



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE

(Foreign Affairs Subcommittee)

Reference: Australia's relations with the Middle East

WEDNESDAY, 15 NOVEMBER 2000

BRISBANE

BY AUTHORITY OF THE PARLIAMENT

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to: **<http://search.aph.gov.au>**

JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Foreign Affairs Subcommittee

Friday, 17 November 2000

Members: Senator Ferguson (*Chair*), Senators Bourne, Calvert, Chapman, Cook, Gibbs, Harradine, Hutchins, Sandy Macdonald, O'Brien, Payne 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, Dr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, M 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 and Schacht and Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Lieberman, Dr Martin, Mr Nugent, Mr Price, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

Senators and members in attendance: Senators Bourne and Gibbs and Mr Jull and Mr Pyne

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.

WITNESSES

BUGGY, Mr Paul Francis, Manager, International Market Development, Tourism Queensland..... 449

CHANDLER, Ms Amber, Member, Christians Israel Public Action Campaign..... 425

FOUNTAIN, Mr James Roy, Economic Development Liaison Officer, Mayor’s Office, Gold Coast City Council..... 442

GARBUTT, Mr Bruce Howard, Australian Director, International Christian Embassy, Jerusalem..... 434

POWER, Colonel (Retired) John Patrick, Chairman, Foreign Affairs, Defence and Trade Policy Coordinating Committee, Queensland Branch, National Party of Australia..... 455

WREN, Lieutenant Colonel (Retired) Ian Douglas Kay, Chairman, Foreign Affairs, Defence and Trade Policy Coordinating Committee, Queensland Branch, National Party of Australia..... 455

Subcommittee met at 9.05 a.m.**CHANDLER, Ms Amber, Member, Christians Israel Public Action Campaign**

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 Brisbane. The subcommittee is conducting a series of public meetings on its review of Australia's relations with the Middle East. The next hearings will be held in Adelaide tomorrow and in Perth on Friday. Today's proceedings will enable the subcommittee to receive further evidence on the continuing conflict in some parts of the Middle East and, perhaps on a more positive note, the opportunities for enhancing Australia's tourism and trade relations with the countries of that region.

On behalf of the subcommittee, I welcome Ms Chandler. 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. Do you have any further comments to make on the capacity in which you appear?

Ms Chandler—I am the author of the submission of the Christians Israel Public Action Campaign.

CHAIR—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 and then we can proceed to questions.

Ms Chandler—Good morning and thank you very much for the opportunity to appear before you at this public hearing today. Our submission encouraged Australia to continue building friendly relations with the state of Israel. However, we listed several concerns about the way Australia has handled the peace process and its vote within the United Nations. I will now give you a brief summary of our concerns.

While Australia supports the existence of the state of Israel, its policy is also to support a Palestinian state. Our concern is that these two goals are inconsistent with one another. Observations made over the past decade—since the beginning of the peace process—have revealed that, while the Palestinian Authority has signed peace treaties, its actions have promoted violence and made it clear that peaceful coexistence with Israel is not the Palestinian goal. As Arab American journalist Joseph Farah recently wrote:

Behaving as if a 5,000-year-old birthright backed by overwhelming historical and archaeological evidence is equal to illegitimate claims, gives diplomacy and peacekeeping a bad name.

We believe that the amount of propaganda which has been circulated by the Palestinian Authority has clouded public opinion and government policy regarding Israel. The way the world sees Palestinians today is a prime example of how this propaganda has been so cleverly woven. For example—it may be shocking for some of you to hear this statement—there has never historically been any culture, language or national identity called Palestinian in the land which is now Israel. A brief look at history shows that the Romans named the land Palestine

after driving out Jewish rule around AD 70. Then followed a succession of rule by Roman, Islamic and Christian crusaders, the Ottoman Empire and then, briefly, the British. But there has never been a land known as Palestine governed by Palestinians. In fact, the term 'Palestinian' had always referred to those living in the land during Ottoman or British rule, be they Jew or Arab. Yet the people who now call themselves Palestinians have managed to invent a history and connection with the Holy Land, which the world has embraced.

This tendency to create stories is evidenced in the present-day situation. The Palestinian propaganda machine would like us to believe that their people, unarmed, are being attacked for no reason by Israeli soldiers. Unfortunately, such propaganda has made its way to many bona fide newspapers and news desks. The truth is that the Palestinian Authority has filled its media, education and politics with slanted information that is designed to breed hate for the Israelis. I will give a few examples. The Palestinian Authority education system teaches young children to read, write and interpret history with hate towards Israel and the Jews. Its official sixth grade reader bears the title *There is No Other Alternative But to Destroy Israel*.

Palestinian Authority radio similarly disseminates hate. A *USA Today* reporter in Jerusalem recently heard announcements on the official Palestinian Authority radio that towns such as Hebron and Bethlehem were being bombed by Israeli forces. A breathless announcer described scenes of homes burning and streets flowing with blood. The reporter immediately drove out to each town as he heard the reports, only to discover nothing. All of these reports were concocted—why? They were aimed at rallying the Palestinian masses into a frenzy of hatred towards and confrontation with Israel.

CIPAC is concerned that Australia not allow this barrage of propaganda to affect its decisions concerning Israel, but to always seek the true facts weighing the matter carefully before going with the tide of international opinion based on Arab propaganda.

The United Nations is another area affected by this anti-Israel sentiment. So many resolutions which condemn Israel have been passed, and Australia has often voted for them or simply abstained from voting. For instance, just last month, on 20 October, the UN voted for a resolution condemning Israel for the excessive use of force. Notwithstanding that, the use of force by Israel has been in self-defence against armed Palestinian civilians and a police force set on killing.

The world has repeatedly accused Israel of shooting indiscriminately into crowds of Palestinians, yet nobody has stopped to ask why, if trained Israeli soldiers are actually doing this, the fatality rates are not much higher—in the thousands. Yet 92 countries voted for this resolution condemning Israel and 46 abstained from speaking out and questioning the exaggerated wording of it. Australia was one of those that abstained. Why has Australia sat on the fence in the United Nations when it has an equal vote with every other nation? Australia has the opportunity to stand up and support Israel and truth in this forum, yet it has not chosen to do so.

In conclusion, I would like to say that each of the CIPAC committee members has friends and reliable contacts in Israel—Christian, Jew and Arab. The reports of each one concerning the current violence have been consistent. They watch the world news in disbelief at the concocted stories that are being repeated. One person put it most succinctly, and I will repeat his words. He

said, 'Whether you even support Israel itself, support truth and justice ...' This is what CIPAC wants to say to the committee today. Please seek the truth on this matter before making policy decisions in regard to Israel. Do not allow false information to influence your vote in the United Nations. Australia needs to be accountable to God for the truth and its position regarding Israel. The Bible makes it clear that individuals and nations who support Israel will be blessed. A peace process will fail only if it is based on lies and propaganda. True peace can be achieved only when we recognise the truth and start from there. Thank you. I now welcome any questions.

CHAIR—Thank you very much. In light of the statement, is there any way you think that we can get some sort of solution to the coexistence of the Israelis and the Palestinians? Is there any way that Australia can back both sides to try to get this settled?

Ms Chandler—I believe that peace is really about both sides being willing to coexist with each another. As I said, I believe that Australia needs to seek the truth of the matter, to look at individual claims by Israel and the Palestinian Authority and to base its decision on the truth, not simply because someone speaks the loudest or complains that human rights have been violated. I think it is necessary to base any foreign policy on the truth first so that justice can be served in that way. I understand, of course, that Australia wants to support human rights around the world. Nobody likes the idea of people being killed senselessly. I believe that Australia has given aid to the Palestinian Authority.

My concern, and CIPAC's concern, is that a lot of the aid that has been given to the Palestinian Authority has been whittled away by corruption, and it has gone towards putting the money into an education system which has bred hatred towards Israel. There are many examples of what Palestinian Authority children read and of the slogans they are taught to shout. The prime example of that is somebody saying recently that, while Israeli children were drawing pictures of doves on posters for peace, Palestinian children were learning to become suicide warriors and to shout hateful slogans towards Jewish people. Going back to your point about whether Australia can support both sides, I think Australia must make a decision about supporting the truth and seeking out who has the rightful claim, who really wants peaceful coexistence, and go from there.

CHAIR—You have given us a historical run-down of the situation there. In your opinion, where is the basis for Palestine? Is it Jordan?

Ms Chandler—Yes. I think you have hit the nail on the head there. When the British mandate had Palestine originally, it was the area of Israel and Jordan. During cries of Arab nationalism, which arose all over the Middle East in the 1920s—the French gave Syria and Lebanon to the Arabs—the British designated the area of Jordan to the Palestinian homeland, leaving a very tiny slice of that in which Jews and Arabs could live. When they designated the area of Jordan, it was stipulated that no Jews could live there, so all Jewish towns had to close up and move within the borders of what is present-day Israel. When the Palestinians claim their land today, I believe it is a claim that has already been met by the British having given Jordan as a Palestinian homeland in 1922.

Senator GIBBS—Amnesty International has accused Israel of excessive force. From what we have seen on television, most of the deaths have been of Palestinians. Bearing in mind the

peace process, what do you say about that? Amnesty International has accused Israel of excessive force and deaths, and we have seen some pretty horrific things on television. All we have seen of the Palestinians are people throwing stones. What are your comments?

Ms Chandler—I, too, have read Amnesty International's reports and I believe they are very one-sided, as was Mary Robinson's, the UN High Commissioner for Human Rights, visit to Israel recently. They went simply to look at Israeli abuses of human rights, when it has been clearly documented by Palestinian human rights watch groups that the Palestinians are also guilty of human rights abuses and that they should be looked into too. On your point that when you look at the media, all you see is Palestinians throwing stones, that is something I believe Palestinians have wanted the world to see—the stone throwers. I have a quote from a Palestinian security official who spoke to the BBC the other week. When asked why the Palestinian soldiers could not stop the very tragic death of those two Israeli soldiers in Ramallah, he said that the Palestinian civilians are armed more heavily than the Palestinian police. They are armed with assault rifles, and they go around threatening people with those. It is not merely a matter of stone throwing; that is a myth that, unfortunately, has been perpetuated by the media.

Senator GIBBS—It seems to me that, whenever it looks as though there is going to be a solution for peace, something goes wrong because both sides have terrorist groups, who obviously do not want peace and who obviously think that their leaders are too compliant. If we are going to have peace in the Middle East—and I am sure everybody wants that, particularly the people who live there—how is this to be overcome, when you have Hezbollah and this group and that group, and they are obviously like lunatics. They are people who do not want peace, and they seem to be causing trouble all the time. How is this to be overcome?

Ms Chandler—Firstly, I disagree with your statement that both sides have terrorist groups. I do not know of any Jewish terrorist groups that exist, although, in 1948, there certainly were groups labelled as Jewish terrorist groups that were fighting. But I do not believe they exist any longer. All Israeli citizens that I have encountered want peace. They just want it to be over and done with. They do not want to live their lives having to run to bomb shelters all the time, having armoured cars and having their children shot at. In regard to Palestinian terrorist groups, there is Hamas and there is Fatah. It is very clear from the Palestinian Authority that they have a strong connection with those groups, and they have encouraged those groups to continue fighting. For example, the other day, the head security official of Fatah reported a conversation with Yasser Arafat, in which he said that Yasser Arafat had told him, 'Every time you hear me call a cease-fire, I am doing it for political purposes to continue to get funding. So ignore me, please keep firing.'

Senator GIBBS—Do you think Arafat cannot control certain elements of his people?

Ms Chandler—Absolutely. Not only can he not control them; I believe he also encourages them.

Senator HUTCHINS—I am not familiar with the composition of your group. Could you explain it to us?

Ms Chandler—The Christians Israel Public Action Campaign is a group of Christians in Australia who believe very strongly what the Bible says about supporting Israel. From the word of God, we see that the Bible gives Israel a rightful claim to the land of Israel—the Jewish people—and we believe that is a God given right. In support of that, we believe in mobilising other Christians to urge the government to support Israel in policies and to seek out the truth.

Senator HUTCHINS—Do you have groups affiliated with you, like the Uniting Church, the Anglican Church or the Catholic Church?

Ms Chandler—No, we cross all denominational boundaries. We have members from many groups of people, including Catholic, Baptist, charismatic—many dominations are represented.

Senator HUTCHINS—Would you be characterised as a fundamentalist group?

Ms Chandler—I do not believe so. We have never been called that. Would you like to start?

Senator HUTCHINS—No. You talked about corruption in the Palestinian Authority and I think in either your submission or the embassy's submission there is reference to unaccountability of money handed over to the Palestinian Authority. What evidence do you have to make that statement?

Ms Chandler—We do have evidence to back that—I have some right here. The European Union gave quite a few billion dollars to the Palestinian Authority, and one of their audits in 1998 showed that much of this money had been used to buy luxury homes and provide luxury holidays for Palestinian leaders high up, but had not actually reached the poor people who did not have homes, food or jobs. The European Union were quite concerned about that. Obviously, they had invested a lot of money. The Palestinian human rights groups also confirmed that the money was spent in a frivolous fashion. It has not actually reached the people who it is intended for.

Senator HUTCHINS—As a result of that exposure, what has happened to those leaders—anything at all?

Ms Chandler—No, the leaders have stayed firmly in place. There has not been a lot of backlash against them, because the Palestinian people know that, if they do not conform, they are going to be hounded.

Senator HUTCHINS—When you talked about education and said there was a lot of anti-Israeli sentiment, I imagined one would expect that, with a besieged community, they would be trying to educate or instil in their young people what they stand for.

Ms Chandler—A certain defensive mechanism, in a way.

Senator HUTCHINS—How many of the Palestinians are actually followers of the Islamic faith? I saw a program the other week which showed there were a number of Palestinian Christians who were also involved in combating Israel.

Ms Chandler—I do not agree with that statement. From what I can discern, the Palestinian Christians have actually been tied into the fight against Israel. For example, there is a community just south of Jerusalem near Bethlehem—the Jewish community is called Gilo and the Palestinian Christian community is called Beit Jallah. When the area was given over to Palestinian autonomy, the town was drawn down the middle between the Jewish and the Arab Christian areas. The Arab Christian area was given to the Palestinian Authority. Recently, the Palestinian Authority has been using Beit Jallah as a position to shell Gilo, and that has continued for many weeks now, putting the Gilo residents in great hazard. It has been reported that the Palestinian Authority has actually taken over Christian homes and fired from them in the hope that Israel will fire back at the Christian homes. So far, Israel has stopped itself from firing back at Christian homes because it knows that the Gilo and the Beit Jallah residents were friendly towards each other before—they never had an argument.

Senator HUTCHINS—So the Palestinian Christians are not involved in this?

Ms Chandler—I do not believe so. I believe they are in the middle of it.

Senator HUTCHINS—I recall reading somewhere, or seeing on television, that there are certain Jewish groups that are opposed to the state of Israel existing, too, for religious reasons.

Ms Chandler—That is true.

Senator HUTCHINS—And they are involved with the Palestinians in trying to destroy the state, aren't they?

Ms Chandler—Yes. It is very unfortunate.

Senator HUTCHINS—What are they called?

Ms Chandler—They would be a very strongly fundamentalist group comprising a very small group of Orthodox Jewish people mainly living in Jerusalem, and that is very unfortunate. During wars they have also aided the Jordanian side, something the state of Israel is not at all pleased with.

Senator HUTCHINS—You would be wrongly classified as an anti-Islamic group?

Ms Chandler—No, I think you would classify us correctly as an anti-Islamic group. We have seen too much evidence of violence by the Islamic religion. For example, you would all know that Christianity, Judaism and Islam are all religions of the book. But while Christianity and Judaism concentrate on acts of love and kindness to the world, Islam is very much a religion of the sword. This is evidenced by sermons preached in mosques every Friday—for example, the latest one in Jerusalem, where the head cleric was urging all the Muslims to 'kill, kill, kill and don't be killed.' The sermons are quite graphic and very violent, and they stir the Islamic people up to war.

Senator HUTCHINS—I would think that is a fairly simplistic categorisation of Islam. Everything I have read about Islam is that it is not necessarily an aggressive religion at all—it has just been hijacked probably in the last 20 or 30 years.

Ms Chandler—I would not say hijacked. Islam was founded on aggression. In the first years when Mohammed took over the areas of Mecca and Medina, he slaughtered people in towns. It was very much a fact of ‘convert or be slaughtered’.

Senator HUTCHINS—I suppose we could point to acts of violence by Christians over the centuries, and maybe Jews for all I know. That is all I have to ask.

Senator BOURNE—I have a couple of questions. We have had some evidence from Palestinian groups telling us the exact opposite of what you are telling us. They are telling us that is exactly what is happening and you are telling us the opposite, and we are finding it very difficult to see which is right. They cannot both be right. In that context, I would be very interested in seeing the reports of the Palestinian human rights watch groups that you say clearly document that stuff. So if you could send those, that would be really good.

Ms Chandler—Certainly, I would be happy to do that.

Senator BOURNE—Do you see any prospect for any agreement on anything? Obviously, from what you say, you are pretty pessimistic about the peace process and about agreement between the Israelis and the Palestinians. Do you see any prospect in any area for agreement?

Ms Chandler—Already so many agreements have been signed, yet something always happens that pulls them apart again. Land has been given over to the Palestinians for autonomy, prisoners have been released—there have been many different things—trade has been opened between the Palestinian Authority and Israel, yet something always seems to happen. And, yes, I suppose you are right when you say I am quite pessimistic in my view of the peace process. However, I know that there are elements of the Palestinian society who genuinely want peace. Nobody likes to live in such a changeable environment all the time. It is a basic human desire to want peace. But, as I was saying, I think that the Palestinian Authority and other groups like the Hamas are constantly wanting to drive Israel out and that is their ultimate goal. And when they so much want to remove Israel from all the land, you really cannot achieve peace.

Senator BOURNE—There is a real problem on both sides with hardliners, of course. I do not know how you can overcome that. Do you have any views yourself on how we can overcome that?

Ms Chandler—No, I am afraid I do not have any rules or an accord to draw up.

Senator BOURNE—I wish you did, but never mind.

CHAIR—What do we do about refugees?

Ms Chandler—That is always a big issue. Again, I think that it has to be looked at in a historical context. In 1948, when the state of Israel was formed, the United Nations reported there were about 700,000 Palestinian refugees. This number did take into account Palestinian Arabs who had been living in the area for less than two years at the time. So that number is questionable and it has, of course, enlarged over the years with descendants of refugees. Those refugees were in countries such as Lebanon, Jordan and Egypt—all over the Middle East—and were kept in camps for the past 50 years. I do not know if you have ever heard of the Jewish

refugees from the Arab lands when the state of Israel was formed in 1948. The numbers are exactly the same—700,000 Jewish refugees, from places such as Iraq and Jordan, had their possessions taken from them and they were expelled from their lands. Most of them chose to go to Israel, and Israel immediately repatriated them in a new area, even though they had never lived in Israel before—they had always lived in an Arab society. They were given jobs and homes, and now they are settled. Many members of the Knesset were born in Iraq or Morocco and are now settled in society.

Senator GIBBS—Why did that happen if they had been living in Jordan for years? Why did they suddenly have to go? And why were the Arabs so mean to them if they had already coexisted?

Ms Chandler—Because in 1948 when Israel declared itself a state, it stirred up the ire of all the Arab countries surrounding it. Five or six Arab nations descended upon Israel to attack it and to drive it out so that the state of Israel would be no more. As a result, the Jewish citizens of those Arab countries became suspect and they were immediately expelled. It happens in wartime everywhere, I believe. In Australia in the Second World War some citizens of German origin were also likewise—

Senator GIBBS—But Jewish people obviously have lived there for centuries and you are saying they coexisted with the Arabs, but once the state was formed, that is when everybody decided to fight each other.

CHAIR—We have certain obligations under UN charters on refugees. How far should we be going in terms of assisting with settling some of these refugees from this particular area?

Ms Chandler—You mean Australia should welcome some refugees in? I have not really thought of Australia doing that. I would have thought that, since the Arab people were from Arab nations they would be more at home in an Arab society which would welcome them. I believe Australia has often welcomed refugees from different countries including Lebanon and they seem to have settled in the country well. It is a matter of Australia's policy on how many people—

CHAIR—The proposition is often put to us that Australia is regarded as something of an honest broker in the Middle East and, while we are not a major power, we can make a contribution in trying to settle some of these things down. For example, would your organisation have any major objection if we formed part of a peacekeeping force?

Ms Chandler—No, not at all. I think that if Australia presented itself as a duty to the United Nations to supply some peacekeepers—certainly if all we were doing was trying to keep the peace—and as long as the UN were not seeing themselves as some aggressive force in Israel against either side and could remain completely neutral, I do not see a problem in that.

CHAIR—My understanding is that there is now some sort of standing invitation to Yasser Arafat to come to Australia. Is there any advantage in that for Australia? Would you rather he did not come?

Ms Chandler—We would rather he did not come. We have written to the government expressing that desire as well. We believe that in inviting Yasser Arafat, Australia is giving a diplomatic status which is not rightful at all to Mr Arafat. He is a former terrorist who has been admittedly guilty of murdering Jews. I think to welcome him to Australia when he obviously still shows terrorist tendencies by his constant calls to the Arab people to kill the Jews and to get Israel out would be a grave mistake.

CHAIR—Thank you very much indeed for being with us today and for the evidence that you have given us. 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 draft transcript of your evidence so that you can make any necessary corrections.

[9.40 a.m.]

GARBUTT, Mr Bruce Howard, Australian Director, International Christian Embassy, Jerusalem

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 can proceed to questions.

Mr Garbutt—I am grateful for this opportunity to present this submission to the subcommittee. I have provided some background information in our written submission on the International Christian Embassy, but I would be more than happy to answer questions at a later time if that was necessary.

Might I say that our submission is based on the Bible. That is the sole basis of our submission, and I think if we were honest we would recognise that society around the world is crumbling at this point in time because society basically fails to accept any absolute truth as to what is right and what is wrong. Our Western society is dominated by a Greco-Roman culture of competition and individualism. Humanism is on the fore, with man seen as being supreme. We have changing values. We have a society that is riddled with compromise. There are a diminishing number of absolutes within our society, and we have lost sight of the very foundation of the word of God as the basis of Western society.

At a meeting in Jerusalem a number of years ago former prime minister of Israel Binyamin Netanyahu said that the battle for the Middle East is a battle for the truth. I would endorse that. My wife and I have just returned from three weeks in Israel, and I can endorse that statement that the battle for the Middle East is a battle for the truth. As I said, the Bible is the truth. God's word is the truth, and the whole basis of this submission is that the Bible, the word of God, is the absolute truth and that, according to the Bible, the most important international relationship that Australia or any other nation can have is its relationship with the nation of Israel.

The Bible is a remarkable book. It is not only a religious book but it is a completely accurate, historical document. More than 3,000 years ago God said that Israel would be scattered, and she was. He also said that he would regather her to the land. We have seen this happen and it is continuing today. Since 1989, for example, more than one million Jewish people have returned to the land of Israel primarily from the land of the north, or the former Soviet Union.

God also said that there would come a time when the nations of the world would come against her and would seek to divide the land, and again that is what we are seeing in these days. The word of God says also that the nations would come against the city of Jerusalem, and we are seeing this before our eyes today. Specifically, the Bible says that Jerusalem will be a stumbling block, and that is exactly what our news commentators said after the failure of the Camp David talks in July of this year.

God also says in the Bible that Israel will always be a nation before Him and I think, as Derek Prince said, anybody who believes that the formation of the state of Israel and the rebirth of the state of Israel is a political accident would also believe that the world is flat. Her miraculous rebirth in 1948 came after nearly 2,000 years of being scattered to the four corners of the earth, in a period of time just after almost half the world's Jewish population was slaughtered during the Nazi Holocaust.

The Bible also says that those who bless this nation will be blessed; and those who curse her, or speak disparagingly about her, will be cursed. The Bible also says that God has given the Jewish people the land of Israel as an everlasting possession. God has given the city of Jerusalem forever to the nation of Israel. I might say at this point in time that Jerusalem is not mentioned once in the Koran, but it is mentioned more than 800 times in the Bible. Even in Jerusalem, when Muslims pray, they turn their backs on Jerusalem and face Mecca in Saudi Arabia. I would just like to quote from an article by Joseph Farah, who says that there are no Muslim holy sites in Jerusalem. He states:

I don't expect you will ever hear this brutal truth from anyone else in the international media. It's just not politically correct.

I know what you're going to say: "Farah, the Al-Aksa mosque and the Dome of the Rock in Jerusalem represent Islam's third most holy sites."

Not true. In fact, the Koran says nothing about Jerusalem. It mentions Mecca hundreds of times. It mentions Medina countless times. It never mentions Jerusalem. With good reason. There is no historical evidence to suggest Mohammed ever visited Jerusalem.

Senator HUTCHINS—What is that from?

Mr Garbutt—This is from an article written by Arab-American journalist Joseph Farah. This appeared in the *Jerusalem Post* on Tuesday, 24 October of this year.

CHAIR—Could we get a copy of that?

Mr Garbutt—You certainly can. The word of God also says that God will judge the nations who seek to divide the land of Israel. By putting pressure on Israel to trade land for peace, Australia may incur the judgment of God. God will also judge the nations that come against Jerusalem to take her from Israel. Australia's refusal to accept Jerusalem as the eternal and undivided capital of Israel places her in a position to incur the judgment of God.

There are some other truths about the Middle East. It has always been suggested in the last submission concerning the name of Palestine that the name 'Palestine' does not appear in the Bible and Palestine has never existed as an autonomous entity. There is no Palestinian language; there is no distinct Palestinian culture; and there has never been a land known as Palestine governed by Palestinians. Palestinians are Arabs, indistinguishable from Jordanians, Syrians, Lebanese, et cetera.

The conflict between Arabs and Israel or between Israel and the Palestinians is not a political one, neither is it a conflict over land—it is a conflict of religions; it is a conflict between the God of Israel and the God of Islam, Allah. Islam cannot accept that land once controlled by it can be subsequently controlled by anybody else—in this case Israel. To them it means that the

God of Israel is greater than the God of Islam, and Muslims will never accept this. Arabs control 99.9 per cent of the Middle East land area. Israel represents one-tenth of one per cent of the landmass, but that is too much for the Arabs—they want all of it. Jerusalem has never been the capital of any other nation but Israel.

What the Koran says—and my reason for quoting some of these verses is so that we have an understanding of the mentality or the mindset which we are dealing with in talking about the Middle East—is that the Jews will be scattered and persecuted until the judgment day. Islam therefore sees the restoration of Israel as a challenge to the validity of the Koran and Islam. It also says that Allah is the best of all deceivers and that Allah deceives whom he wills. Allah loves those who take part in holy war or jihad, and those who fight will go straight to heaven. It also says that Islam will conquer all religions and that the followers of Islam are free to break any oaths that they may make. I just say again that that is the basis under which the Arabs and the Palestinians are approaching the negotiations in the Middle East at this point in time.

I believe that the challenge for Australia is to stand for the truth and not compromise its position with regard to Israel. Australia should recognise that Israel is the only true democracy in the Middle East. It also should recognise that it is only under Israeli sovereignty that there has been true freedom of religion and worship in Israel. I believe that we should recognise that Islam is not tolerant of other religions. My wife and I and our family lived for 2½ years in Saudi Arabia where there are no churches allowed at all. Even in the privacy of our own homes we as Australian Christians were denied the right to meet together to practise our religion. Yet, when Arabs, or Muslims specifically, come to this country, they demand the right to practise their religion.

I believe that Australia should support Israel's right to exist in safety in all the land that is rightfully hers and that we should oppose those nations who would force Israel to trade land for peace. We should also recognise Jerusalem as the eternal and undivided capital of the nation of Israel and oppose any move to internationalise the city. I also believe that the challenge for Australia is to relocate our embassy from Tel Aviv to Jerusalem. Finally, remember that Australia was the first nation to vote in favour of the establishment of the modern state of Israel in November 1947, therefore I believe we have an obligation to uphold her continued right to exist, a right which is being severely contested at this point in world history.

CHAIR—Thank you for that. Could I just clear up one issue? Have you any relationship with our previous witness from the Christians Israel Public Action Campaign?

Mr Garbutt—Only in that we know each other and support each other's activities.

CHAIR—One of the aims of your organisation, I thought interestingly, was to build bridges of reconciliation between Jew and Arab. I was wondering if you would give us a bit of background on that? What work are you doing in Australia and have you had much success?

Mr Garbutt—The primary role of the work of the embassy in Australia is to gain funding, gain financial support, for the activities of the embassy in Israel and in other parts of the world where we are attempting to bring the Jewish people back to the land of Israel. As was mentioned in the previous submission, many Arabs, particularly Christian Arabs, face persecution from their own people. There are laws under Palestinian control, for example,

which prohibit the sale of land by Palestinians to Jews, and there are many Christian Arabs, in particular, who are persecuted. They are the people primarily whom we support in whatever way possible and in whatever way is needed. We provide them with access to medical assistance, dental assistance and school material where that is possible and able to be supplied.

CHAIR—You have raised it, other witnesses have raised it and certainly it has been at the forefront of most of the negotiations that have gone on, and that is the situation of Jerusalem. In all reality, can we expect Jerusalem ever to become an undivided capital? Should compromises and efforts be made to try to form it into some sort of international city and to see whether we can get this situation bedded down?

Mr Garbutt—I do not believe that there will ever be total peace in Jerusalem until the Messiah comes. In the light of what I mentioned with regard to what the Arabs, or the Muslims more particularly, believe concerning Jerusalem, I do not believe that they will ever accept Israel's total sovereignty over the city. They will always want it.

To internationalise the city—and I know it was reported as one of the suggestions of Mr Clinton at the recent talks at Camp David that they put in an international group under United Nations security control—I would see as a disaster in the light of United Nations voting patterns concerning Israel. Since 1948 more than one-third of the condemnation resolutions out of the United Nations have been against Israel. I would hardly see the United Nations as being a totally unbiased force in a situation like that.

Mr PRICE—I note you say the Messiah is the one that will provide the solution. That is a fair enough perspective. But wasn't there in fact an offer by Israel for a division of Jerusalem between Israel and the Palestinian Authority?

Mr Garbutt—My understanding was that that was a suggestion made by Mr Barak which was conveyed by Mr Clinton to Yasser Arafat in the Camp David accords. My understanding of it—and I am basing this on the comments made by Israeli diplomats—is that, because it was not made directly, because it was not accepted and because it was made by a third party, it is not a legally binding offer. On the basis that Mr Barak had said that any agreement would be subject to the will of the Israeli people, therefore subject to a referendum, it is my belief that that referendum would never be passed in Israel.

Mr PRICE—I would say, with respect, that I thought it was a generous offer.

Mr Garbutt—It would be an offer that has gone further than that of any other leader within Israel in trying to seek peace.

Mr PRICE—If we were to wind the clock back maybe five years, are you surprised about how far the peace process has been able to travel notwithstanding the difficulties today?

Mr Garbutt—Yes, I am, to the extent that I would have thought that the Israeli people probably would not have gone down that same path after Mr Rabin was assassinated and when Binyamin Netanyahu was elected as Prime Minister. I was surprised by the Israeli people's election of Mr Barak, knowing that he was a dove in the peace process. In another sense, no, I

am not surprised because it is a sign of the way that the whole world is going that they will not accept any absolute truth and they will not accept the truth of the Bible.

Mr PRICE—In the longer term, isn't peace the only solution in the Middle East?

Mr Garbutt—Yes, it is but I do not believe you will get it this side of the Messiah.

Mr PRICE—But we have probably got an obligation to work as best we can towards it.

Mr Garbutt—You can but you have to understand the mindset of the people that you are dealing with.

Senator HUTCHINS—You quoted an article. Do you have any authority other than some journalist writing an article?

Mr Garbutt—With regard to?

Senator HUTCHINS—That claim that it is not the third holiest site of Islam. I wonder if you could supply us—not now—with any other material, because that certainly would be disputed, wouldn't it? You do not dispute it but others might dispute it.

Mr Garbutt—It depends on what sort of proof you want, because the apologists for Islam suggest that the reason why Jerusalem is the third holiest site is that there is an oblique reference in the Koran to a distant mosque, which the apologists suggest is the Al-Aksa Mosque in Jerusalem. The only problem is that the Al-Aksa Mosque was built some 20 or 30 years after Mohammed died.

Senator HUTCHINS—If you could supply the committee with that information, I would be interested.

Senator GIBBS—In your submission, you have stated that Australia should support Israel's right to bring Jewish people back to the land of Israel. What do you mean by this? It is my understanding that if Jewish people want to go back to Israel they go back to Israel.

Mr Garbutt—I am not suggesting that Australia is not supporting that. However, I am aware that the Palestinian Authority is opposed to the return of the Jewish people to Israel. I am not aware of what Australia's voting pattern has been in the past, but I would certainly hope that Australia would not vote against any motions in the United Nations which would prohibit the Jewish people returning to Israel.

Senator GIBBS—But isn't that why there is an Israel—because Jewish people actually go back to Israel to settle there? Even though the Palestinian Authority might be against it they cannot stop Jewish people from going back to their homeland.

Mr Garbutt—No, they cannot at the moment. But they can put a lot of pressure on nations such as they did when Israel declared Jerusalem as the eternal and undivided capital of Israel. Pressure from the Arab nations—pressure of an oil boycott—forced all bar about two of the

nations to move their embassies to Tel Aviv. The same sort of pressure could be brought to bear once again on Australia, and I would hope that we would stand against that.

Senator GIBBS—You are saying that this conflict is a totally religious conflict. If that is the case, then you obviously do not see any peace process down the line. It is my understanding that the Palestinians want a block of land for themselves and to have the land divided up. Don't you see any hope at all that people could learn to coexist even if it is not like bosom buddies? Couldn't they learn to tolerate each other?

Mr Garbutt—The only hope would be if there were a change in heart from the Muslims—the Palestinian authorities—towards the nation of Israel. They do not accept Israel's right to exist.

Senator GIBBS—It is a very small block of land there.

Mr Garbutt—Of course it is a small block of land. When you consider what the Arabs have in relation to Israel, something like 640 times the land area—and they have the oil and Israel has the oranges—they still want all of it.

Senator GIBBS—It is this tiny lump of dirt right there on the map.

Mr Garbutt—It fits three times into Tasmania and they want all of it. Every time Israel gives them something, the Palestinians want more. They will only accept peace if Israel does not exist anymore. One has only to look at the statements made by the Palestinians. I guess I am asking this subcommittee to look at some of the articles and statements being made by the Palestinian authorities and the leadership. They do not want peaceful coexistence.

Senator HUTCHINS—On page 8 of your submission you say that it is regrettable that Pope John Paul II has been deceived and is supporting the Palestinians. That is obviously in conflict with your embassy.

Mr Garbutt—Yes, it is with regard to the stance of the Vatican concerning Israel and the Palestinians. It is our belief, based on the statements made and documents signed, that the Vatican is very much against the state of Israel and very much supportive of the Palestinian Authority.

Senator HUTCHINS—That must be of deep concern to you then, is it?

Mr Garbutt—Yes, it is a great disappointment, Senator.

Senator HUTCHINS—I asked Amber whether there were Catholics involved in her organisation. Are they involved in yours?

Mr Garbutt—Very much so. We, like CIPAC, are non-denominational and non-political.

Senator HUTCHINS—Are you Catholic yourself?

Mr Garbutt—No, I am not.

Senator HUTCHINS—What faith are you?

Mr Garbutt—I am Christian.

Senator HUTCHINS—I might call myself Christian, too, but I am a Catholic. Are you involved in any church?

Mr Garbutt—Yes, we are. My wife and family are involved with the Assemblies of God church, but we have a Presbyterian background.

Senator HUTCHINS—I do not know whether that is good or bad.

Senator GIBBS—Shall we all declare our faith?

CHAIR—Have you any particular reaction to, or concern about, the arrival in Australia of boat people from the Middle East? What should our attitude be? Do we have an obligation to try to do something about the refugee problem?

Mr Garbutt—I do not have sufficient details about the whole situation to comment other than to agree with what Amber said in the previous submission. I believe Australia, as a nation, needs to be extremely cautious as to who we allow into this country. There are suggestions that there are deliberate attempts by Islam to control the first point of entry into Australia. It has also been suggested to me that some of these Arab refugees are not refugees as we understand it, but are coming as part of a genuine move to export Islam to this nation. It is fairly well known that Islam seeks to dominate the world religions—that is what it says in the Koran—and that some of those people coming into this nation get three-year visas very easily. I would be concerned about that.

Mr PRICE—I guess the refugees issue relates to the peace process: refugees in the camps have a right to return to Palestine, or to Israel for that matter. It is unlikely that both parties will agree to all of them returning. If that is the case, is there not an obligation on good corporate citizens of the world—and Australia has been a very good corporate world citizen—to accept some of those refugees who have been in the camps for so many years?

Mr Garbutt—I do not have a difficulty with that in principle. However, having lived in Saudi Arabia for two and a half years and viewed at first-hand the attitude of other Arab nations towards the Palestinian refugees from Israel, I believe that we, as a nation, ought to be pressuring other Arab countries to accept some of them into their own country. For example, to take up the point that Amber mentioned, Jordan is recognised by the Jordanians—and was recognised by the late King Hussein—as being the home of the Palestinians.

Senator GIBBS—I am glad that you refreshed my memory. I was quite fascinated by your comment that you lived in Saudi Arabia and you were not allowed to practise your own religion in your own home. I always thought the Saudis were not as fundamentalist as other groups and were far more liberal. Surely they would not stop you from praying to your God in your own home?

Mr Garbutt—It was not allowed by law. They certainly cannot physically stop you. However, it was a law that you were not allowed to meet. There were no other churches—they even paid informers to inform the authorities of religious meetings.

CHAIR—So there could be no obvious vestiges of your faith displayed?

Mr Garbutt—No.

Mr PRICE—But is Saudi Arabia not one of the few remaining absolute monarchies in the world?

Mr Garbutt—I cannot be certain of that.

Mr PRICE—Do Palestinian refugees not constitute 40 per cent of Jordan's population?

Mr Garbutt—I think it is higher than that—up to 70 per cent.

Mr PRICE—I did not know it was that high. You could be right. I do not think we would ask every country to take such an extraordinarily large percentage. If we applied the same rationale to World War II, Australia should not have taken so many people from Europe. But we did, and I think it has been a great benefit not only to them but to the country as a whole.

Mr Garbutt—I guess Australia has an obligation. However, one has to ask—

Mr PRICE—Amongst other nations.

Mr Garbutt—One has to ask the question: what happened to the 300,000 Palestinians that were expelled from Kuwait after the Gulf War? Whose responsibility was it to take those people?

Mr PRICE—All I am trying to say is that if one of the blocks to the peace process is the right of return of all refugees, then, as the family of nations, perhaps all of us need to accept some responsibility. Clearly, many will go back and should go back, but not all. That was basically the point I wanted to make.

CHAIR—We are well over time. Mr Garbutt, thank you very much indeed for your attendance today and for the manner in which you addressed the matters at hand. If there are any issues on which we might need additional information the secretary will be in contact with you. The committee resolves that the article from the *Jerusalem Post* of 24 October entitled "Palestine" is a myth' be accepted as evidence.

[10.20 a.m.]

FOUNTAIN, Mr James Roy, Economic Development Liaison Officer, Mayor's Office, Gold Coast City Council

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. Do you have any comments to make about the capacity in which you appear?

Mr Fountain—I am with the economic development and major projects directorate.

CHAIR—Thank you. 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 can proceed to questions.

Mr Fountain—The council actually became involved in economic development about five years ago on the basis of diversifying the economy and lessening the reliance on tourism. Since that time we have been working actively in terms of investment attraction and encouraging local industry to develop into industries which will be globally competitive. Basically that is what this particular branch is dedicated to. We have a staff of about 13 people, and we would be the second largest local government authority in Australia. In terms of our focus on economic development, I think we will be equal to any. So we are quite a dedicated group in terms of economic development. We also have helped to fund the Gold Coast Tourism Bureau with promotional funding, which is over \$2 million a year for them. We do not get directly involved in the actual promotion of it—they do that—but we are obviously interested in tourism from a long-term strategic perspective, and we get involved in those elements of it.

One of the reasons we responded initially to the invitation for this was that we had hosted a number of delegations from Gulf countries—large delegations that the mayor had done over the last two or three years—and we seem to have had a fair bit of rapport and future with them, in terms of both trade and tourism. As a result of that, the UAE ambassador invited the mayor to go to Dubai and take a trade mission, and I was part of that trade mission, which took place in April last year.

We obviously were treated very well, and our reaction from that was that we should try to get a closer, more significant relationship with them. From that point, we had developed a memorandum of understanding regarding a possible sister cities agreement with them. That went over there, and they have been processing that for a while. I believe it is now back in Australia. We have been working very closely with the Department of State Development here. The Queensland Department of State Development has got a separate section on the Middle East, and we are working with them, of course, and we expect that that memorandum of understanding will be signed within the next few months.

That takes into perspective a number of elements. There is a section which deals with enhancement of trade, another which deals with tourism, and another which deals with social and cultural relations. So there are three or four different action areas which, when the time

comes and this agreement is signed, we will start really getting involved in, to get this thing moving. At the present stage, as I said, with the trade group that went over there last year, several of them got worthwhile orders and we have been just basically waiting until this agreement is signed, and then we will have a look at and see what is necessary in terms of people on the ground, or any kind of relationships, or representatives over there for trade purposes. So that is where we are with that. We are looking forward to that, and we think there is great potential in that.

CHAIR—I am wondering if you are underselling it a bit—because, in reality, you have had quite a deal of success in terms of the tourist traffic coming in from Dubai already.

Mr Fountain—That is right. It is an interesting issue. I have been quite involved in that. We do seem to be a favourite of theirs at the present stage. In the last two or three years, there has been good growth, and we have obviously been making sure that that growth continues. We have actually worked with other organisations to make sure that they get in and give advice to the tourism industry to make sure that the cultural and social things are under control and that there are no people going back home with bad experiences. I believe that a lot of the visitors from Dubai and the Gulf States do it on a fairly ad hoc basis. It is a quick decision and it is by word of mouth—which means that, if they do have a bad experience, they take it back. So we have been concentrating on that, where we can, so that that does not occur.

CHAIR—My understanding is that the visitors the Gold Coast is attracting from the Middle East stay longer than most. Am I correct in saying that they usually stay for somewhere between three and six weeks?

Mr Fountain—Yes, that is right.

CHAIR—I understand that they are the biggest spending tourists. I have heard a figure quoted that they spend on average \$7,000 per head while they are on the Gold Coast. Is that correct?

Mr Fountain—That would not surprise me. I have talked to several people who operate the duty-free stores and the comments they make reflect that. They are the biggest spenders that they know of, even topping the Japanese in what they spend. They are great family tourists. If you go down to the heart of Surfers at 10 o'clock or 11 o'clock at night you will see them—they are just family groups with children. It is really quite refreshing to see it.

CHAIR—What is the real attraction of the Gold Coast for them?

Mr Fountain—They like to see the greenery and they like to see some rain. Not necessarily that there is a lot of rain then—they should be here now. They certainly would be very happy now. They said to me when I was over there that the greenery and the rain attracts them. I do not think they are all that interested in going surfing. I have not seen **any** catching waves but I imagine there is the odd one that does. I think that is **it**, but also they like the friendliness. They say that it is one of the most friendly countries they have ever been to and they feel so secure **here**. That is probably exemplified by the family groups that are walking around the street at 10 o'clock or 11 o'clock at night. They tell me they would not be doing that in a European city. Obviously, we are very happy to have them and we want to encourage more to come.

In the letter from the mayor I think we described things. We did not come to any real issues in that letter. We just basically said what our intentions are. We tackled two issues. One was the Emirates Airlines landing rights, which subsequently have been gained for Brisbane. They have not been taken up yet.

CHAIR—I understand that that is not too far off.

Mr Fountain—I think it is getting close and that is obviously for commercial reasons. So that is the way it goes. The other issue is that initially we were concerned about the visa turnabout times. Looking through here, I did not see any real issues. I did a little checking around yesterday and the day before about the latest situation on the numbers coming from those countries. I gather that the estimate of visitors from the Gulf countries is down probably 10 per cent or 15 per cent from last year. Dubai particularly has probably had an even sharper decrease than that. That is not necessarily totally due to a problem with visas. It is a fashion thing, anyhow—you go from one country to the other; one is flavour of the month or the year and then it changes. But apparently the European airlines and hotel groups have got in and have really been after that market. They have been cutting fares and costs. So that has been one element of the reduction. I think the other one is the visa situation. Apparently the European countries give a 24-hour turnabout. Our target was five days, but this summer it started off at five days and it moved out to about 14 days. Because of how the people want to operate, they make up their mind and they basically want it the next day—so I guess that delay probably hurts a bit.

CHAIR—Is the Gold Coast happy with the cooperation they get from the Australian Tourist Commission, Tourism Queensland and Austrade?

Mr Fountain—Yes, we are.

CHAIR—Is there enough cooperation there?

Mr Fountain—Yes, I think there is. We have had some very good cooperation with Austrade and Tourism Queensland and the Australian Tourist Commission. There are no problems whatsoever there—none at all.

Senator GIBBS—Do you have figures on Middle East countries apart from Dubai? How many people from those countries come here?

Mr Fountain—We had some figures in 1998. From Dubai there were probably 3,000 or 4,000, but they were only a small percentage and a greater number were from Kuwait and some of the other countries around there. The Dubai figure was the one we were focusing on, but that was only a small percentage of the overall numbers.

CHAIR—Did I see a figure of about 11,000 last year to the Gold Coast?

Mr Fountain—That was our estimate. Another estimate that has just come through is between 12,000 and 14,000 from the Gulf countries.

Senator GIBBS—And these are not all horse racing people! There are others as well.

Mr Fountain—That is true. These are largely family groups. The interesting thing when you look at the economy there is that there is only a relatively small potential market because, from what I have been told, a group which comes out here for three to five weeks is probably going to spend at least \$40,000 in bringing the family here and living as they would like to. There is only a relatively small market that can afford to do it.

Senator GIBBS—Do we get many Israelis coming here or do they tend to go to America?

Mr Fountain—We have not tapped into the figures on Israeli visitors. It has not come to my notice that that is a significant group. We have a few Israeli businessmen coming through but I have not seen a figure on numbers of tourists. The witness who is appearing after me, Paul Buggy, might be able to answer that question better than I can—in fact, I am sure he can.

Senator HUTCHINS—In relation to visas, you said the Europeans had been, to use my words, a bit more aggressive in reducing the amount of delay. Is that right?

Mr Fountain—It seems that way. Paul might be able to answer that.

Senator HUTCHINS—I imagine that, with the Olympics here this year, there might have been more scrutiny for people coming from the Middle East.

Mr Fountain—That would have been normal, I suppose, and you cannot be critical of that with the situation as it is. There might have been more scrutiny just for this year in particular. From what I have been told, they were targeting a five-day turnabout and the European countries were therefore giving a 24-hour turnabout. I guess that is a problem in itself.

Senator HUTCHINS—You mentioned in your submission the need for better coordination between federal, state and local authorities in the development of the tourist industry. Could you discuss this in more detail?

Mr Fountain—It is a joint effort. From what we have been told, the market for tourism particularly in Saudi Arabia is the one for expansion. We work together with Tourism Queensland. The Gold Coast Tourism Bureau had an export trip over there in about April, and Paul might elaborate on that. It is organised by Tourism Queensland and I know that the representative from the Gold Coast Tourism Bureau goes to that international tourism fair and subsequently goes to other countries. So I do not think we can make a really big issue of that statement. The Queensland government's representatives just came back a few weeks ago from a tour of four or five of the Gulf countries. What they basically said was that there is a love affair with Australia at present and this really is the time to go for it.

Senator BOURNE—You mentioned halal meals and setting up businesses to cater for that directly. Have many businesses or restaurants done that?

Mr Fountain—Yes, quite a few down there have. Initially there were some inquiries and we had some complaints that the people coming through did not know which restaurants had halal food. We made some phone calls and got some correspondence out to the restaurateurs association asking that, if restaurants were going to do that, they put a suitable notice on the

outside of their restaurants to make it a bit easier for people. The tourism industry does not take very long to catch on to—

Senator BOURNE—Where they can get an advantage.

Mr Fountain—That is right.

Senator BOURNE—Which is fair enough. Besides that, is there anything else that has been identified as being useful as a tourist attraction, particularly for Middle Eastern visitors?

Mr Fountain—We have been proposing—and we have not been successful in achieving it—that maybe an in-flight video in Arabic should be played on Malaysian Airlines or Emirates Airlines or Qantas for those visitors as they are coming into Australia. It could particularly talk about some of the cultural differences that they might encounter while they are here, which might be a minor problem. I know that one of those problems is queuing. They were getting into some strife in some of the theme parks. For example, a young boy of the family would just crash queues. Of course, Australian parents in the queue were not very happy. It would not take very long for one parent to abuse the offender. Then you have a little problem which might go back with them and it is a black mark against us. So there are certain issues like that. We felt that some kind of an in-flight video just highlighting those differences—for example, watch out for this and this—would be helpful.

Senator BOURNE—That is very sensible.

CHAIR—You have had a fair bit of cooperation from the local Arab communities on the Gold Coast. As I understand it, they are working, quite voluntarily, with a number of the operators to try to get these things.

Mr Fountain—Yes, they are. During that time when the main numbers are here, the mosque has arranged with several of the hotels to invite their guests to come to the mosque. I went to one such function last year. The mosque had invited a number of the visitors to join them for a day. I was very pleasantly surprised at the numbers they got.

CHAIR—Our concentration this morning has been very much on the tourism industry. The Gold Coast, as I think you indicated in your introductory remarks, has been doing quite a bit to move into other areas. You mentioned some successes of Gold Coast businesses. Can you give us an indication of what sort of trade you are starting to develop between the Gold Coast and the Gulf.

Mr Fountain—I think at this stage of the game the major one would be in the building products area. One of the suppliers went over there making artificial foam type products and that sort of thing, and he got an order straightaway. One of the people who was with us was an agent for food, and he got some vegie chips and a few other products like that for the retail trade. As I said, we have not had an opportunity. We are waiting until this agreement is signed. We have been focusing on it. I think the building products area would probably have the best potential for us, but there is also the services area. There are a number of Australian engineers and people in the building and construction industry who have been quite well-known professionals on the Gold Coast that are actually over there now working with some of the

major construction companies, particularly in Dubai. I think there is fair potential for export of services.

CHAIR—I understand that Qatar is also emerging as potentially one of the big areas.

Mr Fountain—Yes, I think so. I think that the export of services is, yes. Education is another one too. Last year, when we were over there, a few days after we left there was an international education fair. We subsidised the cost of the stand for some of the Gold Coast organisations to be there and show their wares.

CHAIR—That is in secondary education.

Mr Fountain—Yes, secondary education, also English language education, English language training, basically just training—university and even secondary. I think that they are looking at that market as very strong. TAFE have had discussions with them over there. As you probably know, Wollongong University has a campus there.

CHAIR—My understanding is that they are quite interested in hospitality training too.

Mr Fountain—Yes, I would think so. On the hospitality side, I think one of the reasons they are, quite reasonably, interested in us is that they are building up their own tourism industry in Dubai with their beaches, hotels and what you see there. I think, sensibly, they are looking at other areas of the world which have been acknowledged tourism destinations—having a look at how they do it. There might be some interest in some of the expertise and work built up in areas such as coastal management—protection of beaches and so forth. I think there is potential there. At their invitation we sent some surf lifesavers over there for about a month last year during their season. I guess that is an indication.

Senator HUTCHINS—Is there a clubhouse there?

Mr Fountain—I think that will probably happen.

Senator GIBBS—You talk about the English language. Do most of these people speak English or is there a problem with language?

Mr Fountain—The impression is that, of the more affluent ones, obviously they have good English skills. In terms of the potential for teaching English, a lot of other countries have of course been competing over there. When the international trade fair was on our people from TAFE who were there said that there might have been up to 300 different organisations from all over the world that were actually pushing their particular venue. Some of them, such as the English and the American organisations, have been doing the job for probably 20 or 30 years. So there are some entrenched relationships that are going to be a bit tough to beat.

CHAIR—We are not using meter maids there, are we?

Mr Fountain—That might be a bit difficult.

Senator GIBBS—They are not offended by half-naked women walking around the streets of the Gold Coast?

Mr Fountain—I have not heard any complaints.

CHAIR—Jim, thank you very much for your attendance today and for the very valuable information you have given us.

Proceedings suspended from 10.44 a.m. to 10.56 a.m.

BUGGY, Mr Paul Francis, Manager, International Market Development, Tourism Queensland

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, 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 can proceed to questions.

Mr Buggy—The Middle East countries present great potential for not only Australian tourism but Queensland tourism. In the year to the end of May 2000, approximately 52,223 arrivals were recorded into Australia from the Middle East region, which represents an increase of 14.4 per cent on the number in the previous year. Tourism Queensland has been active in the Middle East market for the past five years and regards it as an emerging market with strong potential for growth. The main tourist producing countries for Queensland are the United Arab Emirates, Kuwait, Egypt, Turkey, Saudi Arabia, Bahrain and Israel.

The potential travellers from the region can be segmented into three groups. One group is Arab families looking for cooler climate, active holidays—for example, theme parks, wildlife parks, casinos, nightlife, good scenery, quality shopping—and, of course, safety and security. The average length of stay is approximately 21 days. The next group is the Asian expatriates—a big number work in the region—and they are looking to share traditional Australian culture. The third group is the US and UK expatriates, who are looking for adventure and nature based tourism. The peak travelling time is the Northern Hemisphere summer, from June through to September. The most popular long-haul destination for this market has been Orlando in Florida, and I am delighted to say that we have been eating into their market share. Apart from the safety and security aspect, Orlando's hot climate from June to August has worked in our favour. Europe has become exhausted as well as expensive.

Air access has been a major contributor to the growth of this market, with Emirates, Gulf Air and Egypt Air all servicing Australia. The number of direct flights to Australia from the Middle East has increased from July 2000. There are now 19 flights per week into Australia—11 with Emirates, six with Gulf Air and two with Egypt Air—whilst the Asian carriers Singapore Airlines, Malaysian and Cathay operate from the Middle East through their hubs in Asia to Cairns and Brisbane. Additionally, Kuwait Air and Saudia operate to Singapore and Kuala Lumpur and have onward connections with Qantas, so they have also contributed to the access. Queensland, particularly the Gold Coast, was expecting a significant growth in numbers for the 2000 holiday season—June through to September. However, anecdotal feedback suggests that this season will result in a decrease of approximately 20 per cent on last year's visitor numbers.

I think you heard from the previous presenter that there are some issues with the lengthy delays in the processing of visas, resulting in many potential visitors redirecting their travel plans to other destinations. The nature of this market is one of a very short lead time in terms of decision making and booking and, if delays are experienced, the market simply changes its plans. The situation has now reached a point where the travel industry in the market is advising against travel to Australia because of the delay in visa issuance. Whilst this season's delays can be attributed in part to be Olympic effect, the broader issues of visa processing requirements,

electronic travel authority and cost, need to be addressed. The current situation of token travel agents able to issue visas on behalf of the Australian Embassy in Athens and one DIMA office in Dubai to service the United Arab Emirates, Kuwait, Saudi Arabia, Oman, Qatar and Bahrain, is horribly inadequate. As the market demand increases, so too does the opportunity for expansion of the electronic travel authority system in the region.

CHAIR—Without showing too much home state bias—

Mr PRICE—For the first time!

CHAIR—For the first time, yes. Is it true to say that Tourism Queensland is probably at the forefront of this? Is much happening with the other states or indeed the Australian Tourist Commission?

Mr Buggy—Are you referring to the visa situation or the tourism promotion?

CHAIR—Tourism promotion.

Mr Buggy—You are right. Tourism Queensland has taken a lead role in the promotion of this market. My predecessor, some five years ago, inaugurated travel into the region to initiate interest, closely followed by Tourism Victoria, and the Australian Tourist Commission have been a part of that as well. But it has basically been driven by Tourism Queensland, Tourism Victoria and the Australian Tourist Commission.

CHAIR—So there is a deal of cooperation between the various tourist offices, in terms of the efforts.

Mr Buggy—Absolutely.

CHAIR—I suppose that the visa issue has been put to government. Have you had any reaction as yet as to what might be being done to speed up the process?

Mr Buggy—I have. I attended a DIMA meeting in Sydney last week. It was basically a report on the Olympics and what took place as a result of the Olympics. I raised the issue at that particular meeting. They did reassure that there are steps in place to improve the visa issuance situation, particularly in Dubai. They have reopened the visa office in the Australian Embassy in Saudi Arabia, which is a very positive move because really Saudi Arabia is the potential for tourism from the region and, without that visa office there, we were banging our heads against a wall. They have, I understand, initiated five-year visitor visas for visitors from the region, which will overcome some of the problems of reapplying each year. Those steps in place are positive moves.

CHAIR—I shouldn't imagine that overstays would be a real problem out of those Middle East countries.

Mr Buggy—No, they are not. They represent a very low percentage on the world average.

Mr PRICE—Congratulations on your work—that is my comment.

Senator GIBBS—Keep up the good work. Keep bringing them in.

Mr PRICE—If there were changes you would like to see the Australian government take in terms of facilitating the tourism, what would those changes be?

Mr Buggy—I think that they should be in a position to respond to the increases in the tourist traffic that is coming out of the region. Yes, they have taken some steps to address the problems that we had this winter—our winter, their summer—but I would like to see them take a positive approach to any further hurdles that may be put in place in that region. I think that their ability to respond to those problems is probably the greatest attribute that we can have. I recognise that it is a low numbers region and, in terms of their resources, they are stretched because they have greater numbers coming from other parts of the world. But I do believe that the yield that we get out of that market is very important.

Mr PRICE—Per person.

Mr Buggy—Per person. I do not have any figures to substantiate this, but if you take an Arab spending whatever it is on the Gold Coast for 21 days as opposed to a Japanese tourist there for two days, some comparisons can be drawn. So, whilst it is a very low base that we are talking about at the moment, the yield is quite high. In answer to your question, I think the ability to be able to respond to the visa problems and keep an eye on that over the next couple of years would be a positive approach.

Mr PRICE—Where do you think it will be in another five years?

Mr Buggy—The potential is probably unlimited. We have it on authority that some 250,000 Saudis go to Orlando each summer. We are not even scratching the surface of Saudi Arabia at the moment. If we could tap into that then the potential for us would be enormous. We have to put in place some access arrangements. I have talked to you about the airlines that are operating from the Middle East into Australia to Queensland and Brisbane at the moment. Qantas, as I understand it, are trying to formalise an agreement with Saudia and that will make the access situation better as well.

CHAIR—Do you have any indication yet whether Emirates might start their Brisbane service?

Mr Buggy—I have not heard. We keep a very close ear to that but they have not shown us any indication that it will be in the short term. They have not lodged for any slots at Brisbane Airport as yet. That indicates it may not be until midyear.

Senator GIBBS—How long does it take to come from there to here or here to there by air?

Mr Buggy—It is about eight hours to Singapore from Brisbane and then it is about another seven hours from Singapore through to Dubai. It is roughly 15 to 16 hours.

Senator GIBBS—How long does it take them to travel to Orlando?

Mr Buggy—About the same.

CHAIR—Culturally, have we or the industry in Australia, particularly in Queensland, had to adapt to handle them or do they slot in reasonably well? We heard stories this morning of halal food preparation in restaurants. Are there other areas that are difficult?

Mr Buggy—No, I do not think so. We had some initial problems about two or three years ago with some of the apartment houses on the Gold Coast. That was more of a housekeeping issue. There were extended families turning up when only four were booked for an apartment and there turned out to be six or seven. There were some of their washing habits. I think that was sorted out very quickly during that particular season and it has not raised its head over the last couple of years. There have been no other issues. The retail industry has responded very quickly to the opportunities that this market has presented in terms of shopping.

CHAIR—What do they like?

Mr Buggy—Surprisingly, a whole range of things. They will shop for gold. They will shop for watches. They will shop at Crazy Clark's.

Senator GIBBS—Crazy Clark's?

Mr Buggy—Like most families, they let the kids loose in Crazy Clark's, a discount store.

Senator GIBBS—What about clothes?

Mr Buggy—The men dress in the traditional white robes. They wear the dishdash at home. The ladies are probably a little more—

Senator GIBBS—They could not wear our clothes.

Mr Buggy—They could not wear our clothes.

Senator GIBBS—What about here? Do they dress like us here?

Mr Buggy—They do actually. You would only recognise them on the Gold Coast by probably their look. Their clothing is much the same as that of everybody else.

Senator GIBBS—It must be a relief for the women to come over here then.

Mr Buggy—Absolutely.

Senator GIBBS—They must have a ball.

Mr Buggy—We have seen them on aeroplanes, particularly out of Saudi Arabia, when they have to dress totally covered, including the mask.

Senator GIBBS—I feel so sorry for them.

Mr Buggy—You see them get on the aeroplane. The aeroplane takes off and, as soon as it is out of Saudi air space, the ladies slip down to the toilet.

Senator GIBBS—And get it all off.

Mr Buggy—Exactly. They come back in a pair of jeans.

CHAIR—Do you consciously continually monitor their attitudes towards our tourist product or is it, as we have heard, a lot by word of mouth? Has Tourism Queensland got any way of keeping an eye on how the market is developing, and are they aware of some of the difficulties that might crop up?

Mr Buggy—Tourism Queensland's monitoring is through me and my regular visits to the marketplace and my dealings with the industry there. I should add that our relationship with the market is through the travel industry, so we do a lot of work through them. It is very much a case of an education process to the tourism industry there, as we do refer to it as an 'emerging' market. They are hungry for information about the destination—we cannot give them enough. They have seen TV reports and media reports about Australia. They do go back and get together—men get together of an evening and women get together of an evening, not only in the family groups but in friendship groups—and they talk. And it is a bit of, 'The Joneses did it last year. We've got to do it next year.'

The Gold Coast is the flavour of the month at the moment, and they talk about it—they can't get enough of it, really. As my colleague Jim said earlier, they are having a love affair with Australia and a lot of it is because of the friendliness of Australians. We have heard from Australian Tourist Commission research quite a number of times that the biggest selling factor Australia has is its people. I truly believe that that is the case with the Middle East people as well—they think Australians are great people.

CHAIR—Do you provide brochures and promotional literature in Arabic script or just English?

Mr Buggy—We provide them in just English, because a number of the people who work in the tourism industry in the Middle East are from the subcontinent. You will find that Arabs will own the travel agencies and the travel industry, but the people who actually do the selling and who do the work are mostly Indians. So we provide the promotional literature in English, and English is a well-accepted language: it is taught at schools—everybody knows English. However, the Gold Coast Tourism Bureau do produce a flyer in Arabic, which is well received.

CHAIR—Is there any intention of using, say, the Internet?

Mr Buggy—Absolutely. We see the Internet as a major provider of information to the region. It is developing as a major user of the Internet and people are surfing the web. I have some indication that the number of hits that we get on our web site from the region is increasing. So that will certainly be a means for our promotions.

Senator BOURNE—You mentioned in your submission that you thought that the numbers were down about 20 per cent since last year. Have you got any final figures on that and what do you think that is due to?

Mr Buggy—We will not get the final figures until early in the new year because the season does run late—June through to September and maybe into October. So we will not get those figures until then. Those anecdotal figures are based on the feedback we get from the inbound tour operators who handle the ground operations for the travel agents in the Middle East. They are saying that the figures are down something like 20 per cent. I put it down to the problems that they experienced in the issuance of visas this year, and I really do hope that it was an Olympic related issue and nothing more. Jim did refer to the fact that there was some price discounting from European airlines and European hotels. I think that had a little bit to do with it as well, but I do hope that it was more of an Olympics related slowdown than anything else.

Senator BOURNE—So people would have gone to Sydney, I take it, rather than here, if they were coming, so they could see the Olympics at the same time. Is that the sort of thing, or did they just avoid Australia because of the local crowds?

Mr Buggy—What I really meant when I said ‘Olympic related’ was that the time being taken to process their visa applications—because of the security implications—was putting them off.

Senator BOURNE—Yes, of course.

Mr Buggy—They were saying, ‘To heck with it, we’ll go back to Europe this year or Orlando’—or London or wherever it might be.

Mr PRICE—What is so attractive about Orlando?

Mr Buggy—It is a family destination with theme parks, beaches, shopping, restaurants, weather—well, not so much the weather, because it is hot there, as it is in the Middle East during that time—but definitely the theme parks are an attraction for the families. When they come here they will have multiple visits to the theme parks of the Gold Coast. It is nothing for them to go back to Dreamworld two or three times and Movie World two or three times in the 21 days that they are here. They are big attractions for them.

CHAIR—Paul, I thank you very much indeed for being with us today and thank you very much for the evidence that you have given. The secretary will contact you if we need any additional information and we will send you a copy of the draft transcript of your evidence so you can make any necessary corrections.

[11.17 p.m.]

POWER, Colonel (Retired) John Patrick, Chairman, Foreign Affairs, Defence and Trade Policy Coordinating Committee, Queensland Branch, National Party of Australia

WREN, Lieutenant Colonel (Retired) Ian Douglas Kay, Chairman, Foreign Affairs, Defence and Trade Policy Coordinating Committee, Queensland Branch, National Party of Australia

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 this 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.

Col. Power—Mr Chairman, by your leave, there are some minor transcript errors in our submission. If you like I can inform the committee later.

CHAIR—Take it up later.

Col. Power—Thank you.

Lt Col. Wren—The concerns we have are to try and find a fair and equitable way for Australia to work in this region. For many years going back to World War I, Australia has made a contribution. Many Australians served in those areas and their families are fully aware of the history of the areas. World War II saw the same situation. Post World War II we were one of the nations that moved to have Israel established as a separate nation. Since that time we have been quite heavily involved in all the activities that have gone on through various wars that have occurred there. The problem is that the Arab nations have never really accepted the right of Israel to exist as a nation. When the borders were first drawn, Israel was faced with the situation that virtually meant it was very difficult for it ever to defend itself.

Once the wars developed, it became almost inevitable that Israel would seek to go to strategically defensible borders. But, since then, Israel has accepted that, if they are to have peace, they have to have it on terms that are acceptable to their neighbours and to the Palestinians that live within their country. Sadly, though, that has never been accepted by the Arab residents in that country. I visited there many years ago, at a time when Arab and Israeli were living in peace. But I followed with dismay the way steps were progressively taken to sabotage that. I think it is true to say that—and, on another front, I worked with the then shadow Minister for Trade, Tim Fischer, on strategies to develop trade links with the Middle East—it goes back many years. And I think the level of trade that has been achieved since then shows remarkable foresight and drive as far as Australia has been concerned. It has not always been reciprocated, but I think we have enough wit and commonsense to overcome that.

With what has occurred since the submission was put in to the committee, it has been made quite clear to me that our submission was not seen as being fair and balanced. I totally reject that, and I can only say that anyone who wants to check the validity of what we have said only

has to go back and read through the history. Furthermore, they only have to turn on their television sets to find just how prophetic many of the suggestions made in our paper were. We have got so many other problems in our own region—to our north, in the Pacific—where, if we fail to supply the needs to ensure peace in those areas, not even the grandest allocation of defence funding in the future—we suggested three per cent because we were frightened we might get an extra 0.5 per cent—will help. It has been clearly demonstrated that we do not have the resources to do everything that everyone wants us to do, so we have to be very selective in what we do.

CHAIR—That is one of the difficulties we have: we are regarded as honest brokers. In light of some of the things that have happened in recent times, there could well be demands on us, or requests of us, to take some role. Do we stay out of it altogether or do you think we have some obligation to try to provide some support—it may be technical and it may not involve large numbers?

Lt Col. Wren—I think that is the limit of what we can do—the technical support; the diplomatic support; and being prepared to sit down as the honest broker, listen to what they both have to say and try and find a way through that does not require the armed forces to be involved and does not require vast dollar sums of help to be given. If there is a specific project that can be helped within our capacity to do it, yes. But we always have to give priority to what is happening in our own region. And whilst it would be nice to have the Middle East as our region, too, we are not a big enough country to do that.

Col. Power—Just how effective our people are over there also needs to be objectively assessed. We have not got a hell of a lot of people there. We have something like 26 in the MFO, and most of those are in headquarters. I think one is in Rome as part of that. Just what they do there that advances Australia's interests should be carefully assessed. I have heard that one of them, for instance, was required to initiate English classes. Just being there as part of that organisation is certainly good background—and in some areas good training—for our individuals, but just how much of that can then be passed on back here in Australia to other members of the ADF is highly questionable.

We have got to do a certain amount of flag waving from time to time, but our participation in these things—albeit as part of the UN—can be seen as taking sides. Having spoken to a lot of the servicemen who have come back from those areas, I can say they feel totally frustrated. They can see injustices on both sides, and they also feel hampered by the UN position—it does not get as far as the UN rules of engagement—on some of these things. That is not peculiar to the Middle East, of course; those constraints always apply to anyone working in the UN.

CHAIR—We have had quite a number of submissions on the roles that non-government organisations play and Australia's support of those NGOs. Have you got any particular feeling on how extensive that support should be? Do we provide enough support at this stage? Is our support reasonably balanced? Do you have any thoughts on what we might do in a refugee situation—in particular, in the situation we have had in recent times of boat loads coming?

Col. Power—I might let Ian cover the refugees. In relation to the aid side, I do not think that the Australian public know how much we contribute over there. We have seen that we give direct aid to the PA. Again, how much of that actually gets down to the people on the ground is

highly questionable. You heard earlier this morning—and I am sure you have heard this in other submissions—the extent of alleged corruption and mismanagement in the PA. It is not only that. As you quite rightly identified, Mr Chairman, we also put a lot of hidden money—and I use that term loosely—through the NGOs. I would suggest that probably some of the money we give to the NGOs is better spent than direct aid.

I would also draw to your attention that we have previously provided to the committee the Queensland National Party draft policy—and I will come back to that—on foreign aid. We want to severely curtail and better control the amount of foreign aid that Australia provides. It is only draft policy, because of the constraints that we gave it to the committee before we put it through our normal approval procedures. Once the committee has finished its business and published its findings, we will then go back, and we do not expect to have any problem in getting that draft policy accepted.

Lt Col. Wren—Australia has to look at its capacity and at how many refugees it can take in from year to year. It also has to look at the balance of the population areas that they are coming from. If they are to be successfully absorbed into the country they have to be matched with people from their own communities. I have seen this work. I have seen some great results from it. But if people land here, as the boat people did, and there is clear evidence that they are being driven to do that at the point of a gun then, yes, I think they can be classed as genuine refugees and an attempt made to settle those that we can handle and efforts made to find other homes for those that we cannot.

The other problem that comes into this—and you heard evidence on this this morning—is that the jihad is a thing to be feared. You only have to look to the north to the same grouping of fundamental Muslims there who could pose a threat to this country in the future. We would need to be very mindful of the building of a similar core in Australia, if there were evidence to prove it. At the moment I have not seen any evidence, so I would not give too much credence to that at this time. The other comment I would make is that whilst one may be hoping for the second coming, the horse in the Melbourne Cup with that name only ran third—and I think that is about where it ranks at the present time!

Senator BOURNE—I thought the comments in your submission on the strategic interests were interesting. I know nothing about this, but you said you do not think there are enough suitably qualified ADF officers as military attaches in the region. Can you tell us what you know about where we do have military attaches there and where you think they could best be posted?

Lt Col. Wren—I am not too clear on exactly where they are at present but John can answer that.

Col. Power—We only have one in the region and he is stationed in Rome. What his service is I am not quite sure. He is accredited to Israel. With regard to where we put them and how many, I believe the Department of Defence would be in a better position to advise you on that, but our assessment would be: one in Israel, one in Saudi Arabia and one in Egypt. Let us get away from the more unstable areas.

Senator BOURNE—If we did that, do you think they would be able to have a fruitful relationship with the militaries in those areas and that it would be useful to Australia?

Lt Col. Wren—Even after leaving the defence forces, in my travels around the world I had no difficulty in making contact with ministers in various governments and various places. Sometimes I wondered what they were trying to get out of me! I found them very open and very willing to talk and, in many cases, complaining that they did not have enough contact with somebody who understood the strategic level and could explain Australia's position. I am sure that the foreign minister would not quite agree with me on that one because he would claim that his diplomats could do that. I am sorry, I do not agree.

Col. Power—That is one of the problems with having defence attaches in those areas—they are very much constrained by the Department of Foreign Affairs and Trade, by the diplomats. But, as Ian has said, there is a lot of crossover at the professional level, and that is what those people they mainly have contact with are looking for—professional exchange. That does not always jell with some of the things that we want to achieve or that we want to discuss at the diplomatic level, but it is one hell of a good grounding for our own people. Not only that, but the information they bring back is good background knowledge that we need to draw on. The worth of this, I am sure you would or should be aware, was shown up in Indonesia recently, where the diplomats—for want of a better term—were taking one line of inquiry and the ADF personnel there were taking a different one. The ADF were the people who had the right information and that was ignored right down until the last minute. I am not trying to drive a wedge here; I am just backing up what Ian said, that the information that comes back to Australia is invaluable.

Lt Col. Wren—To give an illustration, I visited China some years ago and when I went through their immigration I was greeted by my rank. They were aware of the fact that the Russians would not allow me into Russia and they said, 'You have no fears about coming into China.' I found that the guide was a lieutenant colonel in military intelligence, still serving, and we spent many hours discussing a number of very interesting topics.

Senator BOURNE—So it is a completely different network?

Lt Col. Wren—Yes.

Mr PRICE—Were you properly debriefed when you got back to Australia?

Lt Col. Wren—No.

Col. Power—We are taking notes now.

Mr PRICE—I think the committee needs to take that further through the appropriate channels, Mr Chairman.

Senator HUTCHINS—Tim Fischer.

Lt Col. Wren—Tim Fischer knew quite a bit about it, yes, but I would not put it in the class of a debriefing; I would put it in the class of a briefing.

Senator GIBBS—I notice in your submission that the National Party recognises Jerusalem as Israel's capital. A previous witness said that the whole problem over there is not one of land but of a religious war. Would you agree with that?

Lt Col. Wren—I am afraid I would have to. All the evidence I have seen is that, no matter how far the Israelis are prepared to go, regrettably the Palestinians are not. I would also agree with the rebuttal of the evidence that Jerusalem is the third holiest place, because, as was said, the mosque was not built until 20 years after Mohammed's death. There are a few things like that that simply do not add up. But fact is fact, and I think it is a case of ne'er the twain shall meet.

Senator GIBBS—How can this be accomplished if this is the case? Christians say that it is where so much of our history took place—the Lord was there and all that sort of thing. The Muslims say, 'Hang on, we've got a bit of a religious thing here too.' How can that be accomplished, and how can any peace be accomplished there if it is a religious war?

Lt Col. Wren—I do not think it can be accomplished unless you can get people to go back and interpret the Koran in the same way as the early books of the Bible have been interpreted. They contain similarities; in many cases they both say the same thing. They did not recognise Christ—a lot of people around the world do not—and the fact remains that there was no real division between the two of them at the start. There are many things in the Koran that parallel things in the Bible. That could become the starting point for people to talk. There are many famous world scholars who I believe could take a lead role in that by bringing together the leaders of Christianity, of Judaism and of Islam and working from that starting point.

I know it is going to take an awfully long time to do it but, unless that is done, the other end—the reverse side of the coin—is going to go on and on. It has the ability to be a flare that will set the whole place alight and Armageddon will finally come. Even if it were not in the Bible, I would still, from a political science point of view, support that view, because there is evidence of its repetition. When mistakes are made they repeat themselves. We are seeing a continuation of what has been going on for five, six, seven, goodness knows how many thousands of years. It is not adequately recorded, but you can go to Korea and parts of China and read their history back for 4,000 to 6,000 years and how they overcame some of their problems. Unfortunately, that did not happen quickly enough for them so they reverted to some of the modern techniques that are around—Hitler and other people now.

Senator GIBBS—Thank you.

Senator HUTCHINS—Colonel Wren, you said that when you submitted your submission you were criticised because it was not fair and balanced—who did that?

Lt Col. Wren—I would prefer not to name them, but suffice to say that the approach was made to the Deputy Prime Minister, criticising the National Party's submission as being unbalanced, et cetera. Only yesterday, approaches were made to the Leader of the Opposition in Queensland. He has advised the people making the complaint that it is beyond his area of concern. I thought it only fair to mention it without naming who they are. But I am sure it would not be too hard, off the record, for you people to track the source.

Senator HUTCHINS—So is it within your own party or outside the party?

Lt Col. Wren—It is outside entirely.

CHAIR—We have had a bit of discussion in terms of military personnel and the rest of it. One of the things that you raised in your submission was a suggestion that we should have a naval presence in the Gulf. Could you expand a bit on what advantages that would give us and what that presence should be.

Lt Col. Wren—It gives us the advantage of early warning. It is one of the areas where we lack coverage. We can get coverage by naval forces in other areas extending their range. But I think the value of the Gulf operations demonstrated to us that, if we had someone there, we would be able to monitor what was likely to happen. It comes back to the fact that they would have to find a port in which they could get safe anchorage, et cetera—I certainly would not suggest Aden. There are other areas closer, even if you have to operate from the Indian subcontinent or the Pakistani area. I think that just fills in a gap that is there at the moment. If they do go into those ports and make visits occasionally, you can see the value of the goodwill when American ships or British ships come here. I think that sort of effect would be there and you would pick up a lot of useful intelligence.

Col. Power—This does dovetail in with what we said in our defence submission. We firmly believe that the Defence Force, particularly the Navy, needs to look at the establishment of a two-fleet system for Australia—an eastern fleet and a western fleet. The establishment of a western fleet, albeit with just one or two capital ships—and I do not include submarines in that—would give Australia not only the early warning but the presence that we need to display in these areas. At the moment we do not have one, apart from a few diggers in blue hats. If we want to be seen as fair and equitable—as the good neighbour—we have to get out there and do a little bit more. As we said in our defence submission, it does not mean that they are always on station, just so long as they are there on periodic extended visits, not just the odd good night in Aden and things like that.

CHAIR—Quite obviously, the trade relationships are building pretty well with some areas. How much can trade be used as a diplomatic tool—for example, the fact that we are into Iran now, and we are selling wheat to Iran?

Lt Col. Wren—It is a very important diplomatic tool because the more you get to know people and the more you are dealing with them the better you are able to understand what is going on in their minds. I found just by talking to people in various countries that I got a better understanding of what was happening in their country and why it was happening and it made me far less critical when things did finally blow up—you could understand the response and why it happened. If we have that sort of knowledge before events happen and we interpret it correctly, we can be the honest broker because we can go to them and say, 'Look, hang on, rethink this. We can probably help you by doing this, this and this,' even if it is only talking to our circle of contacts so that they get a better understanding of what is going on.

Col. Power—It is also important to differentiate between perceptions of Australia as a trading partner—this is on the diplomatic side—and also as a concerned country. Trade does not suborn our foreign affairs policy; it should not do. I think they are two separate threads. My

brother is in Bahrain at the moment on a commercial sort of enterprise, and a point Ian was making is that we do not get enough feedback from commercial activities over there back into the official policy making areas within our own government, within DFAT or Defence, our intelligence area—not just military intelligence but trade intelligence. We do not think this way because of the nature of our society. We need to take a much more red-necked—a typical phrase for the National Party, I suppose—or hard-nosed approach to looking after our own interests. We need a much broader percept of what we want to achieve in these areas, and why.

CHAIR—Have you come to a view on the sanctions on Iraq? If so, what is it? Obviously there would be some pretty good opportunities for Australia if those sanctions were lifted. Is there any justification for us to go into battle for that, as has been suggested by a number of witnesses that have appeared before the inquiry so far?

Lt Col. Wren—If I could be very pragmatic, the plan to contain Saddam Hussein was one of the United Nations' greatest failures. It has not worked. It will not work. What it is doing at the present time is building up many people in that country who would not think highly of Australia because they are part of it. But it is bringing suffering to children that should not happen. I believe there are a number of areas where, yes, we should be arguing very strongly that sanctions do not work and they have never really worked, so let us get back and look at humanitarian help that can be given. It does not have to be massive, but we do have specialists who have done some wonderful work around the world. We do have NGOs that have the expertise to do it. As long as they tell their story to the Australian public, the Australian dollar will continue to flow to those if they are seen as worthy causes.

I know that is stretching the dollar and stretching the heart strings a long way, but I believe there are symbolic gestures that can be made that are capable of developing into strong links, strong bonds. I suppose you can say that with the Olympic Games we managed to overcome many of these barriers and the people who came here saw what Australia could do. I am sure they have gone back to their countries with a very different perception than what they thought about Australia before they came here.

Col. Power—I agree with what Ian was saying. Certainly, they are not working in the way that they were intended to, but I think that that is just a reflection of some of the shallow thinking and diplomacy that go on in the UN. As far as we are aware, the intention was to remove the surplus funds that Iraq had, to curtail their development of weapons of mass destruction. It was not to cut off the food, the medical—the humanitarian stuff that was intended for the people. But, being the sort of regime it is, that money still is going into those weapons of mass destruction. Iraq have recently tested their Shebab-3 missile. We know that they are getting support from Korea and Russia.

So the money is there but it is just not being spent by that regime in the areas where we, as a democratic country, would spend it. I do not believe that this is being put across to the Australian public. The suffering of those people is a definite policy by Saddam Hussein. It is not part of the UN failure; it is an internal policy. How we overcome it, I do not know. It is going to have to go back to the UN. We cannot afford to lift sanctions, whatever sort they may be in the future, off Iraq at this point in time. We must stick to our guns. We have stuck to our guns in Israel-Palestine for the last 50 years, albeit ineffectually. How we overcome it, I do not know. It needs to be addressed by people closer to it than us.

Senator GIBBS—What is the solution here, though? We all know what the problem is. Whenever it looks as though the leaders are actually resolving problems and that we could have peace, terrorist groups—certain people—start carrying on. Obviously they do not want peace. It is obvious that Arafat cannot control some of his group. It is pretty obvious that there is never really going to be peace there unless something drastic happens. What is the solution? Do we just say to all of those Arabs who do not like the place, ‘Clear off! This is our land,’ or ‘Live here in peace’? Do you have an all-out war or do you just have to keep putting up with these wars all the time? It must be pretty awful for the people who live there and want to live in peace. What is the solution, or is there no solution?

Col. Power—I do not believe that there is a clear-cut solution, quite frankly. It has been going on ad infinitum. Look at the other conflicts around the world that are similar. One that we would all be aware of is in Ireland.

Senator GIBBS—They will never have peace there—it is a religious thing.

Col. Power—Obviously, it is the same there. However, as Ian said earlier, this is a religious war and until those sorts of issues are overcome—if they are ever overcome, and I do not believe so—you are not going to get peace.

Senator GIBBS—But you cannot really overcome them—the hatred is passed down from parent to child, isn’t it?

Col. Power—Yes.

Senator GIBBS—Unless the hatred is stopped—‘I will not pass it on to my children’ and so on—you are never really going to have peace, are you?

Col. Power—Certainly not; but not only that, it is also officially sanctioned. I think it was mentioned earlier in one of the submissions here about the hate that is piped 24 hours a day by the PA to their own people. That is not going to improve the situation. I have not seen or heard of that on the Israeli side. I am not saying that there are not faults on both sides, but on one side it is obviously officially sanctioned—it is part of a policy; on the other side, it may be more historical or hysterical. You are not going to get peace.

Our position has been, for a long time, that the real stumbling block for peace in the Middle East is Jerusalem—not so much the land all around it, but how can you really have a viable state that is cut up into three enclaves as the PA is suggesting? It will not work. How can you have a viable state of that size of Israel, as it is at the moment, with all its economic and geographic limitations that will support two different states? It will not. If they were created, would those two states ever come together? No, we have seen that in the Balkans. All we can do, I believe, is try to be an honest broker as situations arise. As a particular scenario arises, let us try to address that, but you are not going to overcome the longer term problems.

Senator GIBBS—All this conflict must really damage the country economically. I have been waiting to go to Egypt all my life. I was going at Christmas time, but now I cannot go. I would love to go to Israel. There must be a lot of people like me who really want to get there, but every time they plan for it there is a war and they cannot go. Surely this seriously damages the

economy in these places, because there must be thousand of tourists who are planning to go and then cannot.

Col. Power—I would not let fear stop you from going. I have been to Israel recently, and I felt perfectly safe. In fact, I felt safer in the conflict situation in Israel than I have in other areas where the conflict has been more benign.

Senator GIBBS—What about in Egypt?

Col. Power—I did not have any problems in Egypt. If you want to go there, I suggest you wait until the rainy season—it never rains. The only thing I felt foreign about there was seeing people—that is, soldiers—walking around the area bearing arms. That is not something we strike in our society, but I could accept it because of my background. I never felt endangered in any way, either privately or as part of a tourist organisation.

Lt Wren—This does destroy the economies of the countries concerned. It consumes vast resources, and we cannot afford for that to continue. The starting point of getting control is to defeat terrorism, to make that our number one priority and get other countries to join with us. For example, because the world is now starting to take the fight against drugs seriously, we are starting to get results. If we can get the same approach to terrorism, by direct contact with countries—not through the United Nations, but by building a network—yes, I believe over a period of time we will start to achieve results. But by going in like a bull in a china shop, no, we are only going to expand it and cause the ripples to go further.

CHAIR—There being no further questions, I thank you both for appearing before this subcommittee. It has become quite a regular occurrence on our visits to Brisbane. We appreciate very much the evidence you have given us. If we need any more information, the secretary will contact you. We will send you the draft transcript so that you can make any necessary corrections.

Resolved (on motion by **Senator Gibbs**):

That this subcommittee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Subcommittee adjourned at 11.59 a.m.