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Reference: Australia's relations with the Middle East

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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Foreign Affairs Subcommittee

Wednesday, 26 July 2000Wednesday, 26 July 2000

Members: Senator Ferguson *(Chair)*, Senators Bourne, Calvert, Chapman, Cook, Gibbs, Harradine, Sandy Macdonald, O'Brien, Payne, Quirke and Schacht and Fran Bailey, Mr Baird, Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Jull, Mrs De-Anne Kelly, Mr Lieberman, Mr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, Mr Price, Mr Prosser, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

Subcommittee members: Mr Jull *(Chair)*, Senator Gibbs *(Deputy Chair)* Senators Bourne, Calvert, Chapman, Ferguson, Quirke and Schacht and Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Lieberman, Mr Martin, Mr Nugent, Mr Price, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

Senators and members in attendance: Senators Bourne, Calvert, Ferguson and Quirke and Mr Hollis and Mr Jull

Terms of reference for the inquiry:

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

- Opportunities and impediments to expanding Australia's trade relationship with the Middle East and the 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 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 the 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 the adoption 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 Gulf states and with particular reference to the Australian aid program towards the Middle East and the training programs for students from the region.

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WITNESSES

Subcommittee met at 9.09 a.m.

BOYLE, Mr Michel, Head, Business Strategy and Marketing, Export Finance and Insurance Corporation

SMITH, Mr John Slater, General Manager, Credit Policy and Risk Management, Export Finance and Insurance Corporation

CHAIR—On behalf of the Foreign Affairs Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I declare open this public hearing in Sydney. Two hearings for the committee's review of Australia's relations with the Middle East were held in Canberra in June, followed by hearings in Melbourne earlier this week. Today we begin two days of hearings in Sydney. In today's evidence we will hear from a range of organisations whose representatives will discuss Australia's links with the Middle East from a wide variety of perspectives. On behalf of the subcommittee, I welcome Mr Boyle and Mr Smith from the Export Finance and Insurance Corporation. The subcommittee prefers that all evidence be given in public but should you at any stage wish to give any evidence in private you may ask to so do so and the subcommittee will give consideration to your request. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the House itself. I invite you to make a short opening statement, if you wish, before we proceed to questions.

Mr Smith—We have made a submission on our relations with the Middle East in our capacity as an export credit and financing organisation wholly owned by the Australian government. We would be pleased to take questions arising from that submission.

CHAIR—Thank you very much indeed. In your submission you give an indication that your activities are very much concentrated on places like Iran. You have been in Iraq. For the record, could you give us your assessment of countries within the Gulf region that show some great potential from Australia's point of view.

Mr Smith—Perhaps I could preface my reply to the question by describing a little bit of what we do: we provide credit insurance on behalf of Australian exporters. The purpose of that credit insurance is to protect exporters from the possibility that their buyers may not pay them for either commercial or political reasons. Our interest in this region and other regions of the world really goes to the heart of that issue, which is credit risk for Australian exporters. We can also provide finance for capital goods and related services where EFIC support is required to enable Australian exporters to be competitive against the kind of finance that may be available to exporters in other countries. That is an issue of risk versus competitive facilities from other countries.

The potential for EFIC to do business in any particular region may be a little different from the potential for Australia to do business there. We have a risk focus and obviously some of the great growth areas in the world for Australian exporters may well be where the private market, the commercial market and other forms of finance may be available and where EFIC support is not so important. We believe our longstanding relationship with Iran in the region, for example, has been extremely important to Australia's trade relationship with them. In some other countries of the region, a lot of the Gulf countries for example, the issue of finance is not as

pressing, so our involvement in those markets is not so obvious. We believe there is a great deal of interest potentially throughout the region for Australia to do business. This is simply because in the Middle East sense we are not as a country particularly aligned with any of the political issues which have been of substance to the region over many years. That is a positive advantage for Australia. On the negative side, of course, the political domination of some parts of the region by the Americans and the proximity of Europe to the Middle East rob Australia of the natural advantages that may be used by those other countries in those respects.

Mr Boyle—Just in terms of perhaps specific markets where we have seen opportunities, you can see from our submission those places where we have been active. Iran, Saudi Arabia, the Emirates—

Mr Smith—Kuwait.

Mr Boyle—are places where we have had a considerable volume of business over a period of time. Of course, there are other places in the region that offer potential for exporters. If I leave aside the issue of risk then I think of places like Oman in certain sectors, certainly Egypt, and Jordan in certain sectors. These are opportunities that exporters are pursuing now and we are trying to work with them where we can.

CHAIR—That confirms some of the previous evidence we have had. I must say that there have been a couple of witnesses who have been quite generous in their praise of the assistance that EFIC gives them. How much risk is there? I understand that you have had problems with some moneys owing from Iraq.

Mr Smith—Yes, we have. Iraq did not pay as a direct result of the Gulf War. We paid a lot of claims in respect of exports which had not been paid for.

CHAIR—But that wasn't necessarily the Oil for Food program.

Mr Smith—That is right. This was at the time of the Gulf War itself. The payments simply stopped.

CHAIR—Are there any difficulties with wheat sales at the moment?

Mr Smith—We have not been involved with those because they have been in the Oil for Food program, and that has been managed through the UN. The payment risk in relation to that program has been virtually extinguished by the involvement of the UN.

Senator FERGUSON—As far as you are concerned, Iraq is still off risk, isn't it? You wouldn't insure any sales to Iraq.

Mr Smith—No, other that a UN sanctioned program—and people have chosen not to come to us for that because of the risk issue—there are sanctions on Iraq which preclude us from doing trade in that country.

Senator FERGUSON—In view of the amount of trade that is done with Iran, which is one of the major countries that we deal with in that area, why is there such a high risk factor? Has it been in default?

Mr Smith—Over the last 10 years or so Iran has had a lot of payment problems. It is a country that is dominated by its oil sector. I think 82 per cent of its exports, if I recall the figure correctly, are related to the oil sector, and things are going well there at the moment because of the price of oil. But the price of oil is volatile and Iran's fortunes have followed that volatility. It also had some problems in the early 1990s, where it had a consumer boom and ran up a lot of short-term debt in a very short period of time. The oil price fell and Iran found itself with a massive debt problem which it had to negotiate with its major trading partners, and it was in default for quite some time. Australia's trade has been dominated largely by the wheat sector—and wheat is a very important strategic commodity for Iran—and Iran has made every endeavour to pay for its food first. So we have been relatively fortunate in relation to the wheat trade and our relationship generally with Iran, which has been quite good. The oil based economy, plus the volatility, plus the short-term debt—which it has over some years been at pains to overcome—have caused us to rate Iran fairly high in the risk stakes.

Senator FERGUSON—How often do you review the risk ratings?

Mr Smith—We formally review our risk ratings every six months. We often look at particular risk ratings in between times if there is a rapid deterioration or appreciation of risk that would warrant a change in those risk ratings.

Senator FERGUSON—Why does Israel have a higher risk rating than Kuwait?

Mr Smith—I would probably have to consult with our chief economist to give you more detailed reasons, but I could make the assumption that the Israeli economy is probably underpinned by its relations with the West. The Gulf War and the demonstration of political change that can wreak havoc on a country that is prone to invasion probably contributes to that difference.

Senator FERGUSON—What proportion of your business is actually centred on the Middle East countries?

Mr Boyle—As opposed to the Gulf countries?

Senator FERGUSON—It is pretty hard because we are really dealing with the whole area. Although it is an inquiry into the Middle East, we seem to be including Egypt in the Middle East even though it is part of North Africa.

Mr Boyle—In the region per se I think it is about seven per cent of our credit insurance business, which is where the big volume is.

Senator FERGUSON—So your biggest market is still Asia and the Pacific, is it?

Mr Boyle—Asia-Pacific would be an important market. There would be other markets that are important on a regional basis. I think Europe and North America would be important as

well. Asia is certainly important. I think it represented about 40 per cent last year or the year before.

Senator CALVERT—Do you cover any risks into the Palestinian territories at all?

Mr Smith—We support traders in other countries that on-sell into Palestine. I do not think we have any direct exposure to buyers in Palestine.

Senator FERGUSON—In your submission you talk about working with banks in the region. I would have thought that there must be some instances where even the banks themselves are a considerable risk. Could you perhaps expand a bit on the work you do with banks and banking companies in the region?

Mr Smith—There are two ways we become involved with banks. One is where the bank acts in conjunction with the Australian exporter. In that way, we work closely with the banks, and that would principally be banks operating here in Australia, obviously including the big four. What happens is that the exporter's documents of payment with the buyer are discounted by the banks so that the exporter gets cash for his export before the buyer actually pays. The banks provide that function. The banks in those instances may ask us to insure their exposure in that transaction where the bank is taking the risk on behalf of the exporter by paying them. Alternatively, the bank may, in a secondary way, rely upon the exporter's credit insurance policy with us as quasi-security for the bank in supporting the exporter. I think that is probably the main reference in the submission in terms of how EFIC works with the banks to support Australian exports.

Nevertheless, the other side of your question is the risk that we take on banks themselves, where the bank may be supporting the buyer in the country where the exporter is going. They may be providing a guarantee to the exporter. In some instances we may look at providing finance directly to a bank or involving the security of a bank in relation to capital goods that we may be providing finance support for. Yes, we have to take the risk directly on the bank. In Iran, for example, the method of trade payment is to rely on letters of credit, which are issued by both the commercial banks and the central bank. Whenever we take a risk in Iran we are taking a risk directly on the bank or the banking system, so we need to know the banking system fairly well. All of Australia's wheat trade, for example, is done by a reliance on letters of credit issued by Bank Markazi, which is the central bank.

Senator FERGUSON—Can you just explain to me how you actually deliver your credit insurance? Do you do it by way of reinsurance, which can be quite costly, or do you take, assess and underwrite the risk yourself? How do you actually deliver the credit insurance?

Mr Smith—We underwrite the risk ourselves. We provide an insurance policy directly to the exporter or to the bank in a form which is a promise to pay them under certain circumstances if their buyer does not pay. They trigger the availability of that insurance in relation to specific buyers or banks by asking us to agree to an amount up to which we will provide insurance in relation to specific transactions. Once we issue that cover, which we call the credit limit—and we may provide a credit limit on a particular buyer for $5 million, for example—in respect of the particular buyer and once the exporter fulfils a transaction to that buyer, he sends us an advice which we call the declaration of export. That declaration of export actually activates the

insurance in respect of that buyer. That declaration of export will tell us exactly the terms which have been agreed for payment. If there is a delay in that payment, the exporter has an obligation to notify us of that delay, which activates our interest in that particular transaction. If that delay exists for more than a period of time—four months usually, sometimes six—we will review the documentation to ensure that the exporter has fulfilled his obligations and has a right to be paid under the contract that he has made with the buyer. If that is the case, we will pay the exporter a sum of money, which is usually up to 90 per cent of the total transaction.

Senator FERGUSON—So you do not actually reinsure at all; you take all the risks yourself?

Mr Smith—No, we do not reinsure. The principal reason for that has been that the reinsurance market provides support for commercially oriented business. The focus of EFIC is to support Australian exports principally in markets and for transactions where for reason of either size or risk the private market tends not to provide support. As a proxy for the private market, reinsurance has proved unavailable for the kind of business portfolio that we write. So we take risks ourselves.

Senator FERGUSON—Does that mean that because you are taking the risk yourself that you set the high jump bar a little bit higher than you might otherwise if you were reinsuring?

Mr Smith—We are taking risks which are higher. So if I understand your question correctly—

Senator FERGUSON—But you are actually setting the high jump bar a bit lower if you are taking risks that are higher than private insurers would take.

Mr Smith—I am not sure what you mean by the high jump bar.

Senator FERGUSON—What I am saying is that, because you do not reinsure, you are taking all of the risk yourself. In other words, if there is a default, the cost is to you. Does that mean that you are more selective with the contracts that you will insure? In other words, do you set the bar a bit higher as far as risk is concerned because you are taking all that risk yourself rather than spreading it to somebody else?

Mr Smith—No, if the consequence of the question is 'Are we risk averse because of the difficulties we have in terms of appetite for risk?' it is quite the contrary. We have a sort of reinsurance in the sense that we have an obligation to our owner—which is the government—to operate commercially, and we do our best to do that. We have a rate of return which is lower than one might expect from an investment in the commercial market, and the expectation is that our rate of return will be lower. That expectation is well understood by our owner because that rate of return reflects the fact that we need to take higher risks and therefore earn a lower return. So that enables us to underwrite more risks than a commercial insurer would normally underwrite. Our balance sheet is geared towards taking as much risk as we can—we think we are pretty good at it. We do have a reinsurance proxy in the sense that, if we do come across a risk which is simply too high for even EFIC to take, we can offer that piece of business to the government under the national interest provisions of our legislation and the government may wish to write that business using EFIC as the nominated vehicle. That is a kind of reinsurance allowing for very high risk transactions to be underwritten by the government in the national

interest through EFIC. At certain times in our relationship with Iran, for example, where the risk simply became too high and the size of the risk too great, that wheat business was underwritten by the government in the national interest.

Senator FERGUSON—What are the prospects of getting any of the $640 million that is owed by Iraq? Is there any chance of getting any of that or not?

Mr Smith—That will depend entirely on the way in which Iraq comes back to the fold—when its assets are unfrozen and how much of those assets might be available to pay past debts. One can only speculate on the kind of regime which might exist under those circumstances and the degree to which the West will be forgiving of the debt that the previous regime had in order to restore democracy or whatever in that country.

Senator FERGUSON—In other words, we should not hold our breath.

Mr Smith—I am not holding mine.

CHAIR—That was the point I was going to come in on. Should the sanctions be lifted? How the devil do you assess what the situation is going to be in Iraq? Could I just ask: are there any aspects of Australian government policy that you come across that are either detrimental to our trading in the region or in fact positive in the region for us?

Mr Smith—I think the way we conduct ourselves in the region politically is pretty positive. The fact that Australia carries no particular baggage in the region certainly has been of great benefit to our relations with Iran. The existence of America in the region is an issue for some exporters in other countries in the alignment with certain European countries. But we do not have that particularly. We do not carry that baggage. I think that is a very good, positive thing for Iran, and I know most about Iran, probably. I think the same, though, goes for some other countries in the region. I think some of the Gulf countries do not know much about Australia. It is very difficult to keep Australia 'on the screen' for some of the Gulf countries because their interests lie elsewhere and their needs are not as strong for the kind of support that the Australian government might provide for its exporters in some other countries, for example. A lot of the Gulf countries have plenty of money, so their needs are not as strong. I cannot easily bring to mind any particular negatives that I would like to talk about.

CHAIR—Are there any credit arrangements from other countries that you come across that you would regard as being anticompetitive?

Mr Smith—Do you mean those available from other countries?

CHAIR—Yes. What are the tricks?

Mr Smith—I think the agricultural subsidies would be the main ones. Also, the political attitudes towards the US in Iran, for example, have been an advantage for Australia, particularly with agricultural commodities—particularly wheat, of course. The major competitors for Australian wheat would normally be Canada and the US, and in Iran they are Canada and to a lesser extent Argentina, France and some of the other countries. We do not have the US in the Iran market at the moment. If that relationship thaws to the extent that the agricultural lobby in

the US might be able to get hold of some of the US programs which support the US wheat growers, then I can see that being a major issue for Australia.

CHAIR—Certainly dairy products have been cited to us as a pretty hard area in terms of what is happening out of Europe.

Mr Smith—Yes.

CHAIR—Are there any further questions? Can I thank you very much indeed for being with us today. If there are any matters on which we might need additional information, the secretary will certainly be in contact with you. We will send you a copy of the transcript of your evidence and you can make corrections to that if required. Thank you very much indeed.

Proceedings suspended from 9.33 a.m. to 9.47 a.m.

BEIRMAN, Dr David, Director, Israel Tourism Office

CHAIR—Welcome. The subcommittee prefers that all evidence be given in public but should you at any stage wish to give any evidence in private you may ask to do so and the subcommittee will give consideration to your request. Although the subcommittee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the House itself. I invite you to make a short opening statement, if you wish, before we proceed to questions.

Dr Beirman—Yes, certainly. Firstly, thank you very much for allowing me to make a presentation. I am going to be fairly brief and will be fairly informal as well. Since the submission that I put into the report was published, there have been a number of developments and I am happy to say that most of them are very positive developments. The Israel Tourism Office ran a series of industry product evenings this year in which we for the first time actually included Israel, Egypt, Jordan, Turkey, Greece and Italy in our regional areas. We have always had a commitment, as I mentioned in the report, to try and promote tourism to Israel in conjunction with our regional neighbours. It has actually been very successful this year.

Another thing I would like to inform the subcommittee of, which I am also very pleased to mention, is that in May of this year we had a major cooperative venture with the Palestinian Ministry of Tourism and Antiquities. We jointly hosted *Getaway*, the Channel 9 program. *Getaway* was actually hosted back to back by the Israel Ministry of Tourism and the Palestinian Ministry of Tourism and Antiquities. My colleagues in Jerusalem hosted them for seven days and seven nights. The Palestinian Ministry of Tourism and Antiquities hosted them for five days and five nights. The first of the Israeli programs has already gone to air. The first of the Palestinian programs goes to air tomorrow. This has been a fairly historic development and, again, it is part of our commitment to try to jointly promote the region. I am very pleased about this.

I think I should just mention some possible implications of Camp David. In my opinion, the Camp David talks are the most significant Middle East discussions ever to have been held but it is, obviously, unfortunate that they do not appear to have reached any conclusion. There is deep concern that all the bonhomie and great hope that we have had this year following the papal visit, Christianity 2000—a lot of very positive developments—may have gone. Certainly the experience for the first half of the year was very encouraging: I have just received statistics for visitors to Israel in April and May of this year and they are all-time records. We felt that this year was going to be the greatest year for tourism, not only to Israel but also to the neighbouring countries and to the Palestinian Authority. Certainly so far that has been the case. But with the uncertainty surrounding Camp David and its outcomes and its responses and all the things that we do not want to speculate on but which we have to look at, there is a deep concern not only from the Israel Ministry of Tourism but also, I guess, from everyone dealing with the Middle East that the bubble of goodwill may very well have burst. So that does in a sense colour some of our deliberations, not only from me but, I am sure, from many other people who will be speaking to you over the next couple of days. That is all I have to say in my statement, but I am open to questions.

CHAIR—Yet one of the themes that comes through from your submission is a line that I have always taken which is that it is, in actual fact, international tourism that is a passport to 'peace, goodwill and understanding', as I think the sign used to say at Moscow airport. Tourism certainly does have that capacity to break down all sorts of problems. How big is the market between Australia and Israel at the moment?

Dr Beirman—I can actually give you some fairly accurate figures. Last year just over 25,000 Australians travelled to Israel, of whom, incidentally, about 80 per cent were Christians. Of those—to be very blunt about the statistics—23,880 were what we call 'genuine tourists', and 1,500 were what we call 'cruise passengers'; people who stay for a night or two. But obviously for figures we can call it 25,000 plus. From the other end, according to the Australian Tourist Commission, about 13,500 Israelis came to visit Australia during that year and, as I said in my submission, I very warmly welcomed the fact that the Australian Tourist Commission did set up a general sales agency in Israel. I think it is very important for this to be a two-way street and I know my colleagues in the Australia-Israel Chamber of Commerce have tried to do much the same sort of thing to make sure that it has been a two-way street.

CHAIR—What are the impediments for Israeli tourists coming to Australia? Are they air services, costs, visas?

Dr Beirman—The main impediments would come under several categories. Because a lot of Israeli tourists to Australia are young—they are people who are out of the army—one impediment is the fact that there is not a two-way working holiday agreement. Considering the age structure and the nature of Israeli tourists to Australia, there is actually a lot to be said for instituting a bilateral working holiday program. I know that there are a lot of Australians who go to Israel, for example, who are able to do semi-paid volunteer work on a kibbutz or a moshav: the two types of agricultural settlement. As there is no bilateral agreement, it is also difficult, obviously, for an Australian to go to Israel to do any other type of work because, of course, they would be working illegally. There is also the problem, which I am sure many of you would be aware of, that there has been quite a number of Israelis who have come to Australia on a tourist visa who have been working illegally in one sense or another. I think it might be a better idea to have a two-way working holiday relationship because Israelis who come out to Australia, particularly the young ones, tend to want to be good backpackers and do it for a long time, and I think they could probably be treated very much as British or Western European tourists. That would enormously increase the prospects of tourists coming out here because the young are the bulk of the Israeli market for tourism to Australia.

There are some problems in terms of costs, but I do not think that they are enormous. There are a lot of options now for Israelis coming out here. Many of them, like Australians, can use cheap fares with Egyptair, go across the border into Jordan and perhaps use airlines like Emirates and others. I do not think that cost is a major factor. Of course, it would help if there were direct flights between the two countries. I did allude to that, obviously, in my submission. As I was saying off the record to David Jull, it is of no concern to me which carrier chooses to take on that role, but I believe that when you have a bilateral market this year—which we are quite confident will be 45,000 people in both directions—that should be more than enough market to justify somebody saying, 'We would like to get into that. We'll take the direct flights.' But I think that the working holiday program, which I know I did not discuss in my proposal, would be a very worthwhile consideration.

CHAIR—From your experience, is the issuing of visas a difficulty at the Israeli end?

Dr Beirman—I am not so sure about that. The visa process probably puts people off a little bit, but not greatly because I think Israelis generally find that they have to apply for visas for more countries than, say, Australians do. Certainly, there is an imbalance there, as there is between Australia and many counties, in that an Australian can visit Israel, turn up at the airport and get a visa stamped in their passport—that is it, finished. They have got three months. Unless there is something drastically wrong, they will get three months automatically, whereas an Israeli, like most other nationalities, has to pre-apply for an Australian visa. Administratively, there is an imbalance there. As I say, that is common not only in the Middle East but everywhere in the world, I think, except in New Zealand.

CHAIR—You do not hear stories about lengthy delays in the issuing of visas?

Dr Beirman—No. I think that, generally speaking, the process is very efficient and I know that the Australian Embassy in Tel Aviv is certainly regarded as a very efficient embassy. I have never heard any complaints coming from any of the operators that I have worked with from the Israeli end about the issuance of Australian visas.

Mr HOLLIS—With respect to the visitors that go to Israel—and, I suppose, vice versa—what category are they in? I guess that there are some visitors who are purely vacationers. What about business travel and family reunions?

Dr Beirman—I can give you a fairly broad breakdown. In 1995, the Israel Ministry of Tourism produced a very extensive market research report called the Taskir report. The Taskir report—which is a bit out of date but many of the findings are still relevant—showed the following things. It actually interviewed 40 per cent of the Australians who visited Israel during that year, so in terms of market research the report was pretty reliable. Fifteen per cent of Australian tourists to Israel are passengers who are visiting friends and relatives. About 40 per cent, the biggest single category, are people who are on a holiday package tour, whether it is with Insight, Trafalgar or any of the other major commercial package tours. The next biggest category after that is Christian pilgrims—this is in the mid-nineties—who made up about 25 per cent. Business, congress-related travel was about eight per cent. So the figure for VFR was actually much lower than a lot of people thought. The big categories were genuine holiday makers, followed by Christian pilgrims, followed by visiting friends and relatives, followed by business, congress and similar. In fact, Christian pilgrimage in particular, because of Christianity's bimillennium, has actually grown enormously, and business travel is growing a lot.

Mr HOLLIS—What about the dollar value? If you talk to any Australian who has recently been abroad, if they have been to America or Europe, they give you horrendous stories about spending $3 for something. What is the exchange rate like with Israel?**Dr Beirman**—To all intents and purposes Israel, for tourism particularly, operates on the US dollar. Israel's own currency is the shekel—there are about 2.4 shekels to the Australian dollar. But very few tourist related services are paid for in shekels—hotels, tours, bus tours and many things are charged and priced in US dollars. Of all the countries that you are investigating, Israel is possibly the most expensive. If you look at a three-star hotel that we might pay $70 a night for here in New South Wales, it will probably cost you the equivalent of $A130 or $A140 in Israel. Israel's

saving grace in terms of accommodation—and I see this running the tourist office because very few people ring to ask me about the most expensive hotels to stay in, they always ask me about the $30 a night jobs—is that its range of tourism infrastructure allows people to stay at youth hostels, Christian hospices, cheap B&Bs and a few other places at the sorts of prices that a lot of Australians can afford.

Per night, Australians' expenditure in Israel is probably one of the lowest of any nationality that goes to Israel. Our dollar is a big part of the problem, there is no question about that. In a lot of our promotion we have tried to highlight—much to the chagrin from time to time of my colleagues in Jerusalem—a lot of the cheaper alternatives. They would love everybody to visit Israel and stay in the five-star hotels, of which there are plenty. But a five-star hotel is now costing the equivalent of $US400 to $US500 a night and not many Aussies can afford that. Israeli Ministry of Tourism people often use the excuse, 'Because Israel is a First World country, salaries, wages and infrastructure costs are much higher than they are in much of the Arab world.' However I have noted recently that prices in Egypt and Jordan are starting to catch up quite quickly.

Senator CALVERT—What would a standard room at the King David Hotel cost?

Dr Beirman—A standard room at the King David Hotel, for a single, is $US344 a night.

Senator CALVERT—Heavens to Murgatroyd!

Dr Beirman—The only saving grace of that one is that it includes a very nice breakfast.

Senator FERGUSON—One of the keepsakes I have at home, which my wife thinks it was time I got rid of, is a passport valid only for Israel that was issued in London in 1965. In those days, if you had a visa for Israel or your passport had an Israeli stamp, you could not get into any other Arab country. As I came in through Jerusalem and Jordan through the Madelbaum Gate—in those days it went through into Jerusalem when the city was partitioned—it was obvious that there was no contact at all. Have things changed to the extent that there is now a lot of cooperation between the Arab states and Israel in tourism?

Dr Beirman—There has been a great change and it has been a change for the better. If we are talking just on the official level, Israel now has quasi-diplomatic relations with seven Arab states, which it certainly did not have in the days of the Madelbaum Gate—then it had none. Egypt, Jordan and Israel these days are very much a triple-decker destination, so they work together very well and there are no problems about Israeli stamps. As a matter of course, I always advise people who inquire about visas to have a loose-leaf visa for a number of reasons—and I do not refer to it as specifically a Middle Eastern problem because the Maldives, Malaysia, Indonesia and a number of other countries which do not have a direct involvement in the Arab-Israeli conflict will not allow a person to enter with an Israeli visa. As a matter of service I say to people, 'You have an Australian passport which is valid for 10 years. You do not want to have to get a new one when you want to go to Malaysia because you have got an Israeli stamp in it.' I feel that it is my responsibility in running the tourist office to let people know about that.

Many of the countries in the Middle East—and North African countries like Tunisia, Amman, Morocco and several others—that people from Australia want to visit will quite happily allow people to come in with an Israeli stamp. But I normally advise people not to do that. In terms of our cooperation, as I mentioned earlier, we have been running market promotional functions since 1996 in conjunction with the Egyptians and the Jordanians especially. We have expanded that quite a lot. It is in our mutual interest to do so because, let us face it, a traveller does not want to feel that they can go only to countries X, Y and Z and forget about A, B and C. We like to feel that people can include Israel on a program.

I might point out that on pages 16 and 17 of the magazine, *Israel Travel*, I have even gone to the length of suggesting combining travel to Israel with travel to some of the countries that are its friends. Because I get a lot of inquiries from people who want to go to Lebanon and Syria and incorporate Israel in their itineraries, I also explain in the magazine how to do it. Because Israel does not have diplomatic relations with either of those countries, I have not gone into voluminous length about how wonderful they are as destinations. But, facing the reality, I have suggested to people that if they want to do Syria and Lebanon—and many people do want to do them—they should make sure that they do them before they do Israel. I have actually tried to explain why without being too technical. As I say, I have been in the travel industry for 20 years. I want people to feel that they can go anywhere in the world—hopefully including Israel.

CHAIR—In that respect, you were quite critical of DFAT and some of their travel advice.

Dr Beirman—Yes. My only complaint about the Department of Foreign Affairs and Trade's travel advisories is that I believe very firmly that they have been harsher in their treatment of Israel than they have been in their treatment of other countries with worse problems. My case is as follows: Israel has not had a tourist fatality due to terrorism since 1972, since what we call the Lod massacre, where 20-odd pilgrims were killed. In terms of tourist safety, tourists have been able to move around quite happily, uninjured and unhassled, in Israel. Even with all the political problems that have existed in Israel, in most cases good security and in a few cases admittedly good luck have spared tourists the sorts of problems that they have not been spared in some other countries like Egypt, where at various times they have been a target.

One point I made in the magazine—and I have brought in copies, which I think you all have—is about Egypt and Israel. To give you an example, we all know that there was the Luxor massacre at the end of 1997 in Egypt and that the Egyptians made a lot of security adjustments after that. DFAT's advisories quite correctly alluded to those changes. In fact, if you look at the Egyptian advisory, it actually mentions quite fairly that Egypt has generally had a record of good security. I have to say that the advisory for Israel is actually the best I have seen on Israel ever since I started running the Israel Tourism Office—or, let me put it this way, it is the least unfavourable. But it still talks about the threat to tourists on buses. Of course, in Israel in February 1996 there were bus bombings. They caused a lot of Israeli casualties, though fortunately not tourist casualties.

After those bus bombings in 1996, the Israeli government and military went through a number of security procedures, which has actually resulted in the fact that there has not been a bus bombing of any significance since 1996. I would have thought that, as was the case in Egypt, where they have said the government has made some security changes, they might also have mentioned in passing that there had been some changes there. As I say, I am not being

paranoid about it; I obviously like to see all care taken in an advisory. I recognise that right in my submission, and I have said this to Mr Downer himself. I just do not want Israel to be treated better than, or differently from, anybody else. I want it to be treated just the same, and I do not think that has been the case, certainly over the 6½ years I have run the Israel Tourism Office. There has been a tendency to be a little bit too nervous. That, of course, may change as circumstances change. It may be appropriate to put on a tougher advisory about Israel, especially if things do occur after Camp David.

Senator FERGUSON—You talked about the number of visitors expected. Between 1993 and 1999, the number of Israeli tourists to Australia increased by over 100 per cent, from 6,000 to 13,000.

Dr Beirman—No.

Senator FERGUSON—They are the numbers we have here.

Dr Beirman—Sorry, from Israel to Australia?

Senator FERGUSON—Yes. The number has gone from 6,000 to 13,000, which is more than a 100 per cent increase.

Dr Beirman—Yes, that is correct.

Senator FERGUSON—Yet in the same period, the figure for the number of Australians visiting Israel has only grown from 19,000 to 25,000, which is about a 25 per cent increase over that period, and you are talking about 45,000 each way this year.

Dr Beirman—No, 45,000 two ways, because this year we are expecting 30,000 Australians to visit Israel and about 15,000 Israelis to visit Australia.

Senator FERGUSON—Would the Olympic Games account for some of that increase?

Dr Beirman—Yes, definitely.

Senator FERGUSON—In regard to tourism, it does not seem like an enormous number of people, particularly when you are talking about direct air travel. Also, from my recollection, in 1965 there were a lot of tourists in Israel, even in those early days. I remember a lot of Australians working in kibbutzim—maybe you were allowed to work then and get paid; I cannot remember. Israel was only 17 years old at that stage and they welcomed people to come and help.

Dr Beirman—I can tell you that the figures for the mid-sixties were about a third of what they are today. For example, in 1999, about 2.3 million tourists from around the world came to Israel. The million mark for tourists to Israel was not passed until some time late in the 1970s. In 1965, we were talking about half a million. Certainly, there were always Australians who were working on kibbutzim on a voluntary basis; there were always a number of Australian tourists, but the figure was very small.

There have always been a lot of Jewish tourists going there from Australia—between 4,000 and 5,000 a year. What has happened over the last few years is that non-Jewish tourists from Australia have well and truly taken over. I cannot remember off the top of my head the number of tourists, but certainly the numbers that we have now are much greater than they were in the 1960s—probably triple. One of the reasons that we have not had probably as much growth outbound from Australia to Israel as I would have liked is that a lot of people have been put off by the security perception of the country. It is a problem. There is the media coverage, and sometimes to a limited extent the warnings of DFAT. With respect to the sort of response I get—and this is why in our promotions we have to do a lot of work face to face—the most frequent question that I get asked about Israel is: 'Is it safe? Will I get bombed when I arrive there?' That is the impression that a lot of people have and it probably puts a lot of people—

Senator FERGUSON—They would have been asking the same questions in 1965.

Dr Beirman—They would have, indeed. But media coverage of Israel is far more extensive and pervasive today than it was in 1965. You would not get regular TV shots of an instant thing like a bomb in the middle of Tel Aviv or Jerusalem in the way that you do now with global telecommunications and television.

Senator FERGUSON—The other factor which I would have thought would have increased your tourism is the cost of travel. I was just saying to one of the senators that in 1965 I had a round-the-world ticket that cost the equivalent of 11 months salary, at the average wage. You can buy a round-the-world ticket now for less than a month's salary. I am talking about the average wage. Actually, I think that, for three weeks average wage, you can just about buy a round-the-world ticket now. That has caused the explosion in travel everywhere else around the world. It does not appear to me that your tourism to Israel has increased at the same rate as it has to a lot of other countries. I am not criticising; it is just a fact.

Dr Beirman—I do not take it as criticism. All I can say is that since 1994, when I started the office, we had under 20,000 tourists. Since the office has been opened—and I am not saying it is because the office has been opened; there are a million and one factors that are part of it—our tourism has jumped quite substantially. I would be the first to agree that it could have jumped a lot more substantially. I think the major factor which holds people back from going is the safety concern. It is something which I noticed when I had a meeting with my colleagues in Israel last year—we all had that same problem. That has held back tourism growth compared to what it could have been. Cost is another factor, too. Israel is a more expensive destination for a lot of people than, say, places like Turkey, Egypt and Greece. That is also a disincentive, particularly for a lot of Australians—the expense side.

Senator FERGUSON—Can I ask a final question in relation to the areas visited. My recollection of when I was there was that Bethlehem, Jericho, the Wailing Wall and the Dome were all part of Jordan; they were not part of Israel at all.

Dr Beirman—That is correct.

Senator FERGUSON—Are those areas now under the Palestinian Authority? How does that work with the Israel Tourism Office?

Dr Beirman—That is a good question. Firstly, Bethlehem and Jericho are definitely under Palestinian administration. The way it works at the moment is that there is no visa arrangement because these areas are still autonomous. Changing that status is what Camp David negotiations have been all about. Basically, a tourist who goes to Bethlehem—provided they have their identification, which is ideally a passport—can go through on a bus tour or even by themselves and can enter and exit Bethlehem pretty much at will.

Senator FERGUSON—So it is really an autonomous region within Israel? Is that what you are saying?

Dr Beirman—Yes, although it is controlled by the Palestinian Authority. The Palestinian police can say, 'You can or cannot enter this area.' They have total rights on entry and egress from their particular area. The big difference is in what has happened. If you are a Palestinian living in Bethlehem and you want to go to work in Jerusalem, you have to go through the mill of whether you can come in and whether you cannot come in. If you are an overseas tourist and you want to go in and out of Bethlehem, you do it in the same way we cross the Harbour Bridge—it is very simple. The same thing applies with Jericho. Certainly in terms of the way we market things, the Israelis and the Palestinians basically market Israel and the Palestinian areas as pretty much a joint entity, even to the extent, for example, that in the International Tourism Conference in Berlin and London the Israelis and Palestinians will actually have stands next to each other and people will obviously get information about both.

That has been one area of disappointment I have had in this country. I can work quite happily with the Palestinians in Bethlehem, but I have had tremendous difficulty trying to find even a workable partnership with anybody from the Palestinian community here in Australia. I guess the major concern in a sense is that tourism is something which is a mutual benefit, not only financially but also in building an image, in developing infrastructure and in a whole lot of other ways. It would be very nice to be able to have a Palestinian address. I have an address to work with the Egyptians, with the Jordanians and with many other people, but unfortunately I do not have an address with the Palestinians. There was a gentleman who worked with me to a certain extent, but he has gone to live in Gaza, so he cannot really do much at the moment. Unfortunately, it is difficult trying to work with the PLO office. It is not very conducive—

Senator CALVERT—Can you go to Gaza by choice?

Dr Beirman—Yes, you can.

Senator CALVERT—Did he go to Gaza by choice?

Dr Beirman—Yes, he went to Gaza by choice. I have even been talking with tour operators here about doing a war veterans' tour and a descendants of war veterans' tour. I have suggested that, when they incorporate Israel as an addition to Turkey and other places, they go to Jerusalem, Beersheba and Gaza. Gaza is where the biggest Australian war cemetery is in the region. But it would be great to have somebody that I could effectively work with who is not going to use the occasion of a product evening to give a political speech.

Senator FERGUSON—Don't be disillusioned—expatriates always tend to be more fanatical. I think even the Scots and the British would have difficulty—

Dr Beirman—As I say, we find on the ground there that people actually can work quite nicely with each other. I know that certainly in some other countries, like the United States and Britain in particular, the Israel Tourism Office works reasonably well with its Palestinian counterparts. I am not saying it is all perfect; it has never been perfect. But certainly our experience with *Getaway* was at least some evidence that we can do this quite nicely for mutual benefits. The *Getaway* program will be seen not only by two million Australians but by 80 million people overseas. That is great marketing for both Israel and the Palestinian areas.

CHAIR—Without labouring the point too much, you have indicated that you did not really think direct air links were absolutely essential to develop the relationship. However, my understanding is that El Al, the Israeli airline, has been showing an interest in Australia for donkey's years. There are also stories circulating in the industry that in fact Singapore Airlines will put Tel Aviv online with Australia reasonably soon over Singapore. Can you bring us up to date with the status of direct air services?

Dr Beirman—My submission was reasonably correct on that, but I will give you the basics. El Al links up very well with Qantas through Bangkok and Hong Kong, and also through other carriers via Beijing. In October last year they entered into a marketing agreement with Qantas whereby there was a swap of frequent flyer points, so that if you were a Qantas frequent flyer and you flew an El Al sector, you would still get your frequent flyer points credited. That has been pretty much the extent of the Qantas/El Al arrangement, which represents positive steps forward. The fact that El Al started to move into Asia back in 1993 was a major step for them, because they did not have anything more or less east of Israel.

There have been a lot of Middle East carriers which you can use quite easily to get to Israel. For example, Egyptair services out of Sydney in particular enable a passenger to travel from Sydney to Cairo via a one-hour stop in Singapore, and within an hour and a half you are on a flight on Air Sinai from Cairo to Tel Aviv. That is actually the quickest connection in terms of time. Carriers such as Royal Jordanian, in conjunction with Qantas, also enable you to get to Israel quite easily via Amman. You would take a Qantas flight to either Jakarta or several points in South-East Asia, pick up Royal Jordanian in Amman and their subsidiary airline, Royal Wings, would fly you into either Tel Aviv or Haifa.

Airlines such as Emirates and Gulf Air, which fly into both Amman and Cairo, although they are not officially used as links to Israel, are used by many people as a means to get into Israel, particularly going to Amman, because it is easy to take land transport from Amman into Israel. A lot of people use that as an alternative means to get into Israel. The traditional airlines, such as Alitalia, KLM, Olympic and others, have been able to fly in via Europe for years and years.

The Singapore Airlines business, which has been an interesting case, was first flagged by the Israeli tourism industry in their magazine in Hebrew, which I managed to get translated, in which there was talk of a direct flight between Singapore and Tel Aviv, which I think initially was going to be checked out as a charter flight. That has not come into being yet, although Singapore Airlines have expressed an interest in doing that for years. Obviously, from Australian travellers' point of view, if Singapore Airlines were to go on-line to Tel Aviv, it would be an excellent connection, because they already go on-line to Cairo. A lot of people, for example, using Insight packages, which uses Singapore Airlines, can take advantage of Singapore Airlines, but they have to use another carrier to get them to Tel Aviv. So this would

be a big step, from our point of view, in the right direction. Anything that makes it easier for people to get there is obviously very good. From our point of view, obviously, I welcome any development or any means to make it easier for people to get to Israel, and also, from the Australian point of view, to make it easier for Israelis to get to Australia. As I say, we have to look at that as a two-way street.

CHAIR—Thank you very much for appearing before us today; it was most interesting.

Dr Beirman—You are very welcome.

CHAIR—If there are any further matters that we might need additional information about, the secretary will contact you. We will send you a copy of the transcript of the evidence so that you can make any corrections that might be needed. Thank you very much.

Proceedings suspended from 10.24 a.m. to 11.01 a.m.

HAZELTON, Mr Phillip, Executive Officer, APHEDA, Union Aid Abroad

MICHAELS, Ms Cecily, Project Officer, Middle East, APHEDA, Union Aid Abroad

CHAIR—On behalf of the subcommittee I welcome Australian People for Health, Education and Development Abroad, represented by Mr Phillip Hazelton and Ms Cecily Michaels. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private you may ask to do so and the subcommittee will give consideration to that request. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the House itself. I invite you to make a short opening statement if you wish and then we will proceed to questions.

Mr Hazelton—I have been the director of APHEDA for the last 10 years and Cecily has been our Middle East project officer for the last five years. I would like to spend a few minutes just explaining a bit more about our role in the Middle East region. I was then going to ask Cecily to do a couple of case studies of some project work that we do in both the Palestinian territories and Lebanon and then maybe briefly speak on some of our recommendations, if that is okay.

We have been active in the Middle East and particularly in providing support to the humanitarian programs for the Palestinians since APHEDA began in 1984, so it has been quite a focus of our work over the last 16 years. Initially we had a health focus, with training of a number of UNRWA nurses here in Australia, but since then we have broadened our program to include many different small and large projects for Palestinians in the Palestinian territories of Lebanon in areas such as education, health, agriculture, relief services, child care, capacity building, English language and job creation.

Our humanitarian work has involved over that time eight different partner organisations locally—both community based organisations and UNRWA. Our program focuses on the economically and psychologically disadvantaged, for example refugees, women, the aged and the unemployed, particularly in Lebanon. In the Palestinian territories the program focuses on building capacity, particularly through training for communities, and also the Palestinian authority staff in preparation for statehood.

These programs have been funded by AusAID, our members, the trade union movement and many individual donors. At the moment we have about 100 donors from communities around Australia, plus we get direct support from a number of trade unions. For example the Construction Forestry Mining Energy Union; the Maritime Union; the Liquor, Hospitality and Miscellaneous Workers' Union; the Australian Education Union; and the Australian Manufacturing Workers Union have all provided grants for our program. In total our funding over the last four years to the Middle East region has been nearly $2 million. That program involves a range of Australian technical placements from basically a couple of months to a couple of years. These placements have been in the areas of permaculture, English language, curriculum development, project management and evaluation. We think that we have had quite a value adding in a range of the programs that we have been doing.

Besides the direct project work, we also do advocacy in Australia. We have taken our members on study tours of the region to meet with our partners. We have also brought

representatives of our partner organisations to Australia. We run public seminars, film nights and media comments on issues as they arise that affect our partners. APHEDA is also the convenor of the Middle East working group of the Australian Council for Overseas Aid. We actively encourage aid coordination between aid agencies in the region, and we also promote agency involvement in the region itself. We have been quite active in encouraging other non-government aid organisations to get involved in the region, particularly in Lebanon, which we see as the more isolated international situation for aid. Particular examples are Australian Volunteers International and Austcare.

Our written submission is before you; we do not need to repeat all of that. We want to emphasise, though, that Australia has had a longstanding involvement with, and we have regard for, the Middle East in a whole lot of areas—cultural, political, social and commercial—as you have probably been hearing about and will hear about from many others. Australian aid to the Palestinians in the West Bank and Gaza Strip has played an important role in helping to facilitate the social and economic development of the Palestinian people in their transition from autonomy to statehood.

Australia continues to give vital support to the Middle East peace process—a reflection of the commitment, we believe, of the Australian public to supporting peace in the region and to meeting humanitarian development needs of disadvantaged Palestinians. In our presentation, we will provide a couple of case studies and will try to illustrate the basis of our submission and some of the projects that we are working in. We are responding only to your terms of reference 2, 6 and 7, not the entire body of your inquiry. I will hand over to Cecily for a few words about our project work.

Ms Michaels—These case studies relate to your terms of reference 2, 6 and 7 in the following ways: they demonstrate the benefits that the Australian aid program has made to the peace process; they raise issues of human rights, including access to water, and basic rights such as access to education; and, the right of return for Palestinian refugees. They also demonstrate how affected the aid program has been from Australia to indigenous NGOs.

The first one I will look at is in Palestine and the area of permaculture or sustainable dryland agriculture. We have had two small programs funded under the AusAID environment initiative, which no longer exists as an area of funding. Both projects total about $A300. You will see at the end the outcome of that money. The projects ran between 1993 and 1998. They created two permaculture training centres—one in the Gaza Strip and one in the West Bank in the As-Safir district, if you are familiar. It was unique in that it involved technical exchange from Australia. The permaculture trainers from Australia visited three times in the region and conducted training courses and a study tour to Australia of the trainers. Two or three people became fully qualified, gaining accreditation from the Australian Permaculture Institute as qualified permaculture trainers. They have been sought for work by other agencies in the region, so they are recognised regionally as well.

The beneficiaries of this training program are far reaching. I emphasise to you that it is not just a community project—it has benefited a lot in the ministry of agriculture as well as local women, farmers and local NGOs. Most of the workers in the largest agriculture NGO there were trained in permaculture techniques on these sites. The minister for agriculture attended the last training session that was conducted by an Australian permaculturist, and he was reported in

the newspaper as saying that he was so impressed that he would include permaculture in all their programs, work plans. Many agronomists and agriculture extension workers have been trained through them.I will focus on women for a minute. Women are the largest beneficiaries in the period of 1 July 1997 to June 1998. There were 657 women trained as opposed to 187 men. The reason women were focused on particularly is that they are the ones who can get the most benefit from doing things around their houses. To do this effectively, there was a whole women's extension program and there were women's committees established. With the creation of these women's committees, it was the beginning of a whole concept of good governance and building of civil society. They were volunteer women's groups. The coordinators were voted in by their communities and some of them are so active that they said to me one day, 'Cecily, we are not volunteers, we are activists.' The sorts of things they were taught were water conservation, and in particular grey water gardens. This is where we really redress the water shortage experienced by many Palestinians because, as you know, the water is taken from their lands.

A village I can talk about is Ramin village; it is past Tulkarem. It is a very dry village in summer. A woman whose home was chosen as an example of a grey water garden was able to reduce her water consumption by 70 per cent by being able to have recycled water. This village needs to truck in water in summer because it does not have enough. The people can now grow their home vegetable gardens. This has had enormous impact because before they could not produce any vegetables.

They have learnt how to do natural pest management, which is a huge problem. There are internationally banned chemicals being distributed by Israeli companies through the Palestinian networks because they do not want to use them in Israel. I think it is dangerous using them anywhere. It is a serious problem. Women are frightened to use the pesticides because they do not know what effects they will have on their children. They could cause cancer and birth deformations. So by having natural pesticides, they are able to feel confident about growing things in their gardens. They also do composting and they are trained in composting. It is a huge industry there now.

Just moving on, the outcomes of this little input from Australia has meant that the centre now, Marda in the West Bank, is an independent NGO. They have been able to attract other international donors and they have done other work apart from what Australia has been able to contribute to. They have been able to rebuild their greenhouse, which was destroyed in 1996 by settlers who set it on fire, and by having a greenhouse, they are able to able produce seedlings. The sale of seedlings has meant that one salary is sustained in the organisation, and that is the salary of an agronomist who works with them. By the way, the agronomist worked with them as a volunteer for a couple of years before this came about. This is how committed they are to the environment. They are collecting household waste from 130 homes in one village and putting it on a site next to the village. That is being turned into compost, bagged and sold at 10 shekels, which is about $A4 for a half kilo bag. So that is a very positive experience that I have had in Palestine.

In regard to Lebanon, I want to outline the situation because that really affects what can be achieved there. According to UNWRA's economic, health and education indicators, 365 Palestinian refugees in Lebanon are the most seriously disadvantaged refugees in the area. This is for special specific reasons. The Palestinians are excluded by Lebanese law from work, social

services and any civil rights. Their status is extremely vulnerable. At the same time, the effects of the 14 years of civil war in Lebanon and the rapid decline in aid that was experienced after the peace process—most donors went to Palestine and it was thought that the whole refugee problem was solved, which it was not—has meant that there has been a strong decline in aid which has affected their ability to survive.

It has led to a rapid process of deskilling, health deterioration, social disintegration and increasing desperation amongst them. I want to digress for a second to give you a sense of that, because it is very hard to grasp unless you go there, and everyone I know who has been there is totally moved by the situation. In our submission, is a passage is written by Laurie King-Irani, who is a former writer and editor of the Middle East report. It was published this year in April in *As-Safir Journal* in Beirut. She describes the situation like this:

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. To force millions of people to forego a future, the guarantee of basic rights, identity and hope is to subject them to a living death; it is equivalent to committing a living holocaust. Which is crueler, after all: to kill millions of people outright, or to consign them and their children to unrelieved misery as vulnerable refugees generation after generation.

UNRWA is doing a fantastic job, considering the resources they have, but they themselves are aware of the deteriorating situation. I will just talk about education here. They are now forced to have double or sometimes triple shifts. Their classes are 50 in size at least and the teachers seem to be less and less educated. The reports I get from students who have dropped out of UNRWA—because if you fail two years in a row, you cannot go back anyway; you are forced to leave—are that many of them drop out because they just get screamed at all day. They are not learning anything. They go home and they have a father—if they are lucky they have a father—who is probably unemployed. He could be mentally deranged because he cannot cope with the effects of not being able to provide for his family. The children are screaming because they are hungry. All this is just normal life in Lebanon. Whenever I am there I think, 'What did I ever think I had to worry about in Australia?' because there is just no comparison.

Our partner organisation there, the Women's Humanitarian Organisation, has found that there are many illiterate or semiliterate people in the population. Their ages range from the 30s and the 20s right down to the 10s and even as low as seven or eight. That is because they are illegal refugees who, after the Gulf War, could not get permission to get back into Lebanon, so they came illegally. Now they are not registered, their children cannot have access to education and so they are sitting at home, and whatever happens when you have no future is happening to them. This program is about literacy and vocational training together and it has had an amazing impact. The program means that people can train on the job, so they are learning skills and they have an arrangement with the trainers that the trainers will employ them if they are suitable after the six-month period.

The success of this approach, which is so unique in Lebanon, is that it is not just taking them off, putting them in an institution, training them and then finding that there is a glut in those skills and no-one wants to employ them or know them. Palestinians are extremely lucky to get a job, and they will not get a job at the same rate of pay as any Lebanese. The sort of work we are looking at is not even contract or seasonal work. It is about being able to be self-employed.

They could be trained in sweet making. I met a man who graduated: he now buys the first lot of ingredients, makes up sweets, sells them and has enough money to buy the next lot of ingredients. He then sells that in the evening. Each time he saves a bit of money and he is just building that up. That is so much better than just sitting at home and doing nothing. In one group of 28, there was an 85 per cent success rate of people being employed after the project. That is how effective a very small funded project can be. Thank you.

Mr Hazelton—I will just make a couple of comments on the general resolutions that we are responding to. In relation to the second item in the terms of reference, which is on Australia's contribution to the peace process and the prospects for resolution, we believe Australia's contribution is very important. The humanitarian aid, as Cecily has been explaining, can be very direct and impact at local community level. Diplomatically, of course, we have a very strong presence in the region and at the UN, and that is an important role. Obviously, over the many decades we have had a lot of peacekeepers, truce monitors and two UN missions in the region.

In terms of the contribution directly to the peace process, that has not been huge but I think it is quite important from Australia's perspective. I think diplomatic and direct financial support for a just settlement is crucial and is still part of Australia's international obligation to the resolution of this problem. We believe Australia should now strengthen lobbying to the US, the United Nations, Israel and the Palestinian Authority for the upholding of UN conventions on the right of return, the future of Jerusalem, Israeli settlements in the occupied land, basic human rights—including treatment of prisoners—and fair access to resources such as water. We believe continued and increased support to aid programs to Palestinians through NGOs, UNRWA and the Palestinian Authority is important.

We believe that for any prospect of resolution it means that all citizens in the region must have the right to peace and security. There must be a just solution no matter the difficulties. You have got our resolution there on that question. We still think the key is those UN resolutions that are so hard to get agreement on with the parties, but unless there is justice there will not be a secure resolution.

In terms of human rights in the region, once again the UN is going to play an important role eventually. We hope that despite all the problems with the UN resolutions and their adherence, we think that in the end, despite these problems, the United Nations remains the key to the effective promotion and protection of human rights internationally, and in this case as well.

It is clear that within the Palestinian territories Israel has pre-empted a lot of the final status talks by unilaterally disregarding the UN and denying the right of return. In relation to the occupied territories it is continuing settlement building; pressuring Palestinians out of East Jerusalem; land confiscations; restrictions on travel; home demolitions; road constructions in occupied territories; and administrative detention without trial. All these sorts of things are creating an atmosphere of humiliation amongst the Palestinians which will take a long time to recover from, and these also must be dealt with in these final status talks.

We are also aware and very concerned about documented human rights violations against Palestinians by the Palestinian Authority. We obviously condemn those violations and we seek that they be monitored more closely as time progresses.

In relation to terms of reference 7, the social and cultural linkages, our comments here relate mainly to the aid program. We note that Australia's official aid program principally reflects Australia's support for the Middle East peace process, and we note AusAID's two principal objectives—to facilitate the social and economic development of the Palestinian people, and to support the Palestinian peace process. APHEDA supports these objectives.

We note that Australia has committed some $16 million in the last three years, 1998-2000, to strengthen the Middle East peace process. I think it is a little bit more now, but that was the commitment made in 1998 by the minister. Of that, $2.6 million was to UNRWA, $1.5 million to Australian NGOs, and approximately $1.01 million directly to the authority, mainly in agricultural and legal.

In general, the focus of the official program is health, agriculture and human resource development. While we support the thrust of the program, we are disappointed that the program falls well short of the ACFOA submission in 1997 and then updated in 1999 for an increase in the aid program to the peace process to $11 million a year. We urge the government to reconsider that.

We are also very concerned that the moment the Australian government has not announced a new commitment to the Middle East process as far as we are aware. That commitment of funding at the moment runs out at the end of this year, and we are seeking a renewed commitment for the next three years for the humanitarian needs of the Palestinians and to support the peace process. We would be seeking an increase in that commitment. It is still small. It is a minute part of our overall aid program, but it is very significant to the beneficiaries, to the communities that are receiving it, particularly in Lebanon where there are so many problems and human rights violations. In fact, there has been a decrease in aid internationally because a lot of the focus has gone on the Oslo process. So even within a small commitment of aid internationally to that peace process, within some parts of it there is a bigger problem.

We would like to see within that $11 million specific continued support for UNRWA, which has obviously got an important role, a specific program for the NGO sector, and also continued support in the Palestinian territories to help civil society building, which is going to be a challenge in the new situation in Palestine. Also, we would like to see a specific funding program for refugees while they are there and before there is a final status settlement because, as Cecily has explained in a very personal way, there is a very big need in some of those areas. That is all I have to say at the moment. We are happy to answer questions.

CHAIR—I would like to raise your relationship with the ACFOA Middle East working group and the role that you have played there. How much input do you actually get in determining what Australian aid programs might be?

Mr Hazelton—Input to the government, do you mean?

CHAIR—Yes.

Mr Hazelton—We want to know that, too, actually. We are not sure how effective we are in terms of the decisions. But we think that, as the only active voices for a lot of the actual grassroots concerns of those communities, we try to voice those here. We are trying to

emphasise the different sorts of technical work that we are doing and seek support for that from the government. I think that the government has recognised that in its program. We have taken the initiative of putting up specific submissions. We had a parliamentary seminar in 1997 that we organised to try to raise the profile of the needs in the region amongst parliamentarians and that was very successful, I think, in terms of trying to bring out the issues. We know that there is a lot of parliamentary interest from the number of delegations that have been there over the years. We try to work with those people who are interested and work with each other to come up with good ideas for contributions on behalf of ourselves as NGOs and where we can with the government as well.

CHAIR—In your perfect world, if you had your magic wand to determine what projects would go in, say, tomorrow, where would the principal emphasis be—water?

Mr Hazelton—It depends on the level of the aid program and which way you are going to tackle it. Obviously, water is a big issue for the international community and for a settlement, which is beyond our little amount of control as a non-government aid organisation. But we certainly think that the Australian government should be very active in trying to work with the parties in establishing fair access to water on all sides. In terms of our contribution, I think that has to be in the humanitarian area, which is health, education and relief services, and agriculture and water in terms of the permaculture stuff we were doing, which is one good example of that.

Senator BOURNE—You mentioned the particular problems of Lebanon and the refugees there—that the international community seems to have dropped off in its support. Has Australian aid to refugees in Lebanon gone down dramatically? What is happening with that?

Mr Hazelton—We are a bit concerned because there has been a bit of a change in how that is being managed within AusAID. It is a bit hard to measure because there is now one pool of money that we can submit and compete for as NGOs which covers the whole area, both territories and Lebanon. There is no particular allocation to Lebanon as such at the moment. I think that while there is an understanding of the needs within AusAID and while we understand, we are still a bit concerned that there is no specific allocation. Presumably on merit, if all applications were best in the territories, there would not be any allocation for Lebanon. It can vary a bit like that. We have been lobbying for a specific small allocation to the Lebanon situation and also to refugees in other parts of the region, but Lebanon particularly because they have no rights as citizens in Lebanon, whereas they do in Syria and Jordan.

Senator BOURNE—Presumably, if there were to be some money put aside for that, you could use it effectively.

Mr Hazelton—Yes. There are a number of us NGOs there. The process by which we get funds is that it is not handed out, it is competitive. It is still a process of us putting in submissions and the best proposals getting up. There are at least half a dozen Australian agencies working in Lebanon now. Just filling in the gaps from UNRWA, let alone doing other important works, is a huge commitment beyond whatever we could actually provide. But it would still be helpful.

Ms Michaels—If there is a solution to the refugee situation, we must remember that these people have lived in very small community groups. They are not used to living in a normal

society. They will need enormous support to reintegrate and develop skills. There just needs to be some consideration if there is a solution and they do end up somewhere else in Lebanon, the region or internationally.

Senator BOURNE—Reintegration is going to be a problem.

Ms Michaels—Yes.

Senator CALVERT—Cecily, I was interested to hear you telling us about permaculture. When I was in Gaza three or four years ago, there was a fledgling flower-growing industry there, and a lot of the Palestinians were going outside Gaza and working for the Israelis as well in joint ventures with flowers. Is that still happening? Is that increasing?

Ms Michaels—The flower industry is, I think, a monopoly under the minister—Nabil Shaff. Doesn't he control the flower industry and export flowers to Europe? As far as I know, there is a strong flower production project there, but I do not know about it working at a community level.

Senator CALVERT—I just thought that there was strong evidence that the Palestinians were also getting into the industry. They might have been growing for him but it would seem to be one of the ways out of an otherwise very awful situation.

Ms Michaels—Yes, and they have also been looking at herbs for export regionally as another means of income generation. And mushrooms and beehives.

Senator CALVERT—Yes, I found it quite interesting that the mini irrigation techniques that were borrowed from Australia were redefined and exported back to us. That was quite significant. But they certainly are masters in that area of trickle irrigation. I want to ask you another question. You would, no doubt, have been following the situation at Camp David in the last week or so. It seems that things have broken down. Have you been following that situation closely enough to give an indication of what outcomes there might be? Do you think there is any hope, or, like President Clinton, do you just keep your fingers crossed?

Mr Hazelton—It would be a game person who would predict that today, I would suspect.

Senator CALVERT—But there must have been some positives?

Mr Hazelton—We do not know the detail of what actually has been discussed. It is not surprising that the talks have broken down at this stage because they will probably go down to the wire, I would imagine, on 13 September, in any case. But it is a very difficult situation. Jerusalem, as we are hearing, is one of the major stumbling blocks. The UN resolution sees international control of the city as a solution, and that has been put there for a reason, I suppose, in terms of the difficulties between the two sides. But I think there is hope; certainly it is encouraging that they have actually sat down for two weeks and got into the final status talks—that is certainly well overdue. But I think it is pretty hard to predict what will happen. It is very difficult with the fundamentalists on all sides wanting to undermine the process. It is going to be very difficult.

Senator CALVERT—Yes. Thanks for that.

Senator FERGUSON—You describe yourselves in your introduction as the humanitarian aid agency of the Australian Council of Trade Unions. What dialogue do you have with the Israeli Council of Trade Unions, which is one of the stronger trade union movements in the world, and what was the result of any dialogue you may have had with them?

Mr Hazelton—We do not actually work in Israel, and we do not work with the Palestinian trade unions either, in that case, so—

Senator FERGUSON—I do not think they are nearly as sophisticated as the Israeli trade unions.

Mr Hazelton—we do not have to relate to that part because our work is not in the sector of labour in either Palestine or Israel. We work with civil society organisations other than those two.

Senator FERGUSON—So you do not have any contact with Israel at all; in other words, you are distinctly a pro-Arab or pro-Palestinian group working in their interests regardless of any balance or what the situation might be in the whole area?

Mr Hazelton—No, we are clear that we are working as a human rights organisation. Yes, we are concerned about the situation for Palestinians, and we work to support the capacity building of Palestinians and advocate on human rights questions. But we are also very clear that we think that the solution to the problem is that all states have security in the region, including Israel, and that there has to be quite a lot of compromise on both sides to try to get a solution. But we are very clear that Australia supports the right of Israel—that is a very clear position—and we hope that the new Palestinian state and Israel will work towards trying to do that. If we can work on projects that bring them together at a local level that would be a great thing as well.

Senator FERGUSON—But it is true that you as an organisation do actually take sides. You are distinctly pro-Palestinian, aren't you?

Mr Hazelton—That is the need at the moment, humanitarianwise, in that region.

Senator FERGUSON—You use quite emotive language. I listened carefully. Ms Michaels, you were talking about Lebanese refugees. You talked about a person who could be mentally deranged because he could no longer provide for his family. If that was the case there could be a lot of mentally deranged people in Australia, so I am not quite sure about that sort of emotive language. You also talked at another stage about the use of pesticides causing cancer and birth defects. I have worked with pesticides all of my life. What sorts of pesticides are you talking about them using which cause cancer and birth defects?

Ms Michaels—I do not have the names with me, but I can get you some information if you like.

Senator FERGUSON—I would like to know because, to the best of my knowledge, there are very few pesticides such pesticides that are currently in use. There were such chemicals

some years ago, but there are few pesticides and herbicides that are currently in use which are considered to be dangerous.

Ms Michaels—I cannot remember George's qualifications, but I know he has skills in this area. He has been taken to Japan to give talks on it. He works closely with the ministry of agriculture that has taken these pesticides from Israeli companies and reissued their pamphlets recommending pesticides that he knows are banned internationally. It is not my area of speciality, but I just know this from our work with George.

Senator FERGUSON—Who is George, by the way?

Ms Michaels—George Kuzom.

Mr Hazelton—He is one of our partners, but the concern is that some of the pesticides being used inadvertently, or being sold, are not up to the international standard, or are banned elsewhere in the world. That is the concern.

Senator FERGUSON—I would like to find the details of that—

Ms Michaels—We would love you to know because it is serious.

Senator FERGUSON—because it is something that we would like to pursue. One of the things that we are involved in is making sure that those sorts of pesticides and herbicides have been eliminated. Australia has been quite to the forefront of making sure that things that are considered to be dangerous—there are always some people who will say that all pesticides are dangerous, or all herbicides are dangerous—by general consensus are removed from the market.

I notice that in your submission you quote only people from the Palestinian side of the argument and none from anywhere else. I think you have quoted Mr King-Irani at some stage, and also Dr Sittar, a member of the Palestine National Congress. Is it possible that some of these people that you are quoting may have a particularly vested interest and a viewpoint which is prejudiced in some way, as you might consider that some of the Israeli viewpoints might be prejudiced?

Mr Hazelton—We are trying to bring out the situation. Those quotes were used to describe what our partners are basically emphasising to us as their concerns.

To go back to your earlier question, we had a study tour of the Middle East by our membership. It was headed by Sir Ron Wilson. It was an interesting process because it included people from most religions. We had a group of seven or eight people that included Jewish, Muslim, different sorts of Christians, and Coptics. The emphasis was pretty heavy on the human rights side of it because that was the issue of the partners and the Palestinian people who we were dealing with, and you cannot avoid it when you are there.

It was very difficult for the group, particularly for some of the people who had been to Israel before and who had not understood this other side of the problem. But it was visiting the Israeli human rights group that really brought it home because a lot of things we had heard from Palestinians about the situation for them in jails or whatever had been taken in, but I think with

a view that it was not quite believed or whatever. But when we talked to the Israeli human rights group, that was a very defining moment for the group because it was exactly like talking to the Palestinian human rights organisation about some of the issues in the territories. That is one example of what we do.

Senator FERGUSON—I have no problem with you being pro-Palestinian, because that is your role and that is what you are doing. We as a committee have to balance that against an alternative viewpoint which we hope somebody else might put to us in order to respond to some of the things you have raised with us.

Ms Michaels—I think you can find Israeli writers who would write the same things. In fact, Abu Sittar is not recognised by the Palestinian Authority, but he is an internationally renowned researcher. I think his figures are very interesting and they should be shared so that the world can see that there is another perspective in looking at resolving the problems.

With respect to your point about the emotive language regarding mentally deranged fathers, I am speaking about a particular case study of a father whose three-year-old child was brought to the child-care centre that we work with. There were strangle marks around the child's neck. The reason given was that the father could not cope because he had become mentally ill. There are no programs for mentally ill Palestinians. There are no programs to address the psychological stress on them caused by years of civil war and by spending 52 years in a camp. Sure, there might be a lot of people here who cannot see their families and that also causes mental illness. The percentage of mental illness in our society is also incredibly high, from what I have heard. It is compounded there from all of the added factors. We have lobbied for mental health programs, as has World Vision, but they are too expensive because it is mostly one-on-one. These things are just ignored and they fit in as best they can. I wanted you to try to grasp what it is like in a family. If it sounded emotive, I am sorry, but that is what it is like.

Senator FERGUSON—I accept that, in putting an argument, you can use whatever language you like. In response to your earlier question about Israeli writers who would support many of the things that are said about the Palestinians, can I say that there are many Australian writers that I do not agree with, too. As a matter of fact, I read about a lot of them in the papers day by day. Just because some Israelis happen to have an alternative point of view does not necessarily strengthen or weaken any arguments.

CHAIR—I move on to the situation in Australia now. My understanding is that we have got 200,000-plus people of the Muslim faith here, principally from the Middle East. We have not had any evidence yet as to what sort of input they have in determining any of our projects. I really do not know whether some of these communities in Australia have done anything to set up their own programs over there. Have you got any knowledge of the way they operate?

Ms Michaels—Muslim Aid is a Sydney based Muslim group. They ship specially prepared meat at least two or three times a year. They collect it from Australia and it is sent over there and distributed to poor families. Now they distribute through some of our partner organisations. We have a Palestinian camp support campaign which has raised money mainly from Palestinians and other Arabs all over Australia, but mostly from Melbourne and Sydney, and occasional ones—

Mr Hazelton—We have been working with the Palestinian community in Australia and the Arab community to try to raise extra funds for the programs. That is where most of those donors are coming from—from their own communities.

Ms Michaels—I am sure there are even smaller groups that we would not know about. In the Arab community, they tend to support their own family members.

Mr Hazelton—Of course, the Palestinians in the camps have survived largely on wages being sent back from one or other parent who has been working outside the region. The whole survival of the refugees for this long has been based on their support from Arabs and Muslims, particularly around the world, apart from the official aid programs—directly through family links and other personal links.

Mr HOLLIS—I noticed in your submission you said that there is increasing migration from the Middle East. I think you said something like 200,000 Muslims are here in Australia—to follow on from the chair's question. Do you think this has created an understanding of the Middle East problems in Australia? What impact do you think there is from having a sizeable number of Muslim people here? Are we more aware of the problems or not?

Mr Hazelton—Yes, but not just the Muslims. Obviously, there is a very strong Jewish community as well and the issue is very strong. I think that among the general public who are not Muslim or Jewish it is difficult because you see it on the news in 20-second grabs and it is always very hard to grasp the complexities.

Mr HOLLIS—But that is the same with everything, isn't it, whether it is the Balkan conflict or anything like that?

Mr Hazelton—Yes. I think it is. Because we have got strong communities here in Australia from both sides of the conflict then it does create an added role for us to respond and an added interest from the communities. But I think it is not a public debate because it has been such a complex and hot issue really for those communities themselves.

Mr HOLLIS—People often make comments that we do not get good foreign affairs coverage in the Australian media and there is little concentration. How do you think the media in Australia covers the Middle East issues? Do you think they are biased? Do you think they are fair? Do you think we get a good coverage or a poor coverage? This is a wide question for you.

Mr Hazelton—It is a very interesting issue I think because we get a lot of coverage. It is almost headline news on television and a certain level of coverage is almost daily in the papers. It is interesting that, in terms of all the global issues, it is well covered in terms of both numbers of references and the priority of those references. Because it is almost headline all the time, it is interesting that that is not reflected more in our response in terms of aid. It is such an important global issue with ramifications for us and everywhere.

I think at one level there are lots of references. The quality of the understanding of the issues is what is a little bit poor. Certainly, we have been frustrated I guess by so little understanding of the Palestinian side of the question. You take a group there, as Cecily mentioned before, and it blows people's minds with the complexities of the humiliation that is involved in the occupied

territories. A lot of that side of it is difficult to get across. It has not got across. It is in one-liners, I suppose, more now than it used to be. From our point of view, there has been a lack of analysis. But certainly some programs do it quite well and there are documentary type programs that have done it quite well.

CHAIR—There being no further questions, I thank you very much for your attendance today. If there are any matters on which we might need additional information, the secretary will certainly be in contact, and we will send you a copy of the transcript to which you can make any corrections.

Mr Hazelton—Thank you.

[11.50 a.m.]

BASSAT, Mrs Nina, President, Executive Council of Australian Jewry

JONES, Mr Jeremy Sean, National Vice-President, Executive Council of Australian Jewry

LACEY, Mr Ian, Consultant, Executive Council of Australian Jewry

CHAIR—Welcome. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private, you may ask to do so and the subcommittee will give consideration to your request. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the House itself. I invite you to make a short opening statement if you wish and then we will proceed to questions.

Mrs Bassat—We welcome the opportunity to appear before you today. The Jewish community, and the Executive Council of Australian Jewry in particular, has had a good relationship with the Australian government on matters of human rights—since the 1980s on the question of Syria, and more particularly in recent times on the question of the Iranian Jews charged with and ultimately convicted of espionage. We have been very grateful for Australian government support in this matter and for their very strong and vocal comments in the international arena. Israel and Australia have had strong cultural and trade connections and these have been increasing. Tourism has been increasing. Both countries have a commonality of interests, given particularly that Israel is the only true parliamentary democracy in the region. It makes interaction with the countries very easy on some levels. We have made our submission. There will be a short statement by Mr Jones and Mr Lacey, and then we are happy to answer any questions.

Mr Jones—Back in 1944, the Executive Council of Australian Jewry was formed to represent the interests of the Australian Jewish community, particularly in negotiations with the federal government. Our first issue was that of making sure Australia's post-war immigration policy did not discriminate against Jewish immigrants who wished to come to Australia. Our second major issue was putting the view of the Australian Jewish community on the vote in the United Nations on the recognition of Israel, following the recommendations of the United Nations subcommittee dealing with that particular issue. Obviously, a lot has changed between then and today.

We meet at a time when we are hearing that the delegations have left Camp David without agreement. That can be seen by many people as a negative, or at least a hiccup, in developments in the Middle East. But if we want to look back to see where we have got to, today we can see an enormous amount of progress and opportunity for peace building which has not been present for most of the period since the time of the formation of our council and since the existence of Israel.

Even the last time the Australian government had a very detailed examination of the Middle East, back in the mid-seventies, it was inconceivable that there would have been a first Camp

David. It was almost inconceivable that there would be a situation where Egypt, Jordan and other Muslim and Arab countries have relations with Israel. Even in the last 10 years, we have seen the end of the Cold War, and the Iraqi invasion of Kuwait and what that meant in terms of the US role in the region and in terms of the way alliances stack up in the Middle East. We have seen a new generation of leaders, some very recently. We have seen developments in technology, the explosion of the ability to know by each party what the other party's constituency is thinking and learning. We have seen an intensification of economic globalisation and integration of world economies, all of which lead to new possibilities and new opportunities, windows of opportunities for peace in the Middle East, and for Australia to both aid peace and to benefit from a peaceful Middle East.

Mr Lacey—I propose to make some short comments on the international law situation—basically, on the assertions that are often made, and sometimes supported by government, concerning the legality of the settlements in the territories, sovereignty over Jerusalem and the refugee issue. I make reference to a booklet that we attached to our submission which is entitled *International Law and the Arab-Israel Conflict.* I was the editor of that booklet. It consists mainly of extracts from the writings of the late Professor Julius Stone. I will deal with the first issue, the question of the settlements, very briefly. It is asserted that the settlements in the territories are illegal because they are in breach of the 4th Geneva Convention. If you actually look at the 4th Geneva Convention, you come across Article 49(6), which says:

The occupying power shall not deport or transfer parts of its own civilian population into the territory it occupies.'

The words there are 'deport or transfer'. We say that that means that the occupying power must not use government action to compel its citizens to move into the occupied territory. That is the obvious meaning of those words. On that reading it is really stretching matters to say that that applies to settlements in the territories. Nobody is transferred by the Israeli government into the territories. In fact, most of the settlements were established on personal rather than government initiatives.

I have noted in the submission that Professor Stone points out that the drafting history of the whole of Article 49 indicates that it was in fact directed against practices such as the forcible deportation by the Nazi regime of populations of which it wished to rid itself into and out of parts of occupied Europe for various inhuman purposes. That was what the Geneva Conventions were looking at, and now they have been twisted and stretched to cover this situation in the territories. We are not saying that the Department of Foreign Affairs and Trade has to reach a firm conclusion about the legalities of it; we are saying that these highly arguable legal propositions, such as this one, are really part of a political campaign against Israel. They are used as a means of affecting the international negotiations by asserting legal rights which are very arguable. We hope that the committee will reach the conclusion that Australia ought not to endorse these very doubtful legal propositions.

There is also another argument on the settlements which leads to a further point about Jerusalem and the territories. Article 49 of the Geneva Convention is read together with Article 2 of the convention. That says that the convention applies only to 'cases of occupation of the territory of a high contracting party.' This is critical to the whole issue at international law because, in fact, the territories are not 'the territory of another high contracting party'. They are nobody else's territory. They do not belong to Jordan. There is no Palestinian state yet—that is

being negotiated. At present, there is no other high contracting party which is the owner of those territories which are occupied by Israel. So, as a matter of technicality, if you like, but also clear fact, any settlement in those territories is not illegal under the convention.

What also follows from the fact that there is nobody else there—and, again, you can read what Professor Stone has to say about it—is that the only state which is in fact lawfully in possession of the territories—and it came into possession of those territories in 1967 in self-defence against the alliance directed against it in 1967—is Israel. Because there is no competing lawful claim by a state, as at this moment that is, until negotiations are completed. I am not saying that because something is lawful or legal it is necessarily the best thing to do; it is a matter for the parties to determine what the best answer is as a matter of international law, Israel has the best claim to sovereignty over both the territories and Jerusalem. Israel does not make a claim to sovereignty over the territories; it says that is a matter to be negotiated. But it has made a claim over Jerusalem and, as a matter of international law, it is entitled to assert that claim to sovereignty in the absence of any competing claim.

You will also note in the booklet that what was contemplated by the partition resolution, which was that there would be an international regime in Jerusalem, is thoroughly in the past. It was a resolution of the General Assembly. It was never implemented by anyone. Jordan, in possession of East Jerusalem and of the Old City, did not allow free access to the holy places in East Jerusalem and desecrated Jewish cemeteries in East Jerusalem, and the whole thing lapsed between 1949 and 1967—and Professor Lauterpacht is referred to in that booklet in that regard. The point is that that has lapsed and now, from the point of view of international law—again, not necessarily advocated as the solution to the negotiations that the parties are carrying on—there is no reason why Israel cannot assert total sovereignty over Jerusalem, which came into its hands lawfully in the process of self-defence when Jordan joined the alliance against Israel in 1967. In fact, as King Hussein once said, his greatest mistake and regret was that he joined that alliance and lost Jerusalem.

I have a short comment on refugees. It is an interesting back to front sort of situation in law about the Palestinian refugees. The 1951 convention on the status of refugees defines a refugee as a person who, owing to a well founded fear of being persecuted for reasons of race, religion, nationality, social group, political opinion and so forth, is 'outside the country of his nationality' and is unable or, owing to such fear of persecution, is unwilling 'to avail himself of the protection of that country'. Then the convention sets out remedies for people who are in that situation. Those remedies are basically a right to seek asylum—in other words, to be received by other countries and given full rights as an immigrant and eventually as a citizen of a country—and the right not to be forcibly sent back to the country they are running away from; in other words, non-refoulement, which is when they say, 'We're not going to force you to go back.' That is the exact opposite of the case of Palestinian refugees, who claim a right of return. Another document that we have attached to our submission is the 10-point program of the Palestinian National Council. Point 1 of that program says:

> The assertion of the PLO position regarding resolution 242 is that it obliterates the patriotic and national rights of our people and deals with our people's cause as a refugee problem. Therefore, dealing with this resolution on this basis is rejected at any level of Arab or international dealings.

Frankly, we agree with that point of view. We are saying that what is called the refugee problem is not principally a humanitarian problem, except to the extent that the refugees have not been

granted proper asylum in most of the countries to which they have gone. To that extent, it is a humanitarian problem. It is a national problem that is now being resolved, we hope, by negotiations between the parties. So the conclusion we are putting to this committee is that it is not useful in the present context of negotiations for the Australian government to give support to dubious propositions about the illegality of the settlements, the right of return and the annexation of Jerusalem—all highly arguable illegal propositions. It is not useful for the Australian government to lend public support to those propositions, which are really part of a political campaign against Israel rather than real assertions of law.

CHAIR—Following on from that line, I guess one of the real problems you get with this committee—you have been pretty critical of some of Australia's so-called even-handed policies towards the Middle East. We have had Palestinian delegations come in and say that Australia is not even-handed at all, that in fact we are just pro Israeli and that we use our force around the region to make sure that other countries do the right thing by Israel. The evidence being put forward is, I suppose, along the usual lines of Israeli non-compliance with UN resolutions on the Middle East peacekeeping process, and indeed in terms of Israel's non-signature of the non-proliferation treaty. I am just wondering how you see the Israeli situation with regard to the non-proliferation treaty. Can you give us any indication, for the record, as to why it has not been signed?

Mr Lacey—As we see it, the situation is this: there are countries that are signatories to the non-proliferation treaty that simply breach it. That was the big problem with Iraq. It was simply a breach of the treaty. So for Israel to take the same sort of situation as, for example, Iraq and say, 'Yes, while other countries are in breach of the treaty, we will adhere to the treaty,' would create the situation where other countries would say that we are in the non-proliferation treaty that we still have these nuclear weapons. Israel is in the position where it says, 'We are renouncing nuclear weapons in the face of other countries that may well be developing them.' Also, it is a situation which is analogous in a sense to the situation that prevailed between the great powers until recently, where there was, in effect, a balance of overwhelming force which guaranteed peace. Of course, Israel does not acknowledge that it has nuclear weapons. It has a position of what has been described as 'calculated ambiguity' on that issue. It will not be the first country to introduce nuclear weapons into the Middle East, I think is the statement.

Mr HOLLIS—You are quoting a very technical or legalistic definition of political refugee but, as we have seen in the world today, not only in the Middle East but in other parts of the world, it is a humanitarian issue that has got to be solved one way or the other. I think it is a bit pointless sticking to that very narrow definition of political refugee that is constantly put to us. As you said, there are various interpretations in international law on the refugee situation and, indeed, on the Middle East situation.

Mrs Bassat—I think we need to stress that Israel has never said, 'This is the legalistic attitude and therefore we are stuck with it.' I think the point that Mr Lacey was making is that, of course, this is an ongoing, very deeply felt humanitarian problem which must be resolved but that some of the prevailing arguments from the Palestinian side are based on legalistic aspects which have no foundation. So I think it was perhaps not put in the right perspective, or perhaps you did not see the perspective we are coming from. We are not saying that this is the view that Israel takes. This is a purely legalistic interpretation. What Israel is saying is 'Please do not use

the converse and wrong legalistic interpretation where we really ought to be dealing with this on the ground as a humanitarian issue.'

Mr HOLLIS—I do not want to get into a legal argument, but when you say that they are arguing from a wrong or incorrect legal basis, surely the whole aspect of a legalistic argument is an interpretation of the law. Because someone puts one interpretation on it, it need not necessarily be the wrong interpretation. The difficulty of law is how people interpret it. Maybe that is one of the problems: everyone is coming at this situation with a different interpretation.

Mrs Bassat—I think the problem is that there is an effort to shift the focus from what should be the humanitarian and on-the-ground decision to trying to put blame on Israel. I think what we were trying to say is that, indeed, we agree with you that that should not be the focus, and unfortunately it has become such.

CHAIR—Could I move on from there. There have been some massive changes. We have seen a change of leadership in a couple of the countries—leading players in the area and Syria and Jordan, and we have seen the withdrawal from Lebanon. It has been the most amazing six to 12 months. I am just wondering if you could give us your assessment of how you see the state of play now, following those massive changes.

Senator FERGUSON—Also changes in Israel.

Mr JULL—Yes. Does that give us any chance of hope?

Mrs Bassat—You are speaking to a totally committed optimist, so yes, I think that there is a huge commitment for peace on both sides. I think the reality is that unless some compromise, some peace, some accommodation, is reached, there will be ongoing problems not just for Israel but, economically, socially and politically, for the other countries in the region as well. I think there has been a paradigm shift in thinking. I can see that Mr Jones wants to add to this. Perhaps I will hand it over to him.

Mr Jones—I also come from that very small school of optimists relating to the peace process, but I like to think, as does Mrs Bassat, that it is optimism which is a product of knowledge rather than ignorance, which is so often the cause of optimism. With the Camp David talks breaking down today, on the reflection that a few hours have provided, I tend to think that there is reason for optimism, given the breakdown of those talks. I think it would have been extremely difficult for either Mr Arafat or Mr Barak to go back to their people and say, 'We have signed a deal in Camp David, and now you are going to have to follow.' What they can do is say, 'We stood up for our national interests or our principles at this meeting and we did not give in under the pressure and,' and now they will work towards a common goal that could have been sorted out in the context of Camp David. I think there is a possibility that there would not have been if they had come out with a signed, stamped agreement. I think that many realists looking at the situation were saying that even before Camp David began. They were a bit surprised that it took so long to come to that conclusion, but that might mean that we are very near to something in terms of a contract between those parties.

The other reason for optimism—it is just the way I am looking at the politics—is that parents do not want their children dying in conflicts. They do not want their children suffering. There

are parents on both sides who have been looking to protect the security of their own children in a way that does not involve their children having to suffer in future by being in armies, other military forces, terrorist groups or whatever it might be. Now we are in a situation where there is the prospect of more knowledge, more democratisation and more information going to allow people to have more of a say than they may have had in the past. There is a long way to go in much of the Middle East, but there is certainly much more information and knowledge about 'the enemy' than there has been.

The third big factor is the end of the Cold War. Everything changed in the Middle East with the end of the Cold War. Suddenly the parties could not rely on the fact that, because you took one side against another, there would be a superpower that would come to your aid and you would become a pawn in their chess game. The end of the Cold War has meant that there is more possibility for national interest to be sorted out away from antagonism from formerly conflicting parties.

CHAIR—Is 13 September still an important date?

Mr Jones—The date of 13 September is the latest in a series of dates on which we have been told that the Palestinian authority, or whoever is speaking on behalf of Palestinians, is going to unilaterally declare a state—a state which would not satisfy any of the definitions of a state under international law. There is talk about that date but I do not think that is necessarily going to be nearly as important as it has been put forward as being by the Palestinian authority. Just because you declare a state, that does not make you a state. Breaching the Oslo accords as blatantly as that might indicate the end of the process of negotiations that we have been used to. But I am an optimist: I believe the momentum of peace is greater than the forces trying to stop peace.

Senator FERGUSON—If you are such optimists—and two of you have said that you are—I am somewhat surprised that you would include in your appendices a 10-point program that was written 26 years ago. It may have been used to support an argument, but if it is such a moving feast and if the end of the Cold War has changed the nature of people's views and the nature of support that can be expected by countries on either side, why has that 10-point program never been revised? Is there nothing that has taken its place? Is there no sign of optimism that you could have put in your submission that would be more relevant than something that was actually put in place 26 years ago?

Mr Lacey—There is a joke. Two Jews meet in Jerusalem and one says to the other, 'Are you an optimist or a pessimist?' The fellow says, 'I am an optimist.' The other says, 'So why such a long face?' He replies, 'You think it's easy being an optimist?' I take that sort of stand in that sense. Since the first Oslo accords there have unfortunately been—and we have noted this—terrible outbreaks of terrorism which followed from those accords. The response of the Rabin government was to say, 'We will not let the peace process be derailed by the opponents of peace.' The response of the Netanyahu government was, 'We look to the Palestinian authority for reciprocity.' Reciprocity in that sense meant that we were looking to the Palestinian authority to act decisively to prevent these sorts of attacks and to prevent this sort of action against Israel if they sincerely wanted to negotiate peace.

We have a situation where, for the past year or so, there has been a period of relative calm and peace and there has been cooperation between the Israeli government and the Palestinian authority in ensuring a peaceful situation. This is the sort of thing that gives grounds for optimism, even though we have the problem that there are always enemies of peace to be dealt with and there is a need to be guarded about any future constitution of that Palestinian authority.

Senator FERGUSON—Mr Jones talked about the parents. Parents would not want to see their children become the casualties of conflict, and I think that view would be shared throughout the world. No parent wants to see a child become a casualty in any way. Unfortunately, the parents of those children are not always those who have the political power, and it may be that there can also be a political will which is being stymied by radical elements from within, dare I say it, both countries: radical elements which would propose a situation remain which is simply not going to be tenable in the future. So is it your view that within the Palestinian Authority the parents of those children do not reflect the will of the political masters, or is the will of the political masters being stymied by radical elements from within the Palestinian group?

Mr Jones—It is a dynamic situation with many competing forces. One of the issues for many years with Israel was how important was the pan-Islamic notion of a world in which there could not be an Israel under any circumstances ever, because this is 'Islamic land' and whether that ideology was going to prevail over any of the national ideologies. Then there was the question of pan-Arabism uniting Arab countries in a battle against Israel. And those were very strong political elements at various times. Then there is the question of what power an individual parent might have within the Palestinian Authority. At the moment, they do not. The Palestinian Authority does have to listen in a sense but it is still a matter of a powerful group which may or may not be paying heed to all the voices within its constituency. But with more information and knowledge being able to get through to those parents and with the empowerment of individuals through the processes towards democratisation, which Australia and other countries have pushed, there is more chance. If there is not a push for democratisation, there is no chance; if there is a push for democratisation, there is a chance.

When it comes to the issues of extremist elements, I believe extremist elements on all sides need to show a level of success. They have to show that they are able to deliver a form of product. It is up to the Palestinian Authority, in its sense, and the Israeli government, in their sense, to show that if you back a particular option then you really do not have a possibility of a successful future. These are difficult issues to resolve. One thing we can say for sure is that they are not going to be resolved if countries like Australia, which have a vested interest in democratisation and the development of the more peaceful Middle East, sit back and say, 'We have no reason to try to support the elements that want peace and want democracy against those who do not.'

Senator FERGUSON—I just want to follow-up with one point. How damaging is the effect of emotive language on the peace process? I listen to my colleague Mr Hollis using emotive language about our wonderful government quite often, but we take it with a pinch of salt. But when you have emotive language which is compounded by strong religious conviction, it just seems to make the whole situation far more difficult. It is far more difficult to come to some sort of compromise. Emotive language and religious input not only apply in the Middle East but also all around the world where religion is the cause, and sometimes the effect, of some of the

conflicts that take place. I want to know how damaging they are. You may have heard the previous witnesses: I accused them of using emotive language in describing things in a way which I think overstates the case rather than puts a balanced view. I would just like your views on that.

Mrs Bassat—I think what you have said in your preamble to the question sums it up completely: emotive language does not create a climate of easy discourse and agreement. It cannot because you come to the table knowing what has been said about you which is not true and which is hurtful. Obviously it sets a ground of prejudice rather than willingness. That is a given, and you are perfectly correct in saying that. So you are right: emotive language is being used by both sides. Where it is extremely difficult and is causing a great deal of problems is where emotive language is being used within the system in some of the countries—and most specifically, Syria, Egypt, Iran and Iraq—where the entire education, government and press system are used to vilify not just Israel and not just the Israeli government but Jews as a whole. So there is a level of anti-Semitism, anti-Semitic press and anti-Semitic education which makes 1930s Europe look pretty bland. Now it is very hard for someone like Barak within his own constituency to say, 'Look, guys, these people really do want peace and this is just language,' when this is an ongoing process and part of the education system. I will not dwell on this at length.

Mr Lacey—We did attach to our submission an extract from textbooks that are used by the Palestinian authority. That is a particularly worrying aspect. Until those things are withdrawn from Palestinian textbooks, you have to worry about what sorts of risks you can take for peace.

Mr Jones—A few years ago at a United Nations committee dealing with the issue of racism, the Syrian foreign minister made anti-Semitic comments. The Australian government was one of the governments that responded quite quickly and said, 'This is totally inappropriate, particularly in this forum.' Unfortunately, as has been said by the other Executive Council of Australian Jewry representatives, even at government level we have statements which could inflame and which might be playing to the particular domestic audience of the person saying them, the domestic audience of the Palestinian Authority, or Syria, whatever the entity might be.

We also had the situation when Hillary Clinton was visiting the Middle East and Suha Arafat, the wife of Yasser Arafat, made some comments similar to a presentation I heard earlier this morning, alleging that Israel was poisoning wells with pesticides, et cetera, to which the international response was that this was pure garbage. Yasser Arafat dissociated himself from his wife's comments because they were simply anti-Israel slanders. It was interesting when you look at the response to that, you find that the response was not to end the peace process between Israel and the Palestinians because of hostile language. It was to identify that language, which was unhelpful, wrong and negative, and looking at ways in which various parties who were seeking peace could then work towards peace. But on a national level, when it comes from Iran, for example, or Iraq or Syria, a different level of problem is presented to Israel.

Senator FERGUSON—It is important to have those comments on the record.

CHAIR—I refer you to pages 6 and 7 of your submission. Can you detail the resolutions condemning Israel that Australia has voted for which, you say, 'compromised Australia's principles'? In what way have official Australian government statements not been useful in the

context of the continuing peace negotiations? I refer to paragraph 4.2 under the heading 'Australia's contribution to the peace process'.

Mr Lacey—You mean 'by voting for resolutions at the UN condemning Israel, or making "even-handed" policy statements, in order to qualify for' the duties of working in the multilateral tracks of the peace process?

CHAIR—Yes.

Mr Jones—We do not have a list with us. We can get a list for you.

CHAIR—Thank you. There being no further questions, I thank you very much for your attendance today. If there any matters on which we might need additional information, the secretary will be in contact with you. We will send you a copy of the transcript of your evidence to which you can make corrections. As *Hansard* may wish to check some details concerning your evidence, would you mind staying for a short time so that the reporters can speak with you if necessary.

Proceedings suspended from 12.30 p.m. to 1.30 p.m.

HARRIS, Ms Susan Gail, Education/Advocacy Officer, National Program on Refugees and Displaced People, National Council of Churches in Australia

ISBISTER, Mr Jamie, Manager, International Programs, National Council of Churches in Australia

CHAIR—I reconvene the meeting of the subcommittee. Welcome. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private you may ask to do so and the subcommittee will give consideration to that request. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the House itself. I invite you to make a short opening statement, if you wish, and then we can proceed to questions.

Mr Isbister—I want to say thank you for the invitation to share some of the concerns that the National Council of Churches has in relation to the terms of reference of the hearing and also congratulate the committee on conducting the hearing into Australia's relationship with the Middle East.

Very briefly, the particular interest of the National Council of Churches in this hearing comes from two perspectives. One of them is that the NCCA represents 14 member churches; it is the peak council for the 14 member churches in Australia. As part of that we support an overseas aid and development program. We have a health program in the Gaza Strip through our counterpart there, the Middle East Council of Churches, and we also work in a number of the Palestinian refugee camps in Lebanon. We have also in the past been quite involved with the work of the Middle East Council of Churches in Iraq, particularly in providing critical and ongoing humanitarian support in that country. The second aspect—Susan will be able to respond to questions—is our work in the refugee and displaced area, in particular responding to the needs of the many asylum seekers and refugees arriving in Australia, and as part of that, in relation to this hearing, those arriving from the Middle East region.

As a member of the Australian Council for Overseas Aid we were integrally involved in the preparation of their submission, which I understand you have already had an opportunity to look at and question. However, we also put in our own submission which tackled a couple of key issues in relation to our concerns about the humanitarian impact of the sanctions in Iraq. We want to share with you what our partners and the Middle East Council of Churches are raising as critical concerns. They worked there immediately after the Gulf War and continue to provide critical health and food relief to many displaced communities. The second area is Palestine and, within that, our concerns about the Palestinian refugees; we have a particular worry about those Palestinian refugees—360,000 to 400,000 in Lebanon—and their future. On that, it is very sad for all of us today to hear that negotiations in Camp David have broken down, so it would appear that the uncertainty in relation to their future will continue. The other aspect which is raised is in relation to the attacks—some of you may be aware of these—on Coptic Orthodox Christians in Egypt at the end of last year. It is a deteriorating situation and a continuing concern for us.

Finally, as I have already mentioned, there is the issue of Middle East asylum seekers and refugees arriving here in Australia and our concern, to some extent, about the perception of the media—and, to some extent, the government—about many of those asylum seekers and refugees and the impact that is having in relation to support of a multicultural fabric. Also, the rights of people who are arriving here, often in quite desperate situations, are particular concerns of ours following our experience and ongoing work with many of those communities. Very briefly, that is the focus of our submission. I will briefly hand over to Susan who will elaborate a little bit on that aspect of our work in relation to our concerns about the Middle East asylum seekers and refugees in Australia. Thank you.

Ms Harris—We thought that it might be wise to simply draw some connections as to why we thought it was fit to speak to a joint standing committee on foreign affairs about what would be perceived as a domestic refugee issue. We have drawn those connections because the terms of reference look at people smuggling as an issue and most of the domestic measures that the government has recently taken are in direct response to people smuggling. The reason we think that this is of particular interest to any inquiry into the Middle East is because over 96 per cent of people in detention this year were from the Middle East and because those measures—temporary protection visas, et cetera—were stated to be implemented as disincentives for people from the Middle East. So it has a strong connection between the Middle East's perception of Australia and also of the Australian community's perception of people from the Middle East. Obviously, there is a strong stereotyping of these people as illegal or as criminals. They are receiving what we consider to be inadequate treatment in terms of their rights, detention conditions and then, after detention, when they are released into the community on the temporary protection visas. These are of very great concern to us.

CHAIR—To continue along the line that we left prior to the lunch break, could I firstly turn to the Palestinian refugees. You made mention of the fact that you are involved in Southern Lebanon. Could you give us an update on your intelligence as to what is happening there at the moment and how you see the whole thing panning out eventually.

Mr Isbister—Quite dramatic changes in the Southern Lebanon region—for example, the withdrawal of Israel—have brought about a number of challenging questions for our partners, for the Lebanese government and for the international community, part of that simply being the rebuilding of Southern Lebanon, which has been quite seriously devastated over many decades. In relation to the direct work that we are involved with, the main concern that we would have is for a resolution of the situation facing Palestinian refugees. Our concern as well is that if that issue is not resolved, there is a real danger of desperate moves brought about by frustration and growing fundamentalism as communities feel that they have got nothing else to lose. To a large extent, many of those families, as you would be aware, have been living in this limbo for decades.

The Oslo accord has come in to a point—it is arguable, I guess—where there is some resolution at least for Palestinians in the Gaza and the West Bank region, but in Lebanon very little resolution, if any, has come about. The danger of that is the same as for any human being when they face such uncertainty. Many of those early generations have accepted for themselves that there is no future but, more importantly, there is a concern about what the future is for their children. I guess that our concern, and the concern that our partners have raised with us, is that unless there is some hope and some resolution brought to it, there is a real danger of renewed

division—conflict between Christian and Muslim groups in Lebanon, conflict between Palestinians and the Lebanese, and the growing influence, to an extent, of some of the Islamic fundamentalist groups.

Mr HOLLIS—The situation with the asylum seekers, of course, is one that gives everyone concern, but how would you deal with it? I am talking about the people coming here. How would you deal with that if you were the government?

Ms Harris—The NCCA is a unique animal in the sense that international programs and the refugees and displaced people program work side by side, so we perhaps see a more obvious nexus than most people who work in the field together. We obviously think that in-country support—better aid, better development—to prevent people from fleeing in the first place is the ideal solution for most of these refugee flows, and we are fairly heartened to notice that the minister for immigration actually announced, I think it was yesterday, that Australia is going to help Afghanistan fight drought upheaval, for altruistic motives, obviously, but also to prevent refugee flows to Australia. It is certainly on the minister's mind, so that is a factor.

Mr HOLLIS—But drought alleviation in Afghanistan would hardly impact. There was some debate this morning about the definition of a refugee, and if people are coming here claiming genuine refugee status, it would seem to me that drought alleviation is not one of the criterion for a refugee who has a genuine fear of persecution if they are returned to their own home. If we fight drought upheaval, they might be assured of an economic solution of water, but that would hardly fit into the definition of a refugee.

Ms Harris—We are seeing a strong connection between the sanctions on Iraq and not only poverty and malnutrition but also increasing political rigidity in Saddam Hussein's regime. The sanctions are definitely having an effect on the Kurdish community and Christians in Iraq, and it is the same with the Taliban in Afghanistan. The economic factors there certainly produce harsher political regimes that impact on refugees.

Mr HOLLIS—One of the problems I have is that I come from one of the most ethnically diverse electorates in Australia—I am based in the south of Wollongong—and the main issue that my office deals with is people trying to come to Australia. I have seen figures that over a million people, almost two million, apply to come to Australia, and we take fewer than 100,000 a year through the migration process. Many of those people have been in Australia for a long time, trying to get their relatives here, and if you are living in Macedonia or somewhere like that, you are not exactly living in the lap of luxury. So they often come here for economic reasons, a family reunion or something like that, and of the people who come to see me, the vast majority do not meet the strict standards that the Australian government applies.

I have always believed that we have got to have a proper, ordered immigration policy. I am a great supporter of migration to Australia, but it has got to be done properly. The constant thing that people are putting to me is that they would be better off if they came here as refugees. When people do receive asylum here, they are constantly putting to me that their relations back in these countries, such as in parts of the former Yugoslavia, are in real fear of their lives. That is the dilemma. I am not saying that you are wrong or I am wrong or that there is an answer, but that is a dilemma that I think every member of parliament, especially members of the House of Representatives, faces.

Ms Harris—Absolutely, and there is a massive refugee problem, as well as massive people movement in ordinary migration, around the world, and that is something every country has to deal with.

Mr Isbister—I think the real issue, particularly in relation to asylum seekers in the Middle East, is that there is and has been for over 50 years a clear policy on how to determine who is a refugee. The issue is how you then implement that policy, and our concern is that, increasingly, it is the draconian measures and, to an extent, the development of stereotypes for many of those refugees arriving here, and many are from the from the Middle East.

Mr HOLLIS—I would suggest, with the greatest possible respect, that the media may stereotype but the treatment—if that is the right word—of the refugees or of the people from the Middle East is no different to the treatment of those coming from China. You have seen recent things. They are very quickly put on a plane and sent back to China. The government, rightly or wrongly, has a fairly strict policy there, but I think it has been administered at a departmental level fairly even-handedly. I remember a couple of years ago there was a suggestion to this committee that we do an inquiry into the boat people coming from China and from Indonesia. We decided not to do that and to have a general inquiry into our relationship with Indonesia. This was suggested as long as four or five years ago. To my knowledge, the people from the Middle East are being treated no better or no worse than people from any other area, with the possible exception of New Zealand. They always get away with it, but the others are treated no differently at all.

Ms Harris—Certainly de jure I would agree with you, but the overwhelming majority—98 per cent—of people who have been in detention this year are from the Middle East. Only a tiny per cent—1.9 per cent, based on the latest DIMA figures—are from China or from anywhere else.

Mr HOLLIS—That is because they got the Chinese out quicker.

Ms Harris—That is because there were a lot more turnarounds. Certainly—and we do have a lot of sympathy with the minister on this—there are people smuggling rackets going on, but that does not mean that the people who come here should be punished for the activities of the people smugglers. If they fit the criteria of a genuine refugee—and the figures are that in the last year 97 per cent of Iraqi and 93 per cent of Afghani were granted refugee status—they should certainly be treated in accordance with our refugee convention. There are a lot of people here who may be trying to exploit the refugee status for what should be considered migrant claims, but I can tell you that it is extraordinarily difficult to get in here as a refugee if you do not meet the convention definition—and the convention definition is very strict, as you know. I do not think that we should be punishing genuine refugees for people who are trying to exploit the system.

Mr HOLLIS—Is Australia's record on this thing any better than that of other countries? What if the people tried to get into the States or Canada or Germany?

Ms Harris—Our measures are in line with increasingly harsh measures in Europe, in Canada and in the US. The US has always been quite tough. Canada used to be more liberal than Australia. Australia has certainly been more liberal in the past. Since 1994, when mandatory

detention for people without papers was brought in under the Labor government, we have seen increasing harshness. Under the current minister for immigration it is the harshest that Australia has ever been. It still should be seen in the global context of many western countries toughening up. We have to remember that most developing countries bear to a huge degree the refugee burden of the world, and that is extremely unfair.

CHAIR—Could you indicate to us which country has a better record or provides a better system than we presently have?

Ms Harris—Australia is one of the few countries that mandatorily detains people without papers. New Zealand does not have mandatory detention. The UK does not have mandatory detention but I believe it is bringing it in.

Mr HOLLIS—How many refugees go to New Zealand?

Ms Harris—Not that many. I think their humanitarian program is less than 8,000; but ours is less than 12,000. In context, Australia is receiving a tiny amount of asylum seekers compared to Europe or America or even Canada in terms of GDP. I have the figures. We are receiving a tiny amount of people.

Senator FERGUSON—Why don't more of them go to New Zealand?

Ms Harris—I would advise them to, frankly. I think it is because it is harder to get from Indonesia to New Zealand than it is to get from Indonesia to Australia. It is more a physical thing.

Senator FERGUSON—We do have a refugee component in our migration program.

Ms Harris—Certainly, yes.

Senator FERGUSON—The people whom we are talking about are entering Australia illegally.

Ms Harris—They are entering Australia in an unauthorised manner. I would quibble with the term 'illegally'.

Senator FERGUSON—Isn't that illegally?

Ms Harris—No, under article 31 of the refugee convention, if somebody arrives without papers but declares themselves immediately to the authorities as a refugee, that is basically considered okay. There are some obvious reasons why people cannot get to our posts. Our posts are massively understaffed, particularly in the Middle East. I have lots of figures on that that I could provide for you.

Senator FERGUSON—It depends on how many people we think we should take. If we are going to take two million, we are understaffed.

Ms Harris—I think we have always taken 12,000 for as long as I can remember. We only take 4,000 from our offshore program. Obviously, we have not extended the numbers of people that we take in proportion to the global refugee problem. I think that is of concern. People are coming here in an unauthorised manner because they are unable to access the authorised manner. Certainly, most people would prefer to come as an authorised refugee as an offshore humanitarian program entrant. I can tell you that there are many benefits. You can have your airfare paid for. Once you get here, you are greeted at the airport. You get English classes, housing, medical benefits and torture and trauma counselling. None of these things are given to people who arrive without papers. Plus you are faced with months and months, sometimes years, in very nasty detention centres.

Senator FERGUSON—Very nasty?

Ms Harris—Yes, very nasty. Woomera and Curtin are very nasty, honestly. I can tell you. The human rights commissioner is currently in Curtin. He has also released a report on Woomera. They are not pleasant places to be. In some cases, I would say the conditions are worse than prisons, certainly Villawood stage 1.

Senator FERGUSON—Have you been to Woomera?

Ms Harris—I have been to Villawood stage 1. We were not allowed to go to Woomera. We have been to Port Hedland. Port Hedland is a reasonable detention facility. We do not have any problems with the facility as such. We do have problems with the fact that it is in such an isolated area that most NGOs, charities and lawyers cannot access Port Hedland and the same with Woomera and Curtin. We think those places were deliberately chosen so that they are disincentives.

Senator FERGUSON—It is not that difficult. I have driven to Woomera plenty of times myself. It is not that remote.

Mr HOLLIS—Woomera was only built to take the overflow from Hedland.

Ms Harris—That is absolutely right. A lot of the problems are because of time.

Mr HOLLIS—Where would you draw the line? I have no doubt that everyone who arrives here claims to be a refugee and you are right in what you say. Do we just take their word for it or do we check that what they are saying is correct? I could go to the United States and say, 'I'm a refugee'.

Senator FERGUSON—You would give them your papers.

Mr HOLLIS—Surely, you are not suggesting that these people should not be checked out.

Ms Harris—No.

Mr HOLLIS—The other point is, rightly or wrongly, immigration costs money. People, as you rightly said, are met and settled. Do you see a limit on the number we should take? You

have rightly identified that it is a growing worldwide problem. Here we are, a nation of 19 million people, what if a million people—that is only a drop in the bucket in the world refugee situation at the moment; I think it is something like 40 million—suddenly wanted to come to Australia? You have said before that we only have a very small percentage coming here now. What would your reaction be to that?

Ms Harris—I suppose Australia is fortunate in that it is so geographically isolated that it is unlikely that the million people who would want to come would be unable to get here for a start, physically. We hardly ever get African refugees in an unauthorised manner because they simply cannot get themselves here. In terms of the difference between Australia and Europe, we are in a very lucky position in that I really think that is a very unlikely scenario.

Mr HOLLIS—We should have a number. For instance, what if the situation in Indonesia deteriorated? It is the fourth most populist nation on earth. It is very close to Australia and there are quite a few boats there. It is not out of the realm of possibility that, out of the total population of Indonesia—if Ambon was repeated right across Indonesia, which it could well be in the next 12 months—a lot of people might want to leave Indonesia.

Mr Isbister—You could paint scenarios to a large extent that could meet any terrible situation. There is no doubt that, in the Ambon situation, there is a tragic outcome at the moment.

But I think the danger of painting such scenarios is that public perception and policy can start being framed around possible scenarios rather than maybe what humanely is actually happening at the moment. The situation in Ambon is desperate and it has displaced hundreds of thousands of people, but we have seen very few actually arriving in Australia.

Mr HOLLIS—Yes, I take the point you are making, that you cannot have graphic scenarios, but I also think that people like you come to us with criticism—and I am in no argument with you about you being critical of refugee policy and the way refugees are treated—while we as politicians have to deal in realities. What I am trying to establish is what you would see as a reasonable, acceptable number of refugees or asylum seekers coming into Australia. Someone said there were only 12,000 this last year. Do we double that or have, say, 30,000? Is it open ended?

Ms Harris—No, not at all. I have no problem with the Australian government setting a limit on the people it wants to take under its humanitarian project. I simply think Australia has to be realistic that it will get some onshore arrivals and that those people are treated with the respect that they are supposed to be accorded under the refugee convention.

All we are asking is that the refugee determination procedure in Australia be fair. People who do not meet the refugee convention definition are absolutely able to be deported. These are our obligations under international law, and that is something we support. However, what we do not support is Australia making decisions about how to treat people who do fulfil the definition of 'refugee' and treating them in a way that does not conform with the refugee convention. I would argue that temporary protection visas and long periods of detention in isolated areas, especially for children, certainly do infringe our human rights obligations and the refugee convention. So

it is a matter of being sensible, certainly compromising, realising it is a very difficult issue and having a fair and transparent system.

Senator FERGUSON—You don't think our system is transparent?

Ms Harris—No. I do not, when detainees are held incommunicado in detention for long periods of time without access to legal advice, without access to the human rights commissioner, without access to the Commonwealth Ombudsman, when they do not get proper representation in front of the Refugee Review Tribunal and when they do not have proper access to judicial review in the Federal Court. No, I do not think that is a transparent system. When the minister can, by whim, send back the Ambonese that are in South Australia on safe haven visas in 28-day intervals, that is not transparent. That is not subject to the rule of law. All of these things—the return of the Kosovars—are the same, and it is increasing too. Given the use of ministerial discretion in asylum seeker cases, that for us, and especially for people with a legal background, is certainly something for concern.

Mr HOLLIS—Some people say that is the problem: there are too many lawyers being involved in it. With the whole question of Port Hedland, when they were talking about people being there for three years; I think the legal profession had quite a lot to answer in regard to that.

Ms Harris—There is nothing that says that somebody has to be kept in detention until their High Court case is heard. There are definitely alternative models to detention that are quite fair and that certainly keep in mind security measures like the parole systems that they have in Europe, where you report to the immigration officer on a weekly basis and things that satisfy community expectations of security without children being born and growing up in a detention centre. I think there is definitely a balance to be struck.

Senator FERGUSON—If you are talking about community expectations, there is the general sentiment that I, as a member of parliament, seem to feel in the community. The majority of people I speak to say that, number one, we should send them straight back. I am not saying that is the right attitude, but the majority of people say we should send them straight back, whether we like that or not. You might call them 'unauthorised entries'; I prefer to say that they are 'illegal entries', but we will not debate that issue. You are suggesting that somebody who comes to this country, unauthorised or illegal, should not have mandatory detention. In other words, there should be some other method of dealing with these people.

Ms Harris—At least shorter periods of detention—that would be acceptable.

Senator FERGUSON—You start off one of your recommendations by saying 'if asylum seekers must suffer mandatory detention', which I think implies that perhaps you think they should not have mandatory detention.

Ms Harris—That is certainly our ideal outcome.

Senator FERGUSON—So somebody can come into this country unauthorised—or 'illegal' as I would say—and yet they should not be detained. In other words, there are open borders:

anybody that wants to can come in, unauthorised, and we have no powers of control over any sort of detention or checking.

Ms Harris—You can still do checks on people if they are not in detention. Part of the reason why the public is so strong about this—and, believe me, I have much sympathy; our church communities are very similar on this—and part of the reason perhaps why the public so strongly wants them sent back is because the minister keeps referring to them as possible criminals. I find that quite irresponsible.

We do no know that a large majority of the women and children and people that are in detention are not criminals. A tiny percentage of them might be. That is certainly why we should keep having ASIO checks even if that requires, for community feelings of security, that they be detained for a short period while those security checks are undertaken. That might be a compromise position.

Senator FERGUSON—I agree with what you say about stereotypes. I think the general feeling that I get from the community is that there is no stereotype that suggests these people are criminals. But there is a stereotype that suggests they are illegal. I have met many people in the community who have tried to get people into Australia through authorised entry under the migration program. They feel extremely put out that people who have not gone through the proper channels have been allowed to stay while people who would come through the normal channels, either through family reunion or being genuine refugees, cannot get on to the list of 12,000. They feel it is unfair, and I think that is a very strong feeling amongst the community.

Ms Harris—I would say that many genuine refugees cannot get to one of our posts, cannot get to the UNHCR and have to flee without their papers or have to give their papers up to people smugglers and are perhaps exploited by people smugglers. But I do not think that makes them any less genuine refugees.

Senator FERGUSON—I did not say it does. But you can understand the feeling in the community of people who regard these people as coming through unauthorised channels and being accepted when, as Mr Hollis said earlier, those who actually try to come through the authorised channels—the migration program and its refugee component—in fact join the end of a very long queue—and we have heard the word ‘queue’ a lot—of people trying to do exactly the same thing.

Mr Isbister—I can accept what you are saying and I think that is true to an extent. But what we are particularly mentioning, in relation to the terms of reference of this committee, is that as much as effort should go into this as the government is putting into policies, whether they are draconian or fair policies, in relation to asylum seekers and refugees. We do not believe the same political pressure, public statements and policy emphasis has been put into dealing with the root causes of part of this. Some of the issues are in relation to Iraq—the impact of the sanctions on Iraq and the resolution of decades of people sitting in queues and camps in Lebanon.

From our perspective, we are also saying that we strongly believe that the government needs to be putting more emphasis on, and showing more concern for, resolving these issues. It should be talking with the Australian community about how it is resolving these issues which are

leading to refugee flows, just as much as it is simply focusing quite specifically on dealing with individuals. There is no doubt that there is diverse thinking about how the Australian government should deal with asylum seekers and refugees, and that debate will continue forever. No matter what the Australian government does, people will continue to come. We strongly feel that, if we are going to be a country that is perceived to be responding to human rights issues with some sort of credibility, we need to be speaking about what we want to be doing or are doing in response to the root causes and doing as much as we are in sending videos out as to why people should not be coming to Australia.

Senator FERGUSON—I accept what you are saying and I accept that as part of your argument. But you also have to concede that the current immigration minister has done more than anyone else in the last couple of years in trying to visit the countries where the problems are occurring and in educating both the people there and Australians as to the root causes of the problem. I think it has become much more of a problem in recent times. The immigration minister has put in a tremendous amount of effort. On a different issue, in one of your recommendations you call upon the Australian government to use its influence within the UN to review the sanctions immediately—and you talking about the sanctions on Iraq—'in line with the call from worldwide moral leaders'. I am a bit concerned about the term 'worldwide moral leaders' and I would like to know who they are.

Mr Isbister—We have referred to some of those. From our perspective, the Pope has made some calls. The World Council of Churches, which is a representative voice of most of the churches outside the Catholic Church, is one. Another is Dennis Halliday, who was working with the UN and who recently came to Australia to highlight what he felt was coming morally as a result of the humanitarian consequences of the sanctions. And there are many more. There is no doubt that across the spectrum there has been quite strong and clear calls for reviews of the sanctions.

Senator FERGUSON—I always considered that when we were talking about 'moral leaders' we were talking about people who were above politics.

Mr Isbister—The Pope, maybe—

Senator FERGUSON—He is pretty political. I speak as a committed member of the Uniting Church who disagrees with many of the things that the Uniting Church says. I think the church leadership tends to make lots of pronouncements without consulting the parishioners or the wide membership of each of the churches that are involved. It tends to be made at a top level. The problem is the World Council of Churches has sometimes been accused of being involved in political statements rather than moral statements. There is perhaps less respect for these so-called 'worldwide moral leaders' who sometimes move beyond morality into the world of politics.

Mr Isbister—That is a debate you could get into: when do you argue that getting in the political realm is dealing with the concerns and issues that are facing your community or your supporters? How you distinguish between what is political and what is religious is a very grey line.

Senator FERGUSON—That is true—we are considered immoral because we are in politics.

CHAIR—I am glad I am a high tory Anglican.

Ms Harris—They all focus mainly on the suffering of children, on the UNICEF figures. That is really beyond politics.

Senator FERGUSON—Politicians are very concerned about children too.

Ms Harris—Yes, absolutely.

Senator FERGUSON—It is just that we have different methods of deciding what should be done.

Senator BOURNE—Could I get on to the sanctions against Iraq again. I think we all agree that it is a disastrous situation inside Iraq. What do you suggest could be done to try to change the situation there, to change that dreadfully hardline regime, if we did take those sanctions off?

Mr Isbister—This is a similar question that is being asked in relation to Burma or Myanmar. The Australian government at this time is reviewing and has recently taken up to some extent a policy of engagement with the Burmese regime. That is another political issue that has been hotly debated. I struggle to understand how it is that the Australian government would not see a similar benefit. We would see the main benefits of lifting the sanctions being not only the immediate lifting of some of the basic humanitarian standards issues that we face now but also the possibility of recognising that the government of Iraq is not simply Saddam Hussein. Like in any country, you have public servants and people working within government who have sympathies and quite strong concerns about the policies.

I feel—and this is a similar argument to that that Dennis Halliday and others have put forward—that nothing can be lost at this stage if we engage on some of these issues. Clearly, a desperate amount is already being lost because of the impact the sanctions are having. Arguably, a strengthening, to a point, of those repressive elements has taken place as part of that 'Saddam Hussein within Iraq' regime. A long answer to your question is that the benefit would be, firstly, lifting the humanitarian sanctions and, secondly, an opportunity to be in some sort of dialogue with elements of the Iraqi government who have already shown openness and willingness to deal with some of the issues that the Australian government, the UN and others are concerned about with regards to Iraq.

Senator BOURNE—You mention arms sanctions. Would you see that as a basic level of where you want to go?

Mr Isbister—In terms of continuing sanctions?

Senator BOURNE—Yes.

Mr Isbister—Most definitely, yes. With any government that has shown such lack of concern or any interest in the welfare of its citizens, then very clearly we would be supporting the continuing of arms sanctions.

Senator CALVERT—What are your thoughts on the so-called smart sanctions? They seem to be in the news of late. Have you got any thoughts about that? In the case of Iraq, have you got any thoughts about how the children could be protected while still imposing some type of sanctions that would hurt Hussein's regime?

Mr Isbister—I think the smart sanctions may sound smart, but what does it actually mean? This really is the point. The sanctions that exist at the moment cover so much that there is very little room for the international community to be assisting or responding to those basic humanitarian needs. The feeling is that if we can lift some of that off, it will allow us to be engaged and possibly make some smarter decisions about what needs to remain in place. I guess from our perspective one benchmark would be continuing military sanctions, but there are a whole lot of others in terms of technology, energy, et cetera. I am not advocating which ones we should or should not be leaving at the moment. All I am saying is that I think what has proven to be in place over the last nine years has clearly led to a devastating humanitarian situation. We need to lift some of that off, and we need to look at what sanctions are going to be appropriate and what situation we should continue to look at in terms of that political relationship.

Senator CALVERT—That would be a smart move.

CHAIR—Thank you very much for being with us this afternoon.

[2.15 p.m.]

BERRY, Mr William, Member, Kibbutz ex-Volunteer Association

BERRY, Ms Yoke, Secretary, Kibbutz ex-Volunteer Association

CHAIR—On behalf of the subcommittee, I welcome the Kibbutz ex-Volunteer Association. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the House itself. I invite you to make a short opening statement if you wish and then we can proceed to questions.

Ms Berry—I also want to tell the committee that another member of our committee has come along today. Her name is Helen Cass and she is in the audience. I feel privileged to come before you today to represent members of the new Australian association that aims to promote relations between Australia and Israel on a grassroots level by encouraging social and cultural exchanges between the two countries. Our members were volunteers in either a kibbutz or a moshav in Israel. Some were there more than 30 years ago, yet all the years after their unique experience, most of these volunteers still think back to this time and speak with fondness about Israel. They took a little of that newfound culture back to share with the Australian people. Our association believes that any country will benefit from having young people come over to experience our culture and lifestyle, but it is equally important that young Australians travel overseas to taste different cultures. To live temporarily in another country as a young person has the potential to develop personal lifelong friendships which create understanding between nations.

CHAIR—To get the background right, you are not a Jewish organisation?

Ms Berry—No, we are not. Most of our members are non-Jewish and Australian.

CHAIR—But there is a bit of a mixture there.

Ms Berry—No, we have had some inquiries, but there is a minority.

CHAIR—How long have you been in existence now?

Ms Berry—We formed in March this year.

CHAIR—What is the age of your membership?

Ms Berry—Middle aged.

CHAIR—Mr Hollis, do you have any questions? I think you have a vested interest here.

Mr HOLLIS—How does the organisation propose to create this understanding between the two societies, say, the Australian society and the Middle Eastern society?

Ms Berry—We have to make it clear that we have this friendship with Israel. We want to have a level of working together with people. So we thought the best thing to do was to try to create a mechanism for an exchange of our cultures, maybe through exhibitions. At present, that is what we have been focusing on in our region first. Hopefully, later on we will be able to widen our membership base to other regions as well. We find it important to first work in our own region. What we are doing is speaking to people in our region. We have a very good understanding with the directors of the art gallery in Wollongong and the science museum. We are hoping to bring some exciting Israeli exhibitions to our area. On the other hand, we also will lobby for suitable Australian exhibitions to go over to Israel. We are also in contact with the Israeli consulate who are facilitators for us.

CHAIR—Have they been helpful?

Ms Berry—Very helpful, yes.

Mr HOLLIS—Do you think Australians understand Israel very much?

Ms Berry—No, I do not think they do.

Mr HOLLIS—What about the other way: do you think the Israelis understand Australia?

Ms Berry—When I was in Israel in February—and I think that was also the reason that we formed—it was quite a critical time when some Israeli soldiers had died in Lebanon. Young people would come up to me and say, 'What do people in Australia think about Israel; what do they think about our situation?' I could tell them what the newspapers write about Israel, but I do not think the people around me—the people in the street—know very much or care very much. That was when we got together with a few people I knew who had also been to a Kibbutz and I said, 'Can we do something to have a personal relationship between the countries, just to make each of us aware that the other exists?'

Mr HOLLIS—I do not know whether you were here when witnesses appearing this morning—I forget which group it was—made, more or less, the point that you are making. They said that Australia did not really understand not just Israel but the Middle East. But very few areas in the world get as much publicity. Discussions that have been going on at Camp David have been on the television every night and on the front page of the newspaper. That has been going on, and it is something that is going to have an impact on the region and, I guess, indirectly on Australia. I would suggest that the whole Middle East—rather than a specific country, whether it is Israel, Syria, Egypt or Lebanon—gets a lot of publicity in Australia. Do you think that people do not really understand or they just switch off or they do not read it?

Ms Berry—I do think that we are linked through our culture. I think we are basically a Christian community. So we are linked through our religion to Israel.

Mr Berry—What we are seeing on the news each night is usually a bomb blast, some act of terrorism or some confrontation. We would like to promote an understanding of cultural aspects.

Rather than having to see these things on the news each night, we would like to see people go along to an art gallery or a museum and see some aspect of each of those cultures—not just the confrontation, which is the big picture.

Senator BOURNE—I am interested in what got you interested in going in the first place. I assume that you are an ex-kibbutz worker. What made you want to do that in the first place, as you are not Jewish yourself?

Ms Berry—I think you have to think back 20 or 30 years ago when Israel was just a new state—after the Second World War—and we saw that the Jewish people had their own nation. That drew the attention of young people. The kibbutz is built on this socialistic principle which attracts young people. A lot of young people from different nations were working in the kibbutz, and that made it a very unique experience.

Senator BOURNE—When did you go?

Ms Berry—I was there in 1975 and 1978.

Senator FERGUSON—And for how long a period?

Ms Berry—I went back a few times but, altogether, I think it was two years.

Senator FERGUSON—Two years in total.

Senator BOURNE—Do you thing it has changed very much since then?

Ms Berry—Yes. I was sent an article recently about how the kibbutz has changed.

Senator BOURNE—How have they changed?

Ms Berry—When I was previously in the kibbutz everything was shared and we would eat in a dining room. So the profits of the kibbutz were shared equally amongst the members. When I went back in February, all the members had to pay for their own food. There was a cash register at the entrance to the dining room. People tended to stay more in their private homes and not share all the meals together whereas before you would share meals with each other in the dining room three times a day.

Mr Berry—The socialistic ideal which the kibbutz started with has now changed.

Mr HOLLIS—Capitalism has now taken over the kibbutz.

CHAIR—I will just show my ignorance: what is the difference between a kibbutz and a moshav?

Ms Berry—As I understand it, the kibbutz is communal. When we were there—things have changed now—the profits which were made were shared equally amongst the members. The

moshav is more like a village where they would share certain responsibilities, maybe buildings or equipment, but the profits made would be individual and stay with the family.

Senator FERGUSON—I think it is wonderful that you have established this organisation because anything that improves international goodwill and understanding can only be for the betterment of both the countries and the area. I am a little surprised that in your submission you talk about the programs to foster good relations and that you say you believe it is important that these programs should never be at the cost of the sole democratic country in the region, Israel. I know there are varying degrees of democracy, but I would not have thought that Israel was the sole democratic country in the region.

Ms Berry—You can tell me another democracy in the region?

Senator FERGUSON—We are dealing with the Middle East and we have a pretty fair—

Ms Berry—I was aware that this question might be asked. We really discussed this in depth and asked, 'What is so special about it?' I will tell you. It is, I think, the similarity between Israel and Australia. It is a very positive point, and it is a point which we can take to advance the relationship. It is a very special thing to have a democracy. It is a fundamental similarity and most people who have travelled around the world have to admit that we are lucky to live and to develop as individuals in a democracy.

Young people in Australia do not necessarily learn the history of the Middle East. I have found that young people tend to not totally understand what is happening in the Middle East. They sympathise with maybe the Palestinians or with the Lebanese because Israel occupied their territory, but they do not understand why these problems arose in the first place. We think, in our humble opinion, that Australia ought to show openly commitment and support to Israel and to build a Middle East policy framework around this principle because we think the value of democracy is something very unique and it is something we should respect in both countries.

Senator FERGUSON—Ms Berry, it is fair to say that successive Australian governments of both political persuasions have shown support for Israel. They have been constant in their support of Israel and, as a matter of fact, we have been accused in this inquiry of being biased in our support for Israel to the detriment of the other Middle East countries. So I think it would be pretty hard to suggest that we have not been supportive of Israel.

Ms Berry—It is just that I do not always notice that in the people I meet in the street.

Senator FERGUSON—You are talking about people you meet in the street, and that was the other issue I was going to raise with you. In most cases, people only have an interest in a country, a particular interest, if they get the opportunity to either visit that country or have some other way of gaining information or learning about it, or understanding it. Some 30,000 Australians are expected to visit Israel this year. I imagine that each year, with successive 30,000s, these are the people that will become aware of what is happening in Israel today. You said that as you went around the streets and talked to people they said they did not know about Israel. People in Australia may not have shown an interest in a country anywhere else in the world. How many people know anything about South America, or about Central Europe, or any

countries that they have not actually had the opportunity to have some contact with? I do not think it is unusual that Australians do not understand in detail what is happening in Israel.

Ms Berry—That is probably right, and I take your point, but there is a difference between travelling to a country and living in a country. This morning I heard the voice of President Bill Clinton on the radio. I wrote it down because I was impressed by it. He was talking about the Middle East process and said it was agonising for them—meaning Barak and Arafat—and that unless you have lived there or talked to them you will not understand. I found it very clever of him to say that because we can go and visit but we will not understand.

Senator FERGUSON—But that is the point that I am making. A visit is one thing, but people in the street are not going to have a great understanding unless they live there. Very few people will do that. You can only have a superficial interest unless you promote this goodwill and understanding by way of exchange and, even then, you cannot understand it unless you actually live there.

Ms Berry—That is true.

Senator FERGUSON—How do you think that a promotion of cultural exchanges or a promotion of information—exchange of information between Israel and Australia—is going to help the Middle East peace process or to try and bring some resolution to the current situation that exists in the Middle East?

Mr Berry—Hopefully we can do it just by talking about that understanding. Having that exchange might start that understanding and promote an interest in that regard. It facilitates a means to carry on that understanding and to promote it.

Senator FERGUSON—The reason I suggest it—and I am not being cute in saying this—is that it would appear as though the exchange of cultural understanding needs to be between the Israelis, the Palestinians and their near neighbours rather than between Australia and Israel.

Ms Berry—That is not our aim. That is not really what we are on about.

Mr Berry—That would certainly help.

Ms Berry—I am sure that exchange programs could be tried out in other countries as well. It just happens that we have this special relationship with Israel, but I am sure it can be done in other countries too.

Senator FERGUSON—It is very worthwhile.

Mr Berry—One of those exchanges is an exhibition called *The Source*. That does not just pertain to Israel; it pertains to three major religions from the area. It shows an understanding of Islam, Christianity and Judaism.

Senator CALVERT—In your visits to the region, have you had any contact with the Palestinians? What were your impressions?

Mr Berry—I haven't met many Palestinians. I have worked with some Arabs in the area. I have had very limited contact.

CHAIR—There being no further questions, I thank you very much indeed for being with us today. If there are any matters on which we might require some additional information, the secretary will be in contact with you and will send you a copy of the transcript of the evidence to make any corrections if necessary.

Proceedings suspended from 2.32 p.m. to 2.56 p.m.

[2.56 p.m.]

HUMPHREY, Dr Michael, President, Australasian Middle East Studies Association, School of Sociology, University of New South Wales

CHAIR—Welcome, Dr Humphrey. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the House itself. I invite you to make a short opening statement, if you wish, before we proceed to questions.

Dr Humphrey—My submission was quite straightforward. It was really addressing the question of how Australian universities contribute to the education, training and equipment of people for small areas such as Middle East studies, and it applies to many other areas of study as well, I think. My point was to emphasise the problem of coordinating that and maintaining it within Australian universities.

CHAIR—The indications are, though, that in fact Middle East studies have declined fairly dramatically in the last 20 years, and this in a scenario where we have seen quite a massive increase in migration from the Middle East to Australia.

Dr Humphrey—And the relationship between the two. I think you cannot assume that because there is a continuing flow of migrants that that is their interest in studies. It is true that historically there has been a particular relationship between, say, language programs in universities and even high schools and primary schools, and there are various areas of Middle East studies, particularly language learning in relation to retention of cultural knowledge and languages for migrants, but I would not say that there is any necessary relationship between continuing migration flows and an interest in the area. Historically, in the area of social sciences and history and things like archaeology, it has been much more of a broad interest. It has been sustained, certainly in relation to the Middle East, because of the political attention the area has received in the last 30 or 40 years.

CHAIR—Could you describe to us any links that the tertiary sector would have in Australia with similar organisations through the Middle East?

Dr Humphrey—The Middle East is not an academic environment that is the same as Australia, North America or Western Europe. There are individual links, but there is not an equivalent—not that I am aware of—Middle East studies association of Egypt, for example, or Lebanon. That is not the nature of the academic organisations. Israel would have parallel ones. The nature of the relationships are not of that sort, not between associations. They are not big enough.

CHAIR—But there are personal links?

Dr Humphrey—There are personal links. Most of the relationships with areas such as the Middle East, or even Africa for that matter, are much more personal or individual. This is one of

the problems that losing people, or not having people trained means you lose those links because that is the way these areas have been sustained.

Senator BOURNE—You mentioned that only very few Australian students tend to go to the Middle East to pursue undergraduate or postgraduate degrees. Are there opportunities in the Middle East that Australian students could avail themselves of which are not too difficult?

Dr Humphrey—There are probably more now than there were. I have a background in anthropology myself, but I generally do not see a lot of students showing an interest in the international scene. In my experience of universities of the 1970s and 1980s, there was much more interest or adventurism than there is now. While I am not saying that there is not any interest and that there are not students who make those connections or go on exchange, there are still very few.

Senator BOURNE—It is interesting when you compare that with—coming back the other way—the flow from the Middle East, which has actually been more significant. You actually named Iran and Iraq, which I found somewhat surprising. Why would they have so many? How many more students are coming here from the Middle East and why would Iran and Iraq be popular places to come from?

Dr Humphrey—This is Iraq in the 1970s and 1980s, which was very buoyant, affluent and expansive. Iraq had a rapidly growing middle class and was exporting a large number of students to different parts of the world who were looking for technology and expertise. Australia was providing training particularly in the areas of wool, technology, agriculture and irrigation—all kinds of things like that. That was a very particular period. Iran fits into the post revolution period, and the fact that Australia maintained its continuing links through trade, which permitted a kind of acceptance of Australia as being somewhat different in language based training. From personal experience of Iranian students, I know that many of them would have preferred to go to the United States, despite the rhetoric of television and media reporting.

Senator BOURNE—Or perhaps because of!

Dr Humphrey—What I am saying is that they were not alienated in any sense.

Senator BOURNE—No.

Dr Humphrey—They were very ambitious and most of them were extremely hardworking.

Senator BOURNE—What sort of inflow of students do we have from the Middle East now?

Dr Humphrey—As I understand it, the number from Iran is not quite so large, although it is continuing. There is increasing effort to get students from the Gulf, but I am not sure how successful that is. Yes, there is an attempt to encourage people from other countries. My experience in this is that in the early 1990s I went with a colleague, Professor Springborg, to try to encourage various kinds of exchanges and links between universities. But the problem with establishing those dialogues and those exchanges is that the history of the staff, the people who have been trained, is in Western Europe and in North America—especially North America. As I put in the submission, those links are very longstanding. People have made their careers and

they continue to have benefits through Fulbrights, sabbaticals and all kinds of things in that area. That is why unless Australia offers very particular kinds of expertise—as I said, as the Iraqi postdoctoral students were finding—then Australia does not offer a particular kind of attraction. It is just an alternative: 'Oh well, maybe.'

Senator BOURNE—Do you think there are things that we could do here in Australia that would usefully encourage that exchange: both Australian students going to the Middle East and Middle Eastern students coming here?

Dr Humphrey—I think it is a slow long-term process, as your question suggests. Yes, it is important to promote that exchange and for students to go to places. The problem in the Middle East is that institutions are not always so accessible. In many countries, there have to be very specific relationships. Moreover, the institutions that are accessible and that students feel confident in are usually the English speaking or bilingual ones. There are not a lot of those. I am thinking of Turkey, and of course Israel is much more accessible, and then there is the American University of Beirut in Lebanon and the American University of Cairo. There is a very specific kind of linkage. You would not find those unless you had extremely competent students in language, and that is certainly a disadvantage for people going to the American University of Cairo or something like that.

Senator FERGUSON—Are the students who come out here from Iraq and Iran being supported by the universities? Or are they self-funding?

Dr Humphrey—I am not sure whether there are any coming from Iraq these days.

Senator BOURNE—That was in the eighties.

Senator FERGUSON—You say here that many more students come from the Middle East to study in Australia, mainly from Iran and, more recently, Iraq. Sorry, that is only in the overview; it is not in your submission.

Dr Humphrey—It is actually more Iran; it is certainly not Iraq.

Senator FERGUSON—There were numbers from Iraq.

Dr Humphrey—Most of the Iranian students have been funded by the Iranian government. That has been a burden for them, though, because the scholarships have been fairly limited and they have had to travel with their whole family. They have quite often found it a very pressured situation. Otherwise, no, the university is not supporting this—because these are foreign students—unless people are migrants.

Senator FERGUSON—I am trying to think of why they would come to Australia. I heard your earlier answer that the natural tendency would be to go to western Europe. If they went to the United Kingdom it would probably be because someone they knew owned a house there. That would probably also be the case in the States, where they have tended to study. Why they would come to Australia?

Dr Humphrey—As I was suggesting, in one case it is political. The Iranian flow is political. Another case is for particular expertise. The other one is that there is a certain amount of connection through immigrant communities, maybe with the expectation that they could pay for an education and get a visa, which is certainly still possible. It is not closed. If you get a qualification in Australia, particularly a high qualification, that still leaves open the door to settlement or to get jobs at least on a long-term basis. It really is a question of specialised knowledge of some sort that Australia has to offer. In the area of Middle East studies, which is what I am talking about here as opposed to the broader spectrum of students coming across the whole range of professional degrees, that is a difficult area. They would not come to Australia for that.

Senator FERGUSON—What role does Israel play in this Middle East Studies Association?

Dr Humphrey—Neither Israel nor any Arab country plays any role in it at all.

Senator FERGUSON—I do not mean play a role to that extent, I mean to what extent does your association have an involvement in or a consideration of the whole Middle East situation? Is Israel a special part of that Middle East association, as well as the other countries? Is it excluded?

Dr Humphrey—No, no-one is excluded at all. The history of Middle East studies, particularly the political focus, has meant that different sections of the Australian community take a particular political attitude and at times there has been antagonism towards the association because it is seen as predominantly dealing with Arabic speaking countries of the Middle East. There has always been an openness about people coming but there has not always been a willingness to cooperate. That is probably the best way of putting it. It does not really go much beyond that. If people want to come, they come; if they do not want to come, they do not come.

Senator FERGUSON—What sorts of issues do you discuss at your annual conference? What does your annual conference involve? Do you bring people out to Australia to address the conference? Is it done by experts within Australia?

Dr Humphrey—Both. It varies according to the kind of funding you can get for any annual conference. It is very expensive to bring people out. The student interest in the Middle East has been dictated by political events. It has been largely a discussion of contemporary politics. I am from anthropology and sociology, so my area is slightly different. The annual conference will deal with the issues of international relations, particular countries and immigrant communities. Depending on the context of where it is being held, it will deal with areas of cultural expertise, whether it is on language or Islamic history or whatever. It is a full spectrum of things but the emphasis, because of the interest of students, is on Middle East politics.

Senator QUIRKE—I am curious about whether or not you have made any assessment of recent arrivals in Australia. A large group of people have sought refugee status and probably will obtain refugees status. Some who arrived here from the Iraqi middle-class have already obtained that. A lot of the boat people are coming from Afghanistan as well and other places like that and, as I understand it, there is a sizeable component from Iran and an even larger component of Iraqi middle-class people who probably have been driven out for all sorts of

reasons who are now likely to take up residence, at least in the short term, here in Australia. Probably in the long term they will eventually be reunited with the rest of their families. Even though the visa arrangements right now are for three years and then it is reviewed at the end of it, I have no doubt at the end of the day they will be here with their families. I wonder what the impact of that will be on the universities. You have been answering questions so far on the traditional student visa that is issued to people who wish to come for whatever reason to study in Australia, and principally from Middle Eastern origins. We will now have a sizeable Middle Eastern population here in Australia and a sizeable Iraqi population here in Australia. No doubt they will probably gravitate around to the various universities, either in this generation or in the next generation. I wonder if you would comment on that.

Dr Humphrey—I am sure that there are more Iraqis arriving and, as you suggest, they are going to stay. I am not sure why that would have a particular effect. Australia is a multicultural society, and the diversity of people who come to Australia and are presently in universities is reflected across that, so I am not sure that they will make any particular change or impact at the university at all. Especially in the areas that I am talking about, in Middle East studies, there will be a continuing interest. There may be a couple of people who will do subsequent research and even go on to do PhDs as people who have come from Lebanon have done. You will produce a few people like that; otherwise they will be heading off for professional careers as most other people do. The context of immigrants in relation to Middle East studies is the area I did my own research in—the settlement of Lebanese in Australia. This changes over time. It looks very different. The Lebanese in Australia now look very different to what they did in the 1970s and 1980s. There is no particular impact of Lebanese, for example, given the war period, in Australian universities, except to say that yes, there are people there. I can identify people who were pushed out during the war. They had excellent prospects in Lebanon; they fulfilled them in Australia. But that did not produce any particular currents in universities. The universities are pretty assimilating in that sense.

CHAIR—How successful have the three Middle East study centres been—at Deakin, Macquarie and ANU?

Dr Humphrey—I spoke to Professor Saikal about my submission. Professor Saikal has certainly established the most successful one, but even his expectations of developing that centre have met with difficulties in terms of getting the necessary funding. What has happened is that, particularly through DETYA grants, the focus has been to try to establish centres for a particular study. But the problem is, unless they have been able to generate funds, they have often been left with very few people to run those programs. I know Professor Saikal well and certainly he has a large number of students there, but the very capacity for him to sustain the centre is dependent upon what we produce in other places.

For example, maybe six or eight of the postgraduate students at that centre came from a program I was running with someone else from Macquarie University. That program disappeared because charges on HECS meant that the MA in Middle East studies, which was a combination of politics and sociology, simply was no patronised at a level of maybe 30 a year. So suddenly the sources of students who flow into these things become very restricted. So the centres themselves are competitive in the university environment, they have to sustain themselves. Generally, they do not have a great capacity for generating funds. I know Professor Saikal was expecting more success there. I think he still expects it, but I do not know whether it

will happen. Support from funding sources and endowments from the Middle East especially are notoriously unpredictable.

That centre is successful. The others are much less so because they are so small in the sense that there are only a couple of people involved with them and quite often they are just contributing certain areas and have to supplement their teaching in other areas. For example, I have had a continuing interest in the Middle East, have expertise in Muslim communities and have done research in Pakistan. I was never employed on the basis of my Middle East expertise; it was because I had a strong background in the area sociology of migration. That was what enabled me to have a job. There are very few designated Middle East positions anyway, apart from language training, Semitic studies within Sydney University and Jewish studies at the University of New South Wales. Jewish studies in New South Wales is an endowment partly from the community and partly from the university. There is a range of things that develop, but they remain extremely small.

CHAIR—Foreign governments do not make any contribution?

Dr Humphrey—They have to various places. But, as I say, some of those are very insecure.

CHAIR—I think recently the Iranians came good. I do not know how much there was, but it was for some particular project at the ANU.

Dr Humphrey—There is expected money from the UAE and there is expected money from the Sultan of Brunei. There is a circuit of people they ask for money. Unless you really establish a centre which people will call a centre of excellence which compares with somewhere else, it is just a name.

CHAIR—Should we do it?

Dr Humphrey—I suspect that, not only in this area, Middle East studies, but in other small areas, unless we establish some focus in education in relation to your areas of interest in foreign relations, then you are literally going to have a very random presence of people across the spectrum of social sciences and history who have any expertise in these areas. They will just be surviving in the gaps. The point about earlier inquiries into Middle East studies that I mentioned is that the idea of at least having one centre creates an overview and a knowledge about what is happening where. The other danger is you develop programs which look very glossy but have such a thin number of personnel. Even the centre at the ANU, for example, relies on postgraduate supervision from outside. So I am nominated in a supervisory panel for several people at the ANU. None of them is big enough.

CHAIR—Perhaps it is just folklore, but can you confirm that, when the Gulf War broke out, certain media organisations scoured Australia to find experts on Iraq and could not find any?

Dr Humphrey—I am not sure about that. There was a lot of controversy about reporting in the Middle East at that time.

CHAIR—There was. It was put to me that this was one of the difficulties—within the academic institutions of Australia there was nobody who had any real expertise.

Dr Humphrey—In the media, the level of expertise for commentary is operating at an international relations level which does not necessarily engage things too far. So I am sure they could have found quite a few people, myself included, who have a certain expertise and knowledge as an overview rather than being a specialist in Iraq.

CHAIR—I think it was a specialist they were after.

Dr Humphrey—Yes. There are specialists on Iraq in the sense of people who deal with international relations in the Middle East. There certainly were. I know the people: Bob Springborg, Andrew Vincent and Amin Saikal are three who were regularly on. Samina Yasmeen is another one, in Perth. So it is not that there was not anybody, but there was probably not anyone with a PhD in contemporary social sciences in Iraq, in the sense of being a country specialist.

CHAIR—Dr Humphrey, thank you very much. That was most beneficial.

Committee adjourned at 3.20 p.m.