with diseases, but a lot of them are linked into the stocking densities you have and the quality of your water and the quality of the feed you put into your stock. I think we have a lot of investors in Asia who are prepared to move from one country to the next and, if they have a disease problem, then that is fine—they move on.

Also, disease seems to move with the translocational movement of larvae for grow out. You might have disease in Thailand, and then an operator in India will buy a batch of infected larvae, and all of a sudden you have the same disease over in India. It is those types of problems that we are trying to avoid in Australia by knowing what is happening in that environment and stopping it coming across our border.

**CHAIR**—Yes. I guess that leads into the Nairn review and quarantine policy and all the rest of it. Is it true that NACA are expecting Australia to take a lead in terms of quarantine policy?

**Mr Hurry**—That is my understanding. I was not at the meeting in 1996 where they discussed the project, but my understanding from that was that it is an OIE-sponsored program that has a couple of arms to it. One is to develop a disease monitoring system from farms and industries in Asia and the other is to develop a quarantine policy, particularly for the responsible movement of live animals. They are looking to Australia, because of our record, to play a part in developing—

**CHAIRMAN**—So what is being planned is consistent with Nairn?

**Mr Hurry**—Yes, it certainly is.

**Mr Smith**—I have been involved in this initiative with NACA, and the Asian countries very much looked to the approach Australia has taken as a model that can be built upon or developed further or adapted to the Asian situation, which is much more complex. Australia has already been active, and Australia is seen as a useful conduit to make a very strong link to OIE with NACA in developing the strategy.

**Senator MURPHY**—I just want to go back to the question with regard to the quarantining. The only thing that concerns me is whether there is some obligation developed between the member countries. Before becoming one or on becoming one, are you then obliged to comply with measures that may be agreed, say, between the majority. You are talking about important decisions, including program work and budget, requiring a two-thirds majority, and other decisions requiring a majority of votes cast. That does worry me a bit so far as our quarantine is concerned and I would like to know a bit more about that and what impact it might have.

**Dr Beers**—I do not think it will have any impact, because my understanding of the agreement and the objectives—

**Senator MURPHY**—I know you might think that but I would just like to know.

**Dr Beers**—The objectives of the agreement do not talk about quarantine or imposing measures on countries as such.

**Senator MURPHY**—I am only just going on what it says in so far as the development of standards is concerned and whether there is any potential from a trade point of view and whether it could create any difficulties for us. It may well not but I would just be interested to have a bit more information about that. What happens if there is a dispute arise? I know you have got some dispute tribunal—I think I read somewhere that that would be set up—but I just wondered, in terms of quarantine issues at the end of the day, whether it might place additional pressure on us or could put us in a difficult position if we say, ‘Whilst everybody else may have agreed with this set of standards or a standard may relate to a specific species, we are not going to accept that.’ What does that mean and what is our capacity to disagree?

**Mr Hurry**—I would be happy to clarify that for you but my understanding of this was that a number of Asian countries were not aligned with the OIE, the world organisation on animal health, and I thought that the program that they had funded under NACA and that they were hoping to develop would develop a set of regional standards that would be internationally acceptable.

**Senator MURPHY**—Which obviously we would all welcome.

**Mr Hurry**—Yes, and that is the type of project that I think this one on quarantine in Asia is—to try and get them to fit in with what is internationally acceptable as a standard, which is a standard that Australia has signed on to.

**Dr Beers**—The obligations under article 7 include financial obligations, cooperating in determining technical activities, providing information, undertaking assignments mutually agreed, and according the organisation and its members facilities in so far as possible under constitutional procedures of respective members. There are no obligations in that article 7 that talk about quarantine or imposing measures within the country. The last one concerns collaborating in the fulfilment of the objectives and functions of the organisation—and the objectives, again, to my understanding, do not talk about imposing obligation as far as—

**Senator MURPHY**—I understand that but I would still like to know.

**Mr Lennard**—We are of the same view, that the obligations which are in article 7(2) do not extend to requiring us to adopt particular standards. I think also when you

look at the functions of the governing council, as we read them at least, it is not really a function of the governing council to say countries must adopt a particular standard.

Perhaps—and DPIE may correct us on this if I am wrong—the confusion is that it sounds as though there is a project within this body to encourage countries in the region to join up to OIE, the International Office of Epizootics, also known as the World Animal Health Organisation, to join up to those standards. Those standard are particularly mentioned in the WTO sanitary and phytosanitary agreement, and the work of the OIE is given a status within that agreement.

I suspect that there may be a project within this body to encourage countries to adopt those standards. But, as we read it, there would be no obligation on us to adopt particular quarantine standards under this agreement. Probably it would not be the function of the governing council to attempt to obligate the members of this body to adopt a particular standard.

**CHAIRMAN**—Do DPIE want to add anything?

**Mr Hurry**—I have an article that you might want to get a copy of from a NACA magazine that explains their fish health management strategies in those two specific projects that relate to the OIE. One from the experts meeting recommends a fish disease reporting system. The other one is on a regional strategy for the responsible introduction of aquatic animals.

**Senator COONAN**—I apologise if this has been adequately covered. Could you elaborate a little on what the consultation process was with the state and territory fisheries agencies? I notice that some of them have not yet responded. Where are we up to with getting a position from these interest groups?

**CHAIRMAN**—Sorry, we did cover that before. The only one is the pearl producers and that is coming. It has been said that, if they do comment, they may not be interested. Apart from that, everybody is on board.

**Senator COONAN**—Is on board. Thank you. That was all I needed to ask.

**Senator MURPHY**—With regard to the people that start to look at the standards that they will set for quarantine measures, what will be the consultative process in getting back to our industry and advising them of how and in what vein things are developing? What standards are being pursued by other countries that are members of this agreement? Will there be a consultative process before agreements are signed?

**Dr Beers**—I have not been involved in the exact detail of how NACA will be providing information to us. I would imagine it will be through the usual processes that AQIS has, which have been enhanced since the government acceptance of Nairn

recommendations on consultation to put it up on the Internet site, set up mailing lists and consult with all the major domestic industries, state governments and research and scientific organisations.

**Senator MURPHY**—But how will you go about it? It says in the national interest analysis that we are going to play a leading role. How will we play this role of developing these standards?

**Mr Hurry**—In the early stages of discussions on NACA, we intend to involve both industry and the academic institutions on how we might go about maximising our membership fee. From an academic viewpoint, we have to identify a number of institutions in Australia that we want to link in through NACA. Industry are particularly interested in what they can gain from NACA by way of technology. We are going to have work out a proper reporting mechanism back to them. We have just started developing an article that we will produce as a regular page in the industry magazine *AustAsia Aquaculture*. We have the first one ready to go into the November edition. I suspect that issues such as this will be published in those magazines and also in the state fishing industry magazines.

**Senator MURPHY**—On page 2 of the national interest analysis, as far as the Nairn review is concerned, it says:

These include risk analysis, area freedom and market access arrangements. Membership of NACA will assist Australia to develop and gain regional support for draft standards that are relevant to the Asia-Pacific region.

What I would like to know is, in terms of the draft standards, whether I am to assume that AQIS is going to do those and there is going to be some form of committee arrangement where you will exchange with member countries. I want to know, on the basis of that, what is the consultative process, prior to us getting to a point where we agree with other countries about standards? What is the consultative process that our industries will be involved in? We have had some problem with this before.

**Mr Hurry**—Fair question.

**Mr Smith**—In relation to the specific issue on quarantine and this project on the development of a regional strategy and protocols, which is being run through NACA in cooperation with FAO, the project actually sets up a regional working group and Australia is a member of that working group, as a number of other—

**Senator MURPHY**—Who is our representative?

**Mr Smith**—This will be determined by DPIE, who is the nominated lead agency and the Australian contact point for NACA through into Australia. That would then just

lock into the normal consultation process that DPIE would undertake.

**Senator MURPHY**—Would DPIE have any idea of who our representative is going to be?

**Mr Hurry**—I would suggest at this stage it is probably the office of the chief veterinary officer and AQIS, both of whom have got links into the OIE, and both are interested in this process.

**Senator MURPHY**—Then what is the consultative process back to our industry?

**Ms Harwood**—Those are the ones that Dr Beers was talking about.

**Dr Beers**—The ones that AQIS has set in place in recent times are also being enhanced as part of the response and the extra money that came out of the budgetary process, in response to the Nairn recommendations and the recommendations of the National Task Force on Imported Fish and Fish Products.

AQIS is presently undertaking a series of risk analyses on various products—prawns, crayfish, salmon—and is also intending to commence risk analyses on molluscs and bait and feed fish early next year. As part of that process, mailing lists have been set up, there has been extensive communication with industries and risk analysis panels have been set up for some of those organisations. There has been close contact with industry and consultation with industry as to who members of those panels should be.

**Senator MURPHY**—Could I get a brief in writing about what that process is and how it works?

**Ms Harwood**—Yes.

**CHAIRMAN**—Thank you.

**Dr Beers**—The other thing is that, as part of the response to the Nairn and national task force reports, a handbook should be prepared on risk analysis procedures, and that is presently being drafted. I suspect that will provide information.

**Mr TONY SMITH**—Just an aside, more or less: I noticed in article 3—I have not been able to track it down in anything else I have read in relation to this—it says ‘promote the role of women in agriculture development’. What does that mean? Is there any tie-up in any of the paperwork? I have seen absolutely nothing on that. Is it merely rhetoric?

**Mr Hurry**—There are a number of Third World projects that recognise the role that women play in aquaculture in Asian countries, particularly in the production of low-



value species for domestic consumption, one of the major protein sources for people in developing countries. I do not think it is an issue that is on the current work program, but I would have to check that. But it is more to promote the role that they play in the food security and the sustainability aspects of integrated aquaculture and small farm based aquaculture.

**CHAIRMAN**—Again, perhaps you can take that on notice.

**Mr Hurry**—Yes.

**Mr Thornber**—My understanding is that in some countries, such as India, in certain areas they are not allowed to work the cattle and some of the more traditional livestock for religious reasons. It has been a very important new niche for them to be involved with aquaculture production in some of those countries for religious reasons.

**CHAIRMAN**—There are domestic ramifications perhaps as well. Anyway, would you take that one on notice? That is two.

**Mr Hurry**—Yes.

**CHAIRMAN**—Thank you very much.

Resolved:

That the committee authorises the publication of evidence given before it today.

**Committee adjourned at 10.45 a.m.**