The Parliament of the Commonwealth of Australia

Report 29

Singapore's Use of Shoalwater Bay, Development Cooperation with PNG and Protection of New Varieties of Plants

Joint Standing Committee on Treaties

December 1999

ISBN

Contents

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** From October 1999

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Senior Research Officer	Robert Morris
Research Officer	Robert Horne
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Recommendations

Shoalwater Bay Agreement with Singapore

The Committee recommends that the Department of Defence consult with the local business community during the preparation of future agreements with the Republic of Singapore and other countries on the use of the Shoalwater Bay Training Area to ensure that its interests are incorporated to the maximum extent practicable (paragraph 2.148).

The Committee recommends that the Environment Advisory Committee hold extra-ordinary meetings prior to each major exercise to discuss potential issues, if an exercise is scheduled prior to the next proposed meeting (paragraph 2.166).

The Committee recommends that the Department of Defence circulate copies of all public documents concerning the environmental management of the training area to each member of the Environment Advisory Committee as soon as practicable after publication (paragraph 2.168).

The Committee supports the *Agreement between the Government of Australia and the Government of the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area and the Associated Use of Storage Facilities in Australia*, and recommends that binding treaty action be taken (paragraph 2.173).

Development Cooperation Treaty with Papua New Guinea

The Committee supports the proposed *Treaty on Development Cooperation with Papua New Guinea*, and recommends that binding treaty action be taken (paragraph 3.57).

International Convention for the Protection of New Varieties of Plants

The Committee supports the proposed *International Convention for the Protection of New Varieties of Plants*, and recommends that binding treaty action be taken (paragraph 4.50).

1

Introduction

Purpose of the Report

1.1 This Report contains advice to the Parliament on the review by the Joint Standing Committee on Treaties (the Committee) of the following, proposed treaty actions:[1]

- the *Agreement with the Republic of Singapore on the use of the Shoalwater Bay Training Area and the Associated use of Storage Facilities*, in Chapter 2;
- the *Treaty on Development Cooperation with the Government of Papua New Guinea*, in Chapter 3; and
- the *International Convention for the Protection of New Varieties of Plants*, in Chapter 4.

1.2 These three agreements were part of the group of seventeen proposed treaty actions that were tabled in both Houses of the Parliament on 12 October 1999.

1.3 The other 14 proposed treaty actions tabled on 12 October 1999 were reviewed in **Report 28: Fourteen Treaties Tabled on 12 October 1999**. This Report was tabled in the Parliament on 6 December 1999.

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1 Senate, *Hansard*, 12 October 1999, p. P9144; House of Representatives, *Votes and Proceedings*, No 74, 12 October 1999, pp. P922, Hansard, p. P8495

Availability of documents

1.4 The advice in this Report refers to, and should be read in conjunction with, the National Interest Analyses (NIAs) prepared for these proposed treaty actions. These analyses were prepared by for each proposed treaty action by the Government agency responsible for the administration of Australia's responsibilities under each treaty. The NIAs were tabled in Parliament as aids to Parliamentarians when considering these proposed treaty actions.

1.5 Copies of each of the treaties, and the NIA prepared for each proposed treaty action, can be obtained from the Treaties Library maintained on the Internet by the Department of Foreign Affairs and Trade (DFAT) (www.austlii.edu.au/au/other/dfat/), or from the Committee Secretariat.

Conduct of the Committee's review

1.6 Our review of each of the three proposed treaty actions considered in this Report was advertised in the national press, and on our web site at: www.aph.gov.au/house/committee/jsct/. A number of submissions were received in response to the invitation to comment in the advertisement. A list of those submissions is at Appendix B.[2]

1.7 For the three proposed treaty actions reviewed in this Report, we gathered evidence at public hearings on 18 or 22 October 1999. For the Shoalwater Bay Agreement with Singapore, we inspected the site on 18 November 1999, and held a public hearing in Rockhampton on 19 November 1999. Appendix C lists the witnesses who gave evidence at those hearings.

1.8 A transcript of the evidence taken at these hearings can be obtained from the database maintained on the Internet by the Department of the Parliamentary Reporting Staff at: www.aph.gov.au/hansard/joint/committee/comjoint.htm, or from the Committee Secretariat.

1.9 We always seek to consider and report on each proposed treaty action within 15 sitting days of it being tabled in Parliament. In the case of the proposed treaty actions tabled on 12 October 1999, the 15 sitting day period expired on 9 December 1999.

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2 Our review of these proposed treaty actions was advertised in *The Weekend Australian* on 16/17 October 1999, p. 8.

2

Agreement with Singapore on the Use of the Shoalwater Bay Training Area

The Agreement

2.1 The *Agreement between the Government of Australia and the Government of the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area and the Associated Use of Storage facilities in Australia* (the 1999 Agreement) is an extension of the 1995 Agreement and will remain in force until 31 December 2004.[1]

2.2 Singapore is an island about 40 km across. This makes it difficult for Singapore to conduct meaningful military exercises inside its own borders. Therefore Singapore conducts military training in a number of other countries including Australia, France, Thailand, Taiwan and the United States of America.[2]

2.3 The Shoalwater Bay Training Area (SWBTA), situated in Queensland, encompasses mainland areas which have mountainous and flat terrain, a coastal fringe, a sea component and some islands. The area was described as 'an exceptional national asset and its defence and conservation values are world class.[3] The training area was considered as 'one of the best in the world' and has the advantage that beach landings can be staged simultaneously with land and air attacks.[4]

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1 The Committee reported on the 1995 Agreement in its *First Report* and on the Agreement with Singapore on the training facilities at Oakey in Queensland in its *Sixth Report*.

2 Feargus O'Connor, *Transcript of Evidence*, 18 October 1999, p. TR24

3 Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 1

4 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR7

Australia's cooperation with the Singapore Armed Forces

2.4 The Agreement is part of a broader policy by Australia to allow the Singapore Armed Forces (SAF) access to Australian facilities. The SAF also have access to pilot training facilities at RAAF Base Pearce, helicopter training at the Army Aviation Centre at Oakey and have permission to conduct fighter deployments to Darwin, Townsville and Amberley under separate agreements.[5] Access by SAF to SWBTA:

> … is consistent with Australia's broader policy of regional engagement, whereby we seek positive defence relations with countries in the region. These relationships develop ADF [Australian Defence Force] military capability and help to support ADF partnerships in the region, which is vital for the promotion of Australia's strategic objectives.[6]

2.5 We would like to thank the Singaporean Armed Forces for the invitation to attend the military display and inspection of the site during their exercises at the Shoalwater Bay Training Area on 18 November 1999. We particularly appreciate the hospitality and frank and open discussions they provided during our consideration of the proposed Agreement.

Reasons for Australia to take the proposed treaty action

2.6 Singapore is a key military partner for Australia in the region and is a valued exercise and operational partner.[7] While there are no immediate benefits to the Australian Defence Force (ADF) from these unilateral exercises, there are some advantages such as:

- SAF is a significant exercise partner and has some highly sophisticated technology not currently used by the ADF;
- SAF's greater military capability is of benefit to Australia as a training partner;
- aircraft and other assets used at SWBTA are also used in bilateral exercises with Australia; and

5 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 1

6 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 2

7 Feargus O'Connor (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR24

- SAF's greater military capability and self-reliance are of benefit in terms of regional security.[8]

2.7 Australia conducts a range of joint military exercises with Singapore under the five-power defence arrangements with Malaysia, the United Kingdom and New Zealand and trilateral exercises with the United States. Australia also has intelligence exchanges with Singapore and is developing a joint science and technology program.[9] Australia has access to SAF facilities in Singapore and to SAF courses.[10] Further, Australia's cooperation can provide diplomatic benefits for its relationship with Singapore.

Obligations imposed by the proposed treaty action

2.8 The Agreement requires Australia to grant the SAF access to the SWBTA but outlines the conditions, obligations and costs imposed on Singapore for the use of the training area.

2.9 The main difference between the 1995 and 1999 Agreements is in respect to the number of troops and vehicles which may be deployed in the SWBTA. The 1999 Agreement sets a maximum limit of 6600 troops. The current Agreement does not set a specific troop limit, although past exercises involved around 2000 troops each year. The proposed Agreement also permits 150 armoured tracked vehicles and 250 wheeled vehicles to be used in each exercise. These numbers were permitted in the 1996 and 1999 exercises but are higher than those which were permitted during the 1995, 1997 and 1998 exercises.

2.10 The reason for this change was to permit increased complexity in the exercises conducted, however, all SAF exercises must be approved by Australia and must be assessed as environmentally sustainable.[11]

8 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, pp. 1-2; Feargus O'Connor (Department of Defence), *Transcript of Evidence*, 18 October 1999, pp. TR24-25

9 Feargus O'Connor (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR24

10 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 2

11 The material in this section is drawn from the NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 2

Date of binding treaty action

2.11 It is proposed that Australia will notify Singapore via an Exchange of Notes of their acceptance before the expiration of the 1995 Agreement on 31 December 1999.

Costs

2.12 It is not expected that the Agreement will lead to any additional costs.

2.13 Australia will not receive any financial benefit under the Agreement. Administrative support to the SAF, storage facilities, the provision of liaison officers and the conduct of environmental assessments and reparations will be on a cost recovery basis.[12]

Withdrawal

2.14 The Agreement will remain in force until 31 December 2004 but may be terminated twelve months after either Party gives written notice. The Agreement may also be terminated by the mutual consent of Australia and Singapore.

2.15 Denunciation will not affect the right of either Party to recover costs incurred prior to the denunciation. Further, the provisions relating to security and compliance with laws, policies, procedures and directions will remain in force until the SAF personnel, vehicles, weapons, ammunition or equipment associated with the SAF training exercises have left Australia.[13]

Business aspects

Economic benefits

2.16 The Mayor of Rockhampton supported the visits of international armed forces because of the strong economic benefits they provide to the Rockhampton community and to local business.[14] On an exercise at

12 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 4

13 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 5

14 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, pp. TR1-4

SWBTA a few years ago, the SAF spent about $4.5 to $5 million in the local area.[15]

2.17 This figure did not include the money individual SAF troops had spent on rest and recreation in Rockhampton and its surrounding region.[16] It was noted that there are in fact quite a number of:

> … indirect economic spin-offs arising from expenditure by SAF troops on motels, restaurants, taxis, gifts and entertainment while in Central Queensland.[17]

2.18 In addition to these figures, other areas in Australia outside the local region that could benefit from the SAF exercises at SWBTA include:

- Brisbane (money spent on accommodation and meals during SAF planning meetings);
- Gladstone and Port Alma (wharf fees);
- Department of Defence in Canberra (stores, equipment, and the salaries for ADF personnel provided to SAF for their exercises);
- Gold Coast (money spent by SAF troops on rest and recreation); and
- Qantas for their non-chartered international and domestic exercise travel.[18]

2.19 The Mayor stated that increases in the SAF exercises had the potential of providing an even greater economic benefit to the local community than the figures provided. He added that the present exercises would probably be worth about $5.5 million to the local community.[19]

2.20 He also noted the benefits the SAF exercises at Shoalwater Bay provided to the Council owned Rockhampton airport. The regular visits by SAF to Rockhampton was one of the reasons the Commonwealth Government

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15 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR3 The SAF spent $15,000 on laundry, $70,000 on rubbish disposal, $800,000 on rations, $15,000 on gas, $15,000 on office equipment, $150,000 on labour hire, $25,000 on forklift and generator hire, $150,000 on other vehicle hire, $20,000 on mobile toilets, $50,000 on tent construction, $352,000 on airconditioning containers, $5,000 on phonecards, $5,000 on televisions, videos and welfare items, $10,000 on airline tickets, $60,000 on cooks, and $20,000 on insurance costs.

16 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR3; Councillor Kevin Hinz (Livingstone Shire Council) *Transcript of Evidence*, 19 November 1999, p. TR12

17 John Morris (Banksia Pacific), *Submission No 13*, p. 1

18 Department of Defence, *Supplementary Submission No 2a*, p. 255

19 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, pp. TR3,7

contributed $7 million to extend the runway and will contribute money towards airport building renovation and expansion of the hard stand area. With the increased numbers of SAF troops involved in future exercises under the Agreement expanding the capacity of the airport will be very important.[20]

2.21 The increased capacity combined with more frequent flights by SAF from Singapore to Rockhampton would also contribute to the economic viability of the Rockhampton airport. Currently, SAF pays the airport $15,000 in landing fees and passenger service charges and the airport gains a further $30,000 from defence aircraft.[21]

2.22 Rockhampton Enterprise, a government body charged with liaising between businesses in Australia and the defence forces visiting the Rockhampton area, was also adamant that the links between defence procurement and local business 'had been a great success'. Since the inception of the Agreement, many local businesses had participated in, and registered their interest in, supplying goods and services to SAF.[22]

2.23 Rockhampton Enterprise has been assisted by the Queensland Defence Acquisition Office of the Department of Defence,[23] in establishing a database on local business capabilities.[24] This database will enable the ready identification of all local businesses with the capacity to fulfil SAF contracts. Rockhampton Enterprise has also conducted quarterly breakfasts and industry meetings where all the local businesses interested in supplying SAF get together to be advised about the right way to tender for contracts with SAF.[25]

2.24 The local business community was, in general, also strongly supportive of the proposed Agreement.[26] Banksia Pacific, a local company, said that the presence of SAF at Shoalwater Bay had provided an enormous economic injection into the local economy. Banksia Pacific, which employs 65 staff, has provided catering support to SAF during military exercises in Queensland for the last five years. The annual SAF exercises had provided 'a major boost' to local employment and Banksia Pacific alone had

20 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, pp. TR2-3

21 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR3

22 Rockhampton Enterprise, *Submission No 1*, p. 1

23 Department of Defence, *Supplementary Submission No 2a*, p. 261

24 Barry Large (Rockhampton Enterprise), *Transcript of Evidence*, 19 November 1999, p. TR19

25 Major Ian Cox (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR40

26 For example AES Trade Services, *Submission No 3*, p. 2; John Morris (Banksia Pacific), *Submission No 13*, pp. 1-2

employed 20 extra casual Australian staff for the Wallaby 99 SAF exercise at SWBTA.[27]

2.25 Mr Morris from Banksia Pacific said that SAF:

> … clearly spend more on local service providers (eg. food, transport, fuel, gas, water etc) than any other single international military force utilising the SWBTA.[28]

2.26 He said the experience gained in providing services to SAF exercises had encouraged some providers, like Banksia Pacific, to move into new defence service export markets.[29]

2.27 Despite these positive stories and overwhelming support by the local business community for SAF exercises at SWBTA, there were still a number of concerns raised in the evidence provided. The concerns of some members of the business community fell into three main categories:

- that the proposed Agreement does not go far enough to ensure that local business benefits from SAF's presence;
- that the SAF tendering process could be improved; and
- that non-Australian staff had been employed to fulfil SAF contracts.

Increasing benefits to local and Australian businesses

2.28 A number of suggestions were made by the local business community and others as to how they believed the proposed Agreement could be amended to maximise the benefits to Australian and local business from the SAF exercises at Shoalwater Bay.[30]

Suggested amendments to Article 11

2.29 It was suggested by Rockhampton Enterprise, AgTour Australia and AES Trade Services that the proposed Agreement should go further and include the requirement that all goods and services provided to Singaporean troops must be supplied from the local area, wherever

27 John Morris (Banksia Pacific), *Submission No 13*, pp. 1-2

28 John Morris (Banksia Pacific), *Submission No 13*, p. 1

29 John Morris (Banksia Pacific), *Submission No 13*, p. 2

30 Rockhampton Enterprise indicated that it would also be keen to see similar treaties with other countries to increase the business opportunities for the local community. These could occur at different times to increase employment opportunities in Rockhampton and level out the peak created by this one-off treaty. Rockhampton Enterprise, *Supplementary Submission No 1a*, p. 1

possible.[31] Rockhampton Enterprise said this would provide the Commonwealth Government with an effective opportunity to do something about regional unemployment.[32]

2.30 The Mayor of Rockhampton also called for a strengthening of Article 11 of the proposed Agreement in relation to the use of local business to support the visiting forces.[33]

2.31 He questioned the wording of Article 11 which states that the Government of Singapore agrees to display 'a practical commitment to the use of Australian commercial enterprises to satisfy SAF's commercial support requirements arising out of the SAF use of SWBTA'. He questioned particularly the words 'practical commitment' and 'Australian commercial enterprises'. He argued that these words were good but did not adequately recognise local business enterprises. He preferred a form of words such as 'a long-term commitment' to local business enterprises. He said it was important to emphasise local business in this way as they had invested their time and capital into doing business with SAF.[34]

2.32 The Queensland Department of State Development argued that Article 11 should be expanded beyond 'maintenance' to include a reference to the broader range of businesses and services that today support SAF's exercises, such as catering and recreation services. It also supported the view that Article 11 should emphasise that Australian and local businesses should supply these goods and services.[35]

2.33 The Queensland Department of State Development also remarked on the growing technical capabilities possessed by local universities, consulting firms and other new industries. It thought the SAF defence activities may provide further opportunities for this expertise to be expanded and utilised.[36]

2.34 The local business community contended that it did have the skills and resources necessary to provide the goods and services required by SAF.[37]

31 Rockhampton Enterprise, *Submission No 1a*, p. 1; AES Trade Services, *Submission No 3*, p. 1; AgTour Australia, *Submission No 5*, p. 1

32 Barry Large (Rockhampton Enterprise), *Transcript of Evidence*, 19 November 1999, p. TR23

33 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR4

34 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR4

35 Bradley Carter (Department of State Development), *Transcript of Evidence*, 19 November 1999, p. TR14

36 Bradley Carter (Department of State Development), *Transcript of Evidence*, 19 November 1999, p. TR16

37 Barry Large (Rockhampton Enterprises), *Transcript of Evidence*, 19 November 1999, p. TR22

If the situation did arise, however, where Australian business capability was 'not perceived to be adequate', State Development argued that, the development of 'joint venture business opportunities between Singapore based businesses and Australian, or locally based businesses', should be considered. This would ensure that the necessary skills to provide the relevant goods or services are eventually transferred to Australian businesses.[38]

2.35 Department of Defence (Defence) argued that channelling all SAF work to local businesses would be untenable, as it would raise questions of restraint of trade. It noted that:

> The best that we can expect is to have items sourced in Australia, with a majority of the requirements being sourced within the Rockhampton/Capricornia area where practical. However, in all cases, if the local community is to be successful, it must be competitive and therefore cost effective.[39]

2.36 Defence commented that Singapore itself has indicated on a number of occasions that where it is cost effective to do so, SAF will buy their goods and services locally rather than from further afield.[40]

2.37 Defence generally accepted the Queensland Department of State Development's view that Article 11 tended to focus more on the maintenance aspects of the exercises and less on other services provided for and services tangential to the SAF exercises. Defence did state though that:

> Article 11(1) does impose on the GOS [Government of Singapore] the need to demonstrate a practical commitment to the use of Australian commercial enterprises to satisfy SAF's commercial support requirements arising out of the use of SWBTA and the storage facilities in Rockhampton.[41]

2.38 Further, that Article 1(f) defines commercial support as:

> the provision by Australian commercial enterprises of maintenance, engineering or **other support services on a commercial basis**.[42]

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38 Bradley Carter (Department of State Development), *Transcript of Evidence*, 19 November 1999, pp. TR14-15

39 Department of Defence, *Supplementary Submission No 2a*, p. 258

40 Department of Defence, *Supplementary Submission No 2a*, p. 259

41 Department of Defence, *Supplementary Submission No 2a*, p. 259

42 Department of Defence, *Supplementary Submission No 2a*, p. 259

2.39 Defence noted that it had often reminded SAF of the treaty commitment it owed to local and Australian companies under these Articles and had urged the SAF to use these companies as the means of supplying its goods and services needs. In the future, Defence noted, it would also be doing this at an elevated level within the Ministry of Defence in Singapore.[43]

2.40 Mr Morris, of Banksia Pacific, in principle, fully supported the suggested changes to the proposed Agreement to express a preference for local business but commented on the practicality and legality of such an approach.[44]

2.41 He believed that a local preference clause might be contrary to Australian Trade Practices Law and National Competition Policy.[45]

2.42 He also argued that a local preference clause would not guarantee that the local business community got preference for all SAF contracts. Under Australian Company law, any Australian business could set up a local company in the Rockhampton region to win SAF contracts. Such a business might operate only during the exercise period, after which it might disband totally, taking all its profits, assets and jobs elsewhere.[46]

2.43 He added that there are already a great deal of SAF services contracted or sub-contracted out to the local business community. Due to the large size and complexity of the SAF exercises, SAF had appointed British Aerospace to coordinate the provision of these services. Through this system, subcontracts are given to a large number of Rockhampton companies.[47]

2.44 Finally, Mr Morris drew attention to the fact that SWBTA was not the only military training facility in Australia or in fact in South East Asia. That:

> … there are other training facilities competing for the SAF exercises, which are much closer to Singapore and could be cheaper for the SAF to access.[48]

2.45 He argued that for local businesses to continue to gain SAF contracts, the most important thing for them was not having a preference clause but being competitive in terms of price and service.[49]

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43 Department of Defence, *Supplementary Submission No 2a*, pp. 259-60
44 John Morris (Banksia Pacific), *Supplementary Submission 13a*, p. 1
45 John Morris (Banksia Pacific), *Supplementary Submission 13a*, p. 2
46 John Morris (Banksia Pacific), *Supplementary Submission 13a*, p. 2
47 John Morris (Banksia Pacific), *Supplementary Submission 13a*, pp. 1-2
48 John Morris (Banksia Pacific), *Supplementary Submission 13a*, p. 2
49 John Morris (Banksia Pacific), *Supplementary Submission 13a*, p. 2

2.46 Local businesses will review the situation to become more competitive in attempting to win SAF contracts. Rockhampton and District Promotion and Development Association (RPDA) is a locally funded body whose role is to ensure that commercial and trading interests are catered for. This body does a lot of coordinating, prior to SAF exercises, with those businesses that have been granted contracts. This year, after the SAF exercises, the Association will also conduct a review with the local business community and those responsible for handling the contracts to determine how things could be done better in the future.[50]

Suggested amendments to Article 3

2.47 Another suggestion, as to how one might increase the economic benefit of SAF's presence to the local and Australian business community, was that Article 3 of the proposed Agreement, which allows for 45 exercise days by SAF each year, should be extended to 60 days. This, it was said, would create more Australian jobs and greater business activity.[51]

2.48 It was also noted that the cap on vehicle numbers, set out in Article 3 of the proposed Agreement, restricts activities by the armed forces and hence local business opportunities. It was therefore suggested that the proposed Agreement should be amended to make this a cap on total vehicle usage within the SWBTA, not a cap on vehicle numbers *per se*. This, it was argued, would increase the amount of maintenance activity and hence benefit local business.[52]

Improving SAF tendering and contract outcomes

2.49 A number of suggestions were also made as to how the SAF tendering process and the content of SAF contracts could be improved.

Transparency, publication and prompt notification of success or failure

2.50 AES Trade Services and AgTour Australia suggested that the proposed Agreement should specify that all Singapore military tendering should be properly publicised, fully transparent and that all parties involved should be promptly informed of their success or failure in line with conventional Australian business practice.[53] This would help the Australian business

50 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR5

51 Rockhampton Enterprise, *Supplementary Submission No 1a*, p. 1

52 Rockhampton Enterprise, *Supplementary Submission No 1a*, p. 1

53 AES Trade Services, *Submission No 3*, pp. 1-2; AgTour Australia, *Submission No 5*, p. 1

community to be confident that they were working on an equal footing and under Australian conditions in dealing with the SAF.[54]

2.51 AES Trade Services indicated that there had been some concern that certain cases of tendering in the past with the SAF had not been fully transparent. Examples given of this included Exercise Wallaby 99 and the annual tender for the provision of transport and recreation services to the Singapore forces.[55]

2.52 AgTour Australia also gave one example of a contractor not being promptly informed by SAF of their failure in the tendering process. Last year AgTour coordinated the Educational Tour Program for the SAF troops which was contracted to a Singapore based company this year. AgTour expressed concern that it had not been advised by the SAF that it had failed to re-gain this contract. It argued that prompt notification and advice as to why the tender was unsuccessful was necessary in order to improve its chance of winning contracts in the future.[56]

2.53 It should be clearly stated though that none of the representatives from the business community were implying, by the above comments, that Singapore had not fully complied with the Agreement as it stands. They were merely stating that given the present lack of publicity and transparency of some tendering processes and the lack of feedback on their success or failure, this might be the public perception. Greater transparency in the process would, according to AES Trade Services, 'dispel any doubts, quash rumours and encourage genuine competition'.[57]

2.54 In response to the business community's concerns about the SAF tendering process, Defence noted that it was not the Singapore Government's policy 'to debrief unsuccessful tenderers' or to advise unsuccessful tenderers of the details of the successful tenderer's name. This was apparently enshrined in Singapore law.[58]

2.55 Defence indicated that the policy was 'hard to understand' and was also 'contrary' to its own policies on tendering. In discussions with Defence, Singapore had now confirmed that they were 'prepared to advise unsuccessful tenderers of the outcome of their bid', but not provide information on who had won, or a debrief on why they had lost.[59]

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54 Robert Armstrong (AES Trade Services), *Transcript of Evidence,* 19 November 1999, p. TR19

55 AES Trade Services, *Submission No 3,* p. 2

56 Colin Beckett (AgTour Australia), *Transcript of Evidence,* 19 November 1999, p. TR23

57 AES Trade Services, *Submission No 3,* p. 2

58 Department of Defence, *Supplementary Submission No 2a,* p. 260

59 Department of Defence, *Supplementary Submission No 2a,* p. 260

2.56 Defence indicated that it was now reviewing the SAF's tender documentation prior to publication to ensure it allowed for sufficient detail and commitment from industry on the extent of Australian content of the work packages.[60] Defence provided the example of the current SAF tendering process for its new Total Logistics Package (TLP) to indicate the transparency and public nature of the SAF tendering process. Defence stated that SAF:

> invited Registrations of Interest in the Australian press and provided prospective registrants with the opportunity to view SWBTA and current operations. It has since held a briefing session for shortlisted registrants …[61]

2.57 Defence made it clear that any deficiencies in the transparency of the SAF tendering process under the current Agreement would be likely to be improved as a result of the changes made to this process under the proposed Agreement.[62] Under Article 11(9)(b) of the proposed Agreement, the SAF is required to ensure that necessary and sufficient information, including technical data and performance requirements, are provided at the tendering stage in line with Singapore's procurement policy of value for money, transparency and fair competition. Similar provisions do not appear in the current Agreement.

2.58 Under Article 11(9)(c) of the proposed Agreement the SAF is required to provide a copy of all its commercial support contracts to the Department of Defence within 30 days of their signature. Further, in relation to SAF commercial support, Article 11(9)(d) requires that the SAF and Defence:

> … consult with each other on a regular basis to monitor work in progress, including but not limited to, ongoing major SAF milestones for implementation of commercial support and reports by the SAF contractor and shall meet at the request of either Party.

2.59 Defence noted that Article 11 of the proposed Agreement should lead to its 'involvement at an earlier stage', thus providing more transparency in the tendering process.[63]

The legal effect of SAF contracts

2.60 One member of the local business community also felt that the legal framework for tendering and gaining contracts with SAF needed some

60 Department of Defence, *Supplementary Submission No 2a*, p. 256
61 Department of Defence, *Supplementary Submission No 2a*, p. 260
62 Department of Defence, *Supplementary Submission No 2a*, pp. 258-259
63 Department of Defence, *Supplementary Submission No 2a*, pp. 258-259

changes. AgTour Australia's contract with SAF last year to conduct its Educational Tour Program stated in clause 45 that it was 'deemed to be made in Singapore' and was to be 'subject to, governed by and interpreted in accordance with the domestic Laws of the Republic of Singapore for every purpose'. Clause 44 stated that:

> Any dispute arising out of or in connection with this Contract… shall be referred to and finally resolved by arbitration in Singapore…in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.[64]

2.61 AgTour wanted to ensure that Australian law, and not Singapore law, governs any contract made between SAF and an Australian business.[65]

2.62 Defence pointed out that both the current and the proposed Agreement, state clearly that:

> SAF shall be responsible for arranging contracts with Australian commercial enterprises for the provision of commercial support. Such contracts shall be made pursuant to the law of an appropriate Australian State or Territory.[66]

2.63 Therefore, both Agreements require that Singapore issue all contracts it makes with Australian businesses for commercial support under Australian law.[67] Defence also noted that if the contract itself is required to be in accordance with Australian law, then any arbitration of that contract should likewise be in accordance with the provisions of Australian law.[68]

2.64 Defence thus indicated that SAF, in this previous contract with AgTour, 'could be deemed' as having breached the terms of the current Agreement, by that contract being governed by Singapore law. Defence had reminded SAF of its obligations under the proposed Agreement in regard to the requirement for contracts to be governed by Australian law. It had done this most recently through its feedback to SAF on the draft tender for the Total Logistics Package.[69]

More information

2.65 Concern was also expressed about the general lack of information available to business about how to go about tendering for and gaining a

64 Exhibit No 1 Excerpts from the 1998 contract between the SAF and AgTour Australia, pp. 2-3

65 AgTour Australia, *Submission No 5*, p. 1

66 See Article 11(5) of the proposed Agreement and Article 11(7) of the current Agreement.

67 Department of Defence, *Supplementary Submission No 2a*, p. 259

68 Exhibit No 24 Letter to Lam Kek Hua from R A Souness dated 30 November 1999

69 Department of Defence, *Supplementary Submission No 2a*, p. 259

contract with the SAF. It was suggested that a package of material about the SAF tendering process and information on Singaporean culture and business practice, would be helpful in this regard.[70] Defence agreed that such a package of information might be beneficial and expressed its intention to pursue the matter further.[71]

More assistance from Defence

2.66 The view was also expressed that perhaps more could be done to help local businesses tender for and gain contracts with SAF. We note, however, that representatives from local business indicated that local Defence personal had been very helpful in assisting them to gain contracts for goods and services with SAF; had been instrumental in the establishment of Rockhampton Enterprises as a way of helping local business to gain contracts with SAF; was assisting in the preparation of a database on local businesses; had been involved in the Rockhampton Area Industry Network; and had participated in quarterly local business meetings aimed at helping local business win Defence contracts.[72]

2.67 The Department added that its Defence Acquisition Office (DAO) in Queensland had been involved in briefings to the local business community and had visited and met with local industry on an individual basis.[73] DAO indicated that it would be 'more than happy', subject to resource availability, to increase its briefings to the community through bodies such as Rockhampton Enterprise and the Rockhampton and District Promotion and Development Association.[74]

Employment of local people

2.68 Concern was raised by some members of the local business community that Australian work visas were being issued to short-term Singaporean civilian employees to come and work for the SAF at SWBTA, particularly in the food industry. It was argued that, as there were Australians

70 Barry Large (Rockhampton Enterprise), *Transcript of Evidence*, 19 November 1999, p. TR19, Robert Armstrong (AES Trade Services), *ibid*

71 Department of Defence, *Supplementary Submission No 2a*, p. 260

72 Barry Large (Rockhampton Enterprise), *Transcript of Evidence*, 19 November 1999, pp. TR19-20; Major Ian Cox (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR40; Department of Defence, *Supplementary Submission No 2a*, p. 257

73 Department of Defence, *Supplementary Submission No 2a*, p. 259

74 Department of Defence, *Supplementary Submission No 2a*, p. 264

available with the same skills, the Department of Immigration should not be issuing visas which take jobs from Australian citizens.[75]

2.69 SAF has subsequently informed the Department of Defence that these chefs had been hired because of complaints made by SAF troops during the previous year's exercise about the standard of the food served.[76]

2.70 These Singaporean chefs had been employed by Banksia Pacific for its catering sub-contract with the SAF.[77] John Morris stated that there were a number of reasons the company had employed them:

- this was the first time Banksia Pacific had been required to prepare and cook for the SAF troops, as opposed to supplying raw food materials and the company lacked the necessary expertise to so this;
- the 13 Singapore chefs were experienced in catering for the SAF and were aware of the standards and needs of the SAF through their work with Singapore Food Industries; and
- these chefs were employed to train local Banksia Pacific staff.[78]

2.71 Mr Morris noted that all correct temporary visa procedures and requirements had been complied with for the chef's travel to and employment with Banksia Pacific in Australia.[79]

2.72 Concern was expressed by the local business community at the lack of resources it had available to resolve a number of issues indirectly relevant to contracting with the SAF. For example, if it had wanted to investigate the employment of these Singaporean civilians by SAF at SWBTA the local business community argued that it lacked the necessary capital and time to mount a proper investigation. There is also no immigration office in Rockhampton and the nearest Senator's office is in Brisbane.[80] It was noted though, that the Queensland Department of State Development might be a useful avenue to turn to for help in such matters in the future.

2.73 Defence stated that the questions of visas being granted was an immigration matter, and hence not within Defences area. Defence also commented, however, that they were not aware of the use of Singaporean cooks until receiving a copy of the AES Trade Services submission. The

75 Robert Armstrong (AES Trade Services), *Transcript of Evidence,* 19 November 1999, p. TR20; AES Trade Services, *Submission No 3,* p. 1

76 Department of Defence, *Supplementary Submission No 2a,* p. 260

77 John Morris (Banksia Pacific), *Supplementary Submission No 13a,* p. 2

78 John Morris (Banksia Pacific), *Supplementary Submission No 13a,* p. 3

79 John Morris (Banksia Pacific), *Supplementary Submission No 13a,* p. 3

80 Barry Large (Rockhampton Enterprise), *Transcript of Evidence,* 19 November 1999, pp. TR20-21

Department added that the new MOA requires under Article 11(9)(c) that copies of all commercial support contracts with the SAF be provided to ADO and that this requirement should lead to its involvement at an early stage.[81]

Environmental aspects

2.74 The training area was previously farming land. It was purchased by Defence 31 years ago and has been used as a military exercise area since the mid-1960's. The SWBTA includes an area of approximately 1800 square miles which is largely undeveloped; there are currently two permanent camps, three airstrips and four major roads.[82]

2.75 The conservation groups emphasised that the SWBTA is one of the most important conservation sites on Australia's East Coast. The area has immense biological diversity and is a transition area between the tropics and the temperate zones and therefore needs to be protected.[83] Shoalwater Bay is also becoming more important as a species refuge and a wildlife habitat as other sites around Australia are degraded by development and unsustainable agriculture.[84]

2.76 Article 5 of the Agreement acknowledges the area as environmentally sensitive, establishes a regime for pre and post-exercise inspections and restoration and allows access limits to be imposed under certain environmental and weather conditions. Environmental control staff are also located on the training area during the military exercises.[85]

2.77 Exercise commanders are required to be aware of the conditions in the Environmental Certificate of Compliance (ECC) and to ensure that their personnel are also aware of their environmental obligations.[86] The SAF have been informed about Australian environmental management practices, legislation and system of environment impact statements.[87]

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81 Department of Defence, *Supplementary Submission No 2a*, pp. 258-260

82 Feargus O'Connor (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR26

83 Trevor Acfield (Capricorn Conservation Council), *Transcript of Evidence*, 19 November 1999, p. TR26

84 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR25; Mackay Conservation Group Inc, *Submission No 12*, p. 1

85 Mark Imber (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR27

86 Department of Defence, *Supplementary Submission No 2a*, pp. 3, 10-43

87 Mark Imber (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR27

Article 3(4) requires the Singaporeans to pay for environmental assessments and to fund any restoration activities.[88]

Concerns raised

2.78 There were a number of conservation groups that raised concerns in relation to the potential environmental damage that may occur as a result of the possible enhanced level of SAF military activity that will be permitted under the 1999 Agreement.[89] While many of the issues raised relate to the general environmental management of the SWBTA, and are therefore outside the scope of this inquiry, they have been included in this report as part of the overall context in which the proposed Agreement will operate. The particular issues they raised included:

- concerns about the consultation process relating to environmental issues; and
- a lack of confidence in the environmental assessment process and the adequacy of resources for monitoring and management.[90]

Consultation process

2.79 The main issue for the conservation groups was the lack of consultation on environmental management issues. The ADF's consultation processes were variously described as disgraceful, sparse, sporadic, and cursory at best and that they had alienated the conservation movement.[91]

2.80 The local groups stated that the lack of consultation meant that they could not ascertain the extent to which the area was being effectively managed.[92] They argued that the military must be accountable to the community for their environmental management. It was argued that this could only be achieved by having a sound community consultation process in place.[93]

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88 Mark Imber (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR27

89 For example, Mackay Conservation Group Inc, *Submission No 12*, p. 1; Wildlife Protection Association of Australia Inc, *Submission No 4*, p. 1; Surfrider Foundation, *Submission No 7*, p. 1; Queensland Conservation Council, *Submission No 10*, p. 1

90 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR26

91 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR25; National Parks Association of Queensland Inc, *Submission No 14*, p. 2

92 For example, Wildlife Protection Association of Australia Inc, *Submission No 4*, p. 1

93 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR25

2.81 We note that the July 1999 Environment Strategy for the SWBTA states that:

> Input from informed stakeholders and specialists in scientific disciplines generally adds effectiveness, scientific credibility and balances management priorities and procedures for the training area. Consultation allows Defence, neighbours and stakeholders to coordinate action on a range of environmental management issues. Many issues require regional involvement for effective and comprehensive management.[94]

2.82 The Strategy also outlines the steps for public consultation as:

- maintaining an appropriate accessible senior presence in Rockhampton for day to day consultation with the media, neighbours and stakeholders;
- continuing the operation of the Environmental Advisory Committee (EAC) as the formal consultation and reporting forum;
- establishing a capability for the timely dissemination and feed back on environmental management data (website); and
- maintaining a complaints register and compiling all documentation on ministerial representations concerning SWBTA.[95]

Environment Advisory Committee

Role of the EAC

2.83 The role of EAC is:

- to prepare advice on the environmental management of the SWBTA;
- to prepare advice on matters arising from the use and development of the area;
- to provide advice on the implementation of plans; and
- to provide advice the development of research priorities for the area and reviewing research applications.[96]

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94 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase two - Environmental Strategy, July 1999, p. 21

95 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase two - Environmental Strategy, July 1999, p. 21

96 Department of Defence, *Supplementary Submission No 2a*, pp. 164-165

Composition of EAC

2.84 The Committee consists of one representative from each of the conservation movement, the local government, Aboriginal heritage, pastoralists, the Queensland Parks and Wildlife Service, the Great Barrier Reef Marine Park Authority (GBRMPA) and the Department of Defence. Defence believes that this structure ensures that the local community is fully represented.[97]

2.85 The Environmental Management Advisory Committee (EMAC) provided the relevant community consultation forum prior to its replacement by EAC. The Wildlife Preservation Society of Queensland (WPSQ) described the current EAC Committee as a shadow of the former EMAC Committee as:

> … demonstrated by the loss of input from the Australian Heritage Commission and the general stifling of our attempts to develop ownership of the EAC by stakeholders.[98]

2.86 Defence argued that the reformed process has a smaller group, which enables relevant issues to be dealt with. Defence considers that the former larger EMAC Committee did not operate effectively when national issues were also being dealt with.[99]

Suggested changes

2.87 The WPSQ stated that the EAC meetings enable the group to catch up on recent events and some information is provided on future proposals. It was argued that many issues are not covered at these meetings and that this has limited the way in which the two way consultation process works.[100]

2.88 Ms Childs, from the WPSQ Capricorn Branch, commented that her attempts to have EAC prepare a report, or have discussions about heritage issues had been stifled. It was alleged that the EAC Committee was a convenient way to justify the current management system. She said that the conservation community did not feel that there had been adequate dialogue about environmental issues.[101]

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97 Department of Defence, *Supplementary Submission No 2a,* p. 4

98 Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 1

99 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR36

100 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR27

101 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, pp. TR27-28

2.89 It was suggested that the consultation process needed to be multifaceted - more two way. Concerns were expressed that to date, the information flow appears to be coming only from Defence to the public. Consultation is important for transparency and accountability. It was argued that public support would provide a strong commendation for Defence's activity in the area.[102]

2.90 It was also suggested that the current process could be improved by increasing the number of EAC meetings to four per year; resourcing the environmental representative; providing adequate advance notice to enable discussion with other environmental groups; giving environmental groups the opportunity to place conservation issues on the agenda for discussion; including all three local conservation groups on EAC; and the ADF making a commitment to enter into adequate two way consultation.[103]

2.91 In response, Defence outlined the existing process in relation to the EAC's meetings which are held twice a year. A draft agenda is circulated to members about one month before the meetings to enable additional items to be listed. It is each member's responsibility to report the matters discussed at the meetings to their interest groups.[104] After every meeting the minutes are circulated to members for clearance before being finalised.

2.92 The types of issues discussed at the last EAC meeting included the CSIRO report on the assessment of target areas; goats on Townshend Island; the establishment of a national park on an area offshore from SWBTA; emergency response procedures; the roles and responsibilities, composition and mechanism of consultation adopted by the EAC Committee; the recommendations of the Commission of Inquiry; research reports on dugongs, underwater demolitions; Gumoo Woojabuddee Zoning Plan; development of environmental assessment guidelines; SWBTA Environmental Management Plan; the vegetation study; dingo management; heritage issues; future projects and research; fire breaks, feral cattle; and environmental briefing of contractors.[105]

2.93 Defence commented that the delivery of environmental assessments to EAC members had been a problem because of the six monthly meetings. They stated that material might not end up in the public domain if the

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102 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, pp. TR27, 30

103 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR28

104 Department of Defence, *Supplementary Submission No 2a*, p. 56

105 Department of Defence, *Supplementary Submission No 2a*, pp. 188-194

timing of an exercise was between EAC meetings.[106] The WPSQ gave the example of this in the Crocodile 99 exercise. It stated that 'very little detail of the exercise was given to the EAC members in advance to facilitate a thorough environmental assessment and discussion of alternative strategies or routes.[107]

2.94 Defence argued that stakeholders could acquire a copy if they wished.[108] However, the Terms of Reference for EAC state that:

> Agenda items, minutes of meetings and reports of the Committee's activities should receive wide distribution, as these will be the primary means for discussion and dissemination of its activities.[109]

2.95 The WPSQ described the local Defence base as being responsive to requests for information.[110] We urge Defence to extend this helpful approach by being more proactive in the dissemination of documentation to local interested parties such as the three conservation groups.

Inspections of training area

2.96 There are pre- and post-exercise inspections conducted by the environmental unit in Rockhampton with officers from the exercising force. This process is intended to identify obvious and immediate damage, such as erosion and creek bed damage, in the major corridors. This enables restoration measures to be instigated.[111]

2.97 Defence made the point that they would facilitate opportunities for groups to visit a particular site or address a specific issue. They gave the example of representatives from the last EAC meeting visiting SWBTA in August 1999 to inspect the infrastructure developments flagged 12 months earlier.[112] The next EAC visit to the area is planned for March 2000.[113]

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106 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR39

107 Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 1

108 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR39

109 Department of Defence, *Supplementary Submission No 2a*, p. 166

110 Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 1

111 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR29

112 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR35; Department of Defence, *Supplementary Submission No 2a*, p. 57. The visit included the North/South road upgrade, the new rifle range, the new waste transfer station, Milan missile range, the artillery position at Elanora and the area in the vicinity of the Plains Airfield.

113 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR35

2.98 Pastoralists concerned about dingo populations had also visited the site and had spoken with the chief scientist from the Queensland Department of Natural Resources who is researching the problem.[114]

2.99 While the area is closed during major exercises, there is public access by sea to the beach up to the high water mark at other times.[115] Defence emphasised that due to operational and safety issues, visits could not be arranged during military exercises.

> Visits from the general public are not generally encouraged. However, arrangements have been made to take special interest groups such as the Society for Growing Australian Plants, members of the Capricorn Coast Land Care Group, members of the Queensland Naturalists Society, private individuals carrying out bona-fide research projects and members of local Probus clubs in the area.[116]

2.100 This places the onus on the local conservation groups to take specific proposals to Defence for access to particular areas so that monitoring or research activities may be undertaken that they feel are not being adequately conducted by the State or Commonwealth government environmental bodies, Defence or other research entities. Defence has undertaken to consider the facilitation of inspections for appropriate requests. The environmental representative on EAC also has the opportunity of proposing additional sites for inclusion on the regular EAC inspections where there are specific, relevant concerns.

Environmental assessment process

2.101 The Shoalwater Bay Environmental Management Plan was released in July 1999. This incorporates three phases: an Initial Environment Review, the Environmental Strategy and Environmental Implementation Plans.[117] The Environmental Strategy describes the impact of Defence activities within SWBTA, preferred approaches to the management of environmental issues and regional land management issues that impact on the biodiversity of the training area.[118]

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114 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR35

115 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR36

116 Department of Defence, *Supplementary Submission No 2a*, p. 61

117 Exhibit No. 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan*, July 1999

118 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase two - Environmental Strategy, July 1999, p. 1. Other relevant documentation includes the Defence Environment Policy Statement 1998, Exhibit No 23 Shoalwater Bay Training Area

2.102 Environmental Assessments are carried out in situations where it is considered that an activity has the potential to significantly impact on the environment of the area. A private consulting company performs these assessments for large Australian exercises and joint or unilateral exercises involving significant numbers of foreign forces.[119]

2.103 Each military exercise in the area has an Environmental Certificate of Compliance (ECC). The SAF are made aware of Australian environmental management practices, legislation and system of environment impact statements.[120] The SAF are required to comply with the same environmental conditions as all armed forces using the area.

2.104 For example, under the Range Standing Orders there are prescribed conditions pertaining to the protection of trees.[121] The clearance of trees is only permitted for training programs or infrastructure requirements and can only be done by range management personnel.[122] While we question whether the decision to fell 12 trees to provide visibility of the manoeuvre area for visiting VIPs was justified, we note that the SAF followed all the required procedures and gained the appropriate approval from Defence for the removal of the trees.[123]

2.105 Defence added that the management and use of the SWBTA had been comprehensively studied by the CSIRO and the Shoalwater Bay Commission of Inquiry.[124] Defence also stated that:

> Environmental assessment of activities on SWBTA is undertaken in accordance with the requirements of the Environment Protection (Impact of Proposals) Act 1974. Consultation with relevant agencies, with regarded expertise and experience in environmental management occurs prior to significant activities. As an example, the GBRMPA, Queensland Parks and Wildlife Service, QLD Department of Transport and Environment Australia were involved through the planning and assessment of Exercise

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Strategic Plan 1996 and there are 80 reports and documents that provide specific guidelines for environmental strategy and implementation plans from previous environmental research of SWBTA.

119 Department of Defence, *Supplementary Submission No 2a*, p. 61

120 Mark Imber (Department of Defence), *Transcript of Evidence*, 18 October 1999, p. TR27

121 Department of Defence, *Supplementary Submission No 2a*, pp. 6-7

122 Department of Defence, *Supplementary Submission No 2a*, p. 3

123 Department of Defence, *Supplementary Submission No 2a*, p. 45

124 Department of Defence, *Supplementary Submission No 2a*, p. 61

> Crocodile 99. GBRMPA attended conferences and played an active part in the environmental planning process.[125]

2.106 The conservation groups asked for independent assessments. They conceded, however, that the military may be managing the area effectively but at the moment, they do not know.[126]

Activity levels

2.107 The WPAA expressed concern at the size of some of the exercises which involved large numbers of planes, vehicles and troops.[127] WPAA indicated that they will oppose any escalation of military activity in the area until an 'adequate honest and properly constituted consultation process' is put in place.[128] The Capricorn Branch of the WPSQ were also not prepared to support increased military use because it did not endorse the current environmental management system.[129]

2.108 Defence argued that the issue of increased utilisation was mathematically incorrect and that the 1999 Agreement would not result in an overall increase in the use of SWBTA.[130] Appendix B of the Defence Estate Organisation's *Shoalwater Bay Environmental Management Plan Phase one - Initial Environmental Review* seeks to quantify activity requirements for the training area based on the Defence Annual Report 1997/1998.[131] This year there have been 189 427 training days scheduled which is much less than the total for the exercises held in 1981.[132] 1999 has been a high usage year as it included Crocodile 99 and Wallaby 99. In each year the usage has been between 140 000 and 200 000 and there has been no meaningful increase in usage of the area over the last two decades.[133] Defence added that the difference is that international forces are now using it, but stated that the potential environmental impacts were the same.[134]

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125 Department of Defence, *Supplementary Submission No 2a*, p. 5

126 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR28

127 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR31

128 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR25

129 Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 1

130 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR39

131 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase one - Initial Environmental Review, July 1999, Appendix B, p. B-2

132 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR39; Department of Defence, *Supplementary Submission No 2a*, p. 271

133 Department of Defence, *Supplementary Submission No 2a*, p. 271

134 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR39

2.109 The WPAA believed that there is a need to determine if the area can be managed environmentally in terms of future defence uses.[135] Defence pointed out that the CSIRO was contracted from 1972 to 1993 to research and monitor Defence training activities and to provide management advice to ensure that future military impacts were sustainable.[136] In 1993, a Defence Environmental Officer was appointed. A number of research projects and monitoring programs have been completed since Defence acquired the area and current and future projects include a vegetation survey and the effects of underwater explosions.[137]

Marine habitats

2.110 Many of the concerns expressed related to the preservation of the marine habitats such as impacts from underwater detonations.[138] The entire Shoalwater Bay area is listed on the National Estate and its marine areas incorporate the Great Barrier Reef World Heritage Area, the Great Barrier Reef Marine Park and Gumoo Woojabuddee State Marine Park. Part of the seagrass area in the Bay is also included in a Dugong Protection Area.

2.111 The Environmental Management Plan has recently been upgraded to include a marine component. In the development of the plan, expert agencies were given the opportunity to comment and these suggestions were included where they enhanced the plan.[139]

2.112 Defence commented that military activities at the SWBTA are planned so as to avoid known dugong habitats and that there is no evidence to show that the dugong deaths were a result of defence activities in the area.[140] Defence believes that the risk to dugongs is minimal because of the strict operational requirements imposed.[141]

2.113 Concern was also expressed in relation to the fact that green, loggerhead, hawksbill and flatback turtles all inhabit the area and are listed as either vulnerable or endangered at the State or Federal level. It was argued that

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135 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR30

136 Department of Defence, *Supplementary Submission No 2a*, p. 57

137 Department of Defence, *Supplementary Submission No 2a*, p. 59

138 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR29; National Parks Association of Queensland Inc, *Submission No 14*, p. 2

139 Department of Defence, *Supplementary Submission No 2a*, p. 5

140 Department of Defence, *Supplementary Submission No 2a*, p. 3

141 Department of Defence, *Supplementary Submission No 2a*, p. 46; Exhibit No 8 Chapter 33 of the SWBTA Standing Orders provides specific guidance in relation to underwater demolitions and explains the processes and precautions necessary.

boat traffic, beach landings, and underwater detonations may impact on turtle and bird populations and military activities must accommodate habitat, behavioural and lifecycle requirements.[142] The issue of the potential impact of aircraft noise, boats, vehicle traffic and live detonations on the bird species populations, particularly the vulnerable and endangered species that inhabit the area, was also raised.[143]

2.114 Another concern raised was the potential forefront damage that could be caused by military landing equipment on the beaches.[144] The WPAA added that the defence exercises were usually restricted to two beach landing areas on the beach and that work was being done to restore those sites. Therefore they conceded that the military did try.[145]

2.115 The Environmental Certificate of Compliance for such exercises includes a list of:

- overall safeguards which address areas such as environmental responsibilities, awareness and compliance, no-go areas, reporting;
- physical safeguards relating to air quality, water conservation and quality, contamination spillage, waste management and disposal, erosion and fire;
- biological safeguards for marine operations and terrestrial flora and fauna; and
- social and economic safeguards which include heritage, Aboriginal sites, non-Defence land, aircraft and other noise, public infrastructure and safety.[146]

2.116 Defence added that:

> Prior to any activity in the marine sector, boat searches for dugong, turtles and other marine life are conducted and attempts

142 National Parks Association of Queensland Inc, *Submission No 14*, p. 2

143 National Parks Association of Queensland Inc, *Submission No. 14*, pp. 2-3 A 1993 survey recorded 373 species of birds in the Shoalwater Bay-Byfield area - National Parks Association of Queensland Inc, *Submission No 14*, p. 2; Crawford M (1993) *Birds of Capricornia in the Joint Submission to the Shoalwater Bay Commission of Inquiry*, Wildlife Preservation Society of Queensland - Capricorn Branch, Byfield Residents Action Group.

144 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR29

145 Patrick O'Brien (Wildlife Protection Association of Australia Inc), *Transcript of Evidence*, 19 November 1999, p. TR31

146 Department of Defence, *Supplementary Submission No 2a*, pp. 10-44

> are made to herd these out of the exercise area. Similar inspections are made after an activity to look for injured marine life.[147]

Cumulative environmental impacts

2.117 Another issue raised was the identification of cumulative impacts, of the exercises, which the conservation groups concede are difficult to manage and identify.[148] Defence is currently permanently monitoring impacts on site. The Queensland Department of Environment is also completing a vegetation survey of the entire area, which will serve as a basis for determining cumulative impacts. It was argued, however, that to date, none of the scientific programs undertaken have revealed any cumulative impacts.[149]

2.118 Defence stated that with the exception of Townshend Island, which is a sacrifice area, no other long-term damage is visible. Other areas recover quickly from most types of military exercises. The approval system, which requires environmental certificates detailing planned impacts, means that these issues are addressed before approval is given. If there is concern about the potential impact of a proposed exercise then it can be moved to an area that can withstand the impact.[150]

Development projects

2.119 Other issues such as the new north south road were raised and concern was expressed that the monitoring process might be accommodating developments rather than slotting them into a process for evaluation. It was argued that the conservation community did not know whether or not long-term impacts have been assessed.[151]

2.120 It was argued that in order to ensure sustainability, there is a need for an infrastructure plan that clearly defines future uses.[152]

> The other facet is what is happening from the top down, what are the military masters requiring of this area, and is it feasible that we

147 Department of Defence, *Supplementary Submission No 2a*, p. 4

148 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, pp. TR29-30

149 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR34

150 James Edwards (Department of Defence), *Transcript of Evidence*, 19 November 1999, pp. TR34-35

151 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR30

152 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR30; Wildlife Preservation Society of Queensland Capricorn Branch, *Submission No 11*, p. 2

> can environmentally manage what their requirements are. That is why I pointed in my submission to the need for them to define their user requirement very precisely and also to look at an infrastructure plan. Neither of these things is coming into the sustainability picture for Shoalwater Bay as yet.[153]

2.121 Defence advised that utilisation plans are prepared for SWBTA.[154] The Defence Estate Organisation, *Shoalwater Bay Environmental Management Plan*, completed in July 1999, concluded that SWBTA is proactively managed and most environmental issues are managed fairly well. However, a number of areas have been identified for improvement. For example:

- the extent to which the current management system relies on corporate knowledge;
- the current environmental management plan and supporting documentation is viewed as inadequate in providing sufficient guidance on management issues;
- the better use of available data; and
- Implementation Management Plans should include measures to mitigate the direct impacts of defence activities and include measures that have a long-term regional land and marine management focus.[155]

2.122 The *Shoalwater Bay Environmental Management Plan* also identified as areas for further research into:

- the development of a sustainability system that is user friendly to local management staff;
- water quality monitoring;
- migratory bird rest areas;
- the identification of cultural sites at areas that support amphibious training;
- the effects of under water demolition;
- dingo migration patterns; and
- the mapping of endangered flora and fauna species.[156]

153 Liese Childs (Wildlife Preservation Society of Queensland Capricorn Branch), *Transcript of Evidence*, 19 November 1999, p. TR30

154 William Byrne (Department of Defence), *Transcript of Evidence*, 19 November 1999, p. TR38

155 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan, Phase 1 Initial Environmental Review*, July 1999, p. 42

2.123 Defence is working to improve its environmental management of the area as indicated in the July 1999 Environmental Management Plan (EMP). Further opportunities may arise with the implementation and subsequent revisions of the EMP and as current and proposed research projects are finalised. We encourage the conservation groups to take advantage of the available information and to take all available opportunities to enhance the efforts made by Defence in managing the SWBTA.

Environmental pests

2.124 Problems in the area include dingos, weeds and some pollution from boats. We note that the SAF are required to undertake stringent measures to ensure that these problems are minimised.[157] The debris on beaches is from passing vessels and not from defence exercises as the items found are not included in defence inventories.[158]

Social aspects

2.125 The Mayor of Rockhampton commented that the behaviour of the Singaporean troops was a credit to their country and that there have been no complaints by the local community.[159] Defence stated that the SAF is regarded as the best behaved of the foreign forces that visit the area.[160] The Committee also received supportive submissions along this line from local residents.[161]

2.126 The SAF have established a permanent base in Rockhampton to facilitate community liaison and involvement with the local community.[162] The Singaporeans also make it a practice to meet with the local council when visiting Australia.[163]

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156 Exhibit 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase one - Initial Environmental Review, July 1999, p. 43

157 Department of Defence, *Supplementary Submission No 2a*, p. 4

158 William Byrne (Department of Defence), *Transcript of Evidence,* 19 November 1999, p. TR38

159 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR4

160 Department of Defence, *Submission No 2*, p. 1

161 Margaret Graves, *Submission No 6*, p. 1; Paula and Alf Smith, *Submission No 8*, p. 1

162 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR4

163 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR4

2.127 There is an annual debriefing after each exercise to see how the visit can be more effectively handled in the following year. The Singaporean army also holds open days where their equipment is displayed for inspection by the local community.[164]

Some infrastructure aspects

Airport facilities

2.128 The regular visits by SAF to Rockhampton and the need to accommodate their jets and helicopters was a contributing factor in the Commonwealth Government's $7 million contribution to the extension to the Rockhampton Airport runway and offer of further funding for renovation of the airport buildings and expansion of the hard-stand area. The runway expansion has now made it possible for commercial 767s to come direct from Singapore to Rockhampton. The Mayor commented that during part of the last SAF exercise alone there had been about 40 of the 767 commercial flights direct from Singapore to Rockhampton. With the potential increase in troop numbers involved in future SAF exercises, more frequent flights from Singapore to Rockhampton would contribute to the economic viability of the Rockhampton airport.[165]

2.129 Added to all this, the airport now has concrete tie-down pads. These were fully funded by SAF, but are available to all non-SAF military exercises. They are also available to local aircraft when there is concern about cyclones and storms.[166]

Road maintenance

2.130 The Livingstone Shire Council called for commensurate increases in the levels of funding to compensate for the additional costs of maintaining the access roads for the regular use of international defence exercises of the nature and scope referred to in the Agreement.[167] It argued that the higher maintenance levels associated with exercises and the cost of construction

164 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR5

165 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, pp. TR2-3

166 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR3

167 Livingstone Shire Council, *Submission No 9*, p. 1

of roads and bridges also need to be considered, as these are not covered by maintenance agreements. The example was given of a new concrete bridge. This would do not require maintenance for decades and therefore there was no cost recovery mechanisms.[168]

2.131 A new Agreement is currently being negotiated with Defence and the issue of capital costs has been raised. Defence has indicated that they are prepared to discuss this issue further. ADF already provides $240 000 for road maintenance to the Council on a cost share basis.

2.132 We were also told that there has been an independent assessment jointly funded by the local council and Defence.[169] Further, we note that the ADF will consider additional payments for compensation if particular incidents occur causing additional damage.[170] The Council commented that Defence has been approachable in discussing problems as they arise and that there is ongoing dialogue on these issues.[171]

2.133 We commend Defence on their approach to these issues in the past and believe that these matters can be addressed through further negotiations with the Council. If the matters can not be resolved, these issues should be raised prior to the signing of any future extensions to the treaty.

Consultation

2.134 All State and Territory Governments were advised of the proposed accession through the Standing Committee on Treaties' Schedule of Treaty Actions.[172]

2.135 The Mayor of Rockhampton commented that Defence had not formally consulted with the Rockhampton City Council. The Council had obtained some information from the Singaporeans through general discussions about the use of the airport.[173]

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168 Mark Windress (Livingstone Shire Council), *Transcript of Evidence*, 19 November 1999, p. TR 8

169 Mark Windress (Livingstone Shire Council), *Transcript of Evidence*, 19 November 1999, p. TR10

170 Councillor Kevin Hinz (Livingstone Shire Council), *Transcript of Evidence*, 19 November 1999, p. TR11

171 Mark Windress (Livingstone Shire Council), *Transcript of Evidence*, 19 November 1999, p. TR11. See also Department of Defence, *Supplementary Submission No 2a*, pp. 275-276

172 NIA for the *Agreement between Australia and the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area*, p. 5

173 Councillor James McRae (Rockhampton City Council), *Transcript of Evidence*, 19 November 1999, p. TR7

2.136 We were told that in the past Defence had not adequately explained the process and opportunities to the local business community and the ADF had had no real liaison with the local community. The subsequent establishment of Rockhampton Enterprises and other measures taken have overcome the lack of liaison to a large extent. Businesses are now more proactive in seeking contracts with the SAF as a result of suggestions from ADF. The Singaporeans have also given briefings to the business community.

2.137 Defence stated that:

> … at the local and state level [it] has previously been involved in discussions with the council and Rockhampton Enterprise re Defence and other foreign military involvement within and around Rockhampton. Apart from being involved in Briefings to the local business community, the Defence Acquisition Office in Queensland visits and meets with local industry on an individual basis. We are more than happy to increase our briefings to the community vide the RPDA [Rockhampton and District Promotion and Development Association] and Rockhampton Enterprise however this will be dictated by what resources are available at the time.[174]

Conclusions and recommendations

Consultation

2.138 While there were concerns raised about consultation by all sections of the community who provided evidence to our inquiry, there was also broad praise for the helpful approach taken by Defence when assistance or information was requested. Defence has already identified a number of ways it can take the initiative in consulting more widely with the community. We commend Defence's approach and urge it to seek out additional ways to interact with the local community.

2.139 In relation to consultation with the business community, we note that there have been some significant improvements in recent times. We also note that Defence has given an undertaking to enhance the level of consultation with local businesses in the future and we support this approach.

174 Department of Defence, *Supplementary Submission No 2a*, p. 259

2.140 In relation to consultation with environmental groups, we note that a number of strategies were identified in the July 1999 Environmental Strategy. In relation to the public consultation process, the Shoalwater Bay July 1999 Environmental Management Plan lists as performance indicators the conducting of EAC meetings twice a year, keeping the website operational and up to date and maintaining 'regular and effective contact with all relevant parties'. The management tasks and responsibilities listed in the Plan include the day to day communication with neighbours, stakeholders, statutory authorities and community groups and consultation with stakeholders on environmental and land management issues.[175] We believe that the implementation of the EMP will provide greater opportunities for improved consultation.

2.141 Other opportunities have been flagged in Defence's written and oral evidence. These opportunities could enable conservation groups to have greater input into the EAC and participation in inspections of SWBTA. In particular, we urge Defence to be more proactive in the dissemination of documentation relevant to the environmental management of the SWBTA. We would also like to see additional special EAC meetings convened, in circumstances where a significant exercise is scheduled to occur, prior to the next EAC meeting, to discuss any relevant concerns.

2.142 There is also a responsibility on the local community to take advantage of these opportunities and to suggest additional measures for improved consultation. We encourage both the business and conservation groups to take advantage of the opportunities available to cooperate with Defence to enhance the consultation processes.

Economic benefits

2.143 The proposed Agreement will be of significant economic benefit to central Queensland, particularly the city of Rockhampton.

2.144 We acknowledge the concerns expressed by the local business community about some of the wording of the proposed Agreement not going far enough to ensure that local business benefits from the SAF presence at SWBTA. Local businesses have suggested that the Agreement should state that all goods and services must be provided by local suppliers, if they are competent to do so. This has raised a number of potential legal issues. A number of other options have been canvassed in relation to administrative procedures that may achieve the same goal.

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175 Exhibit No 7 Defence Estate Organisation *Shoalwater Bay Environmental Management Plan* Phase three - Environmental Implementation Plans, July 1999, p. 47

2.145 Similar results may be achieved by providing additional assistance to local businesses in terms of an information package containing information on the SAF tendering process and on Singaporean culture and business practices. The completion of the database on local businesses will also enable the SAF to readily identify local businesses that can fulfil contracts. Defence has also given an undertaking to increase its briefings to the community, if this would be of assistance. It may also be beneficial for Defence to seek suggestions from the local community on how best to promote their interests to the SAF.

2.146 To delay the ratification of this Agreement to allow further consideration of this matter would seem to be contrary to achieving greater business for the local area through the Agreement. We note that the current Agreement expires on 31 December 1999. Any delays caused by considering amendments to the proposed Agreement may result in reduced rather than further economic gain from the SAF presence at SWBTA.

2.147 Defence should ensure that local business has greater involvement in the preparation of any future agreements with SAF in relation to the use of SWBTA. This will guarantee that matters relevant to business and the local community are debated and considered in a timely manner.

Recommendation 1

2.148 **The Committee recommends that the Department of Defence consult with the local business community during the preparation of future agreements with the Republic of Singapore and other countries on the use of the Shoalwater Bay Training Area to ensure that its interests are incorporated to the maximum extent practicable.**

Tendering

2.149 Another issue of concern raised by the business community was the SAF tendering process. A number of business representatives felt that this process required some improvement. In particular, that it should be more transparent, open and that there should be prompt notification of the success or failure in the tendering process. It was suggested that the proposed Agreement itself should clearly state these matters as obligatory for all SAF tendering.

2.150 We note that under the proposed Agreement, Defence will have a greater oversight role. These and other changes to the process under the proposed Agreement should address any deficiencies in the current processes. Where issues of concern still arise in relation to the contracting and tendering with the SAF, local businesses should take advantage of the consultative processes offered by Defence to seek clarification or assistance on such matters.

2.151 We believe that further changes to the proposed Agreement are unwarranted. Should the proposed changes in the process not be sufficient to address these deficiencies, we believe that this could be achieved through the development of an agreed protocol. Defence in collaboration with SAF and the local business community could develop an appropriate arrangement which would serve the same ends without causing unnecessary delays to ratification.

2.152 Some business representatives believed that additional advice and assistance on how to go about tendering and gaining contracts with SAF would also be beneficial. Rockhampton Enterprise, the Queensland Department of State Development, and the Rockhampton District Promotion Development Association can all play an important role in assistance with such information.

2.153 We appreciate the commitment of Defence, the main Australian body dealing with SAF, to undertake an enhanced role. We encourage Defence to arrange and set up programs and information packages that will supply Australian businesses with the assistance they need to effectively tender for SAF contracts. Such programs and packages could be done jointly with the assistance of SAF and other bodies like Rockhampton Enterprise. They might include contractual advice on matters such as the rights and obligations created by SAF contracts and the law and jurisdiction under which any disputes would be settled. They might also include advice and information on Singaporean customs, culture and business systems.

2.154 Defence has highlighted a number of potential improvements to the existing arrangements. We encourage it to take further opportunities to consult with local business and other groups in the preparation for and negotiation of future agreements with Singapore and during the implementation of the proposed Agreement. In particular, we support the changes to the process which provide a greater role for Defence in obtaining copies of contracts and in reviewing the SAF tendering process.

Environmental aspects

2.155 The SWBTA is one of the most important conservation sites on Australia's East Coast and has immense biological diversity. It has great importance as a species and wildlife refuge.

2.156 Defence has managed the area for 31 years as a military training ground for Australian and international troops. The continuing high conservation and heritage value of the area is testimony to Defence's ability to simultaneously manage the military and environmental values of the SWBTA.

2.157 Defence is working to improve its environmental management of the area, as indicated in the July 1999 environmental management plan. Further opportunities may arise with the implementation and subsequent revisions of the EMP and as current and proposed research projects are finalised. We encourage the conservation groups to take advantage of the available information and to take all available opportunities to enhance the efforts made by Defence in managing the SWBTA.

2.158 Defence has done a great deal to improve the environmental management processes for the SWBTA and have identified a number of areas for future research. The Environmental Strategy also outlines a number of avenues for improved planning, management and consultation with the community. A number of processes have already been instigated that will address many of the concerns raised during this inquiry.

2.159 We commend the efforts of Defence and note the many achievements in the environmental management of the area. While some areas still require work such as the dissemination of information, we believe that the positive approach that Defence has taken will lead to further improvements to the environmental management of the area as current and proposed research projects are finalised.

2.160 While all of the environmental issues that have been raised are of concern for the management of the area, they are for the most part generic problems, not specific to the presence of the SAF. We note also that the SAF are required to comply with the same environmental conditions as all armed forces using the area.

2.161 We do not believe, however, that Defence has engaged in consultation with the conservation sector of the community to the full extent possible. It is not sufficient to manage the area to preserve or enhance its environmental value, modern community values require that Defence must also be seen to be doing this. We support the improvements that have been made in recent times to the consultation processes.

2.162 The issue raised by the local conservation community is that they do not know whether Defence is managing the area effectively. There is also an onus on the local conservation community to avail themselves of all opportunities available to obtain further information on the environmental management of the area.

2.163 We believe that if effective consultation processes are implemented by Defence as part of the Environmental Strategy, this could give the conservation groups greater confidence in the capacity of the SWBTA to accommodate this level of military activity on a long term basis, and to gain a greater appreciation of Defence's management capabilities.

2.164 While Defence and the local conservation groups could work on strategies for the improved dissemination of relevant information, some mechanisms were suggested in this inquiry.

2.165 We would like to see additional meetings of the EAC if situations arise where significant exercises are planned to occur before the next likely meeting of the advisory committee. This would enhance the confidence of the EAC that Defence's activities are open and transparent.

Recommendation 2

2.166 **The Committee recommends that the Environment Advisory Committee hold extra-ordinary meetings prior to each major exercise to discuss potential issues, if an exercise is scheduled prior to the next proposed meeting.**

2.167 We note that there has been an extensive amount of research done in the area and that a number of research projects are continuing and are planned for the future. We believe, however, that Defence could be more proactive in the circulation of copies of reports and other documentation that are relevant to the environmental management of the SWBTA.

Recommendation 3

2.168 **The Committee recommends that the Department of Defence circulate copies of all public documents concerning the environmental management of the training area to each member of the Environment Advisory Committee as soon as practicable after publication.**

2.169 Many of the environmental management concerns raised by the conservation groups, however, related to general management issues and were not specific to the use of Shoalwater by the SAF. We also note that many of these issues are addressed in the Environment Strategy to be implemented in the next few years.

2.170 For example, while the issues raised in relation to the marine environment are of concern to the environmental management of the SWBTA, we note that many of these issues are not relevant to the SAF activities at SWBTA as there will be no live ordnance used for underwater demolitions during the SAF exercise.[176]

> The Singapore Armed Forces do not carry out underwater demolitions, amphibious activities or live bombing in SWBTA.[177]

2.171 We urge the conservation groups to continue to pursue these issues by raising particular concerns at EAC meetings and taking the opportunity to participate in inspections of the SWBTA where specific problems or issues can be identified.

2.172 We urge Defence to take these concerns on board and be proactive in addressing the matters raised prior to the next agreement with SAF. We do not believe, however, that these concerns should delay the commencement of the extension of the Agreement with the Republic of Singapore.

Recommendation 4

2.173 **The Committee supports the *Agreement between the Government of Australia and the Government of the Republic of Singapore concerning the Use of the Shoalwater Bay Training Area and the Associated Use of Storage Facilities in Australia,* and recommends that binding treaty action be taken.**

176 Department of Defence, *Supplementary Submission No 2a*, p. 46

177 Department of Defence, *Supplementary Submission No 2a*, p. 60

3

Development cooperation treaty with PNG

Background

The 1989 Treaty and the relationship with PNG

3.1 Papua New Guinea (PNG) is one of only two countries for which Australia's development cooperation program is governed by a treaty. This reflects the proximity of Australia and PNG, the importance of the bilateral relationship and their strong historical links. The program with PNG makes up one-fifth of Australia's total development assistance.[1]

3.2 The 1989 *Treaty on Development Cooperation between the Government of Australia and the Government of Papua New Guinea* (the 1989 Treaty) committed Australia to make payments of both budget support and jointly programmed development cooperation to PNG until Financial Year 1999 / 2000.[2]

3.3 During 1998 and 1999, Australia and PNG reviewed the 1989 Treaty and agreed on the size and shape of the future development cooperation relationship. As part of that review, comments were sought from the

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1 Robert Jauncey (Australian Agency for International Development (AusAID)), *Transcript of Evidence*, 22 October 1999, p. TR39. There is a 1998 development cooperation agreement with Indonesia, but it is a very different agreement to the proposed 1999 Treaty with PNG. See our Report 20 (March 1999), pp. 16-20.

2 National Interest Analysis (NIA) for the proposed *Treaty on Development Cooperation between the Government of Australia and the Government of Papua New Guinea*, done at Port Moresby on 7 October 1999 (the 1999 Treaty), p. 1. For the 1989 Treaty, and amendments made since 1989, see *Australian Treaty List: Bilateral* (as at 31 December 1998), Department of Foreign Affairs and Trade (DFAT), pp. 210-211, and *Australian Treaty Series 1989 No 24*

major Australian non-government organisations (NGOs) business organisations and other organisations with an interest in PNG.[3]

3.4 AusAID considers that the Australian development cooperation program to PNG has been a success. Over the past four years, for example, primary school enrolments have increased from about 550,000 to 670,000, but AusAID was keen to ensure that the initiatives in the proposed 1999 Treaty made the program even more effective.[4]

3.5 In September 1999, the Minister for Foreign Affairs notified us that, under the 1989 Agreement, he had arranged for $A29.583 million of budget support to PNG to be brought forward and paid in a lump sum. This was an early payment of funds due over the following ten months.

3.6 He considered that this payment was in Australia's national interest, as a demonstration of Australia's support for the new PNG Government's commitment to economic reform and re-engagement with the International Monetary Fund and the World Bank.[5]

3.7 Australia has a number of other treaties with PNG, dealing with such issues as:

- Trade and Commercial Relations, signed in 1976 and 1991;
- Status of Forces, signed in 1977;
- Sovereignty and Maritime Boundaries, including the Torres Strait, signed in 1978;
- Air Services, signed in 1980;
- Double Taxation, signed in 1989; and
- Promotion and Protection of Investments, signed in 1990.[6]

Previous Parliamentary considerations

3.8 The previous Committee considered two proposed agreements relevant to PNG. The first, considered without comment in its **First Report** (August 1996), was a proposed Exchange of Notes pursuant to the 1989 Treaty on Development Cooperation. In its **Thirteenth Report** (March 1998), it reviewed the proposed *Agreement between Australia, Papua New Guinea, Fiji,*

3 NIA for the 1999 Treaty, p. 1, Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, pp. TR39-40

4 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, pp. TR40, 41

5 See *The Australian*, 11 September 1999, p. 11, *The Age*, 30 July 1999, p. A-11

6 See *Australian Treaty List: Bilateral* (as at 31 December 1998), DFAT, pp. 209-211 (*passim*).

New Zealand and Vanuatu concerning the Neutral Truce Monitoring Group in Bougainville of December 1997.

3.9 In our Report 20 (March 1999), we considered the proposed 1998 *Protocol concerning the Peace Monitoring Group for Bougainville.*

3.10 Individual Senators and Members have, of course, also shown considerable interest in and knowledge of PNG over many years. Among other Parliamentary Committees with an interest in that country, the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), under various names in the past, has understandably shown particular interest, at least since a report on the Torres Strait Boundary in 1976. The most significant considerations have included a 1991 Report on Australia's relations with PNG which included a chapter on the development cooperation program. In 1997, it tabled a Report on a Seminar that had revisited that earlier Report.[7]

3.11 In September 1999, the JSCFADT tabled *Bougainville: The Peace Process and Beyond.* This followed a report on the 1994 visit to Bougainville by an Australian Parliamentary Delegation.

3.12 Reports on human rights by that Committee, in 1992 and 1994, included sections on the situation in Bougainville.

3.13 That Joint Committee has also shown interest in Australia's development cooperation program generally. This began with a report tabled in 1973, followed by an analysis of the Jackson Report on the program in 1985, and a review of the then-Australian International Development Assistance Bureau (AIDAB) and the development cooperation program, tabled in 1989.

3.14 The development cooperation program was the subject of further Reports in 1996 and 1997. The latter was the result of a Seminar hosted by that Joint Committee on the Simons Committee's Report into the overall program. More recently, it tabled a report on the proceedings of a seminar on world debt.

3.15 A list of these Reports can be found at Appendix E.

7 The 1989 report on Australia's relations with the South Pacific also dealt with PNG and Australia's development cooperation program.

The proposed 1999 Treaty

3.16 AusAID saw the proposed 1999 Treaty as a turning point in Australia's development cooperation program with PNG. It noted that, in parallel with this Treaty, a new country strategy was being developed for PNG, focussing on the short to medium term. This would include increased support for social sector activities, particularly in rural areas, and initiatives to encourage better governance in PNG. This revised country strategy had been released for 'fairly wide' consultation prior to presentation to the responsible Australian Minister.[8]

Major features

3.17 During the 1998/99 review of the 1989 Treaty, Australia and PNG agreed to introduce measures to increase the effectiveness, accountability and contestability of the development cooperation program. It also confirmed that Australia would make no further budget support payments to PNG after the 1999/2000 financial year.[9]

3.18 The proposed 1999 Treaty is needed to give effect to the agreed outcomes of that review. It is seen as providing a framework for the development cooperation program with PNG. Like the 1989 Treaty, and in accordance with the 1987 Joint Declaration of Principles Guiding Relations between Australia and PNG (as amended), this proposed Treaty sets out arrangements designed to contribute to development and self-reliance in PNG.[10]

3.19 The proposed Treaty also states that Australia's assistance will be consistent with the PNG Government's Medium Term Development Strategy (MTDS). Further, the program is to give priority to education, health, infrastructure, rural development, law and justice, provinces and governance.[11]

3.20 During the 1990s, untied cash payments for budget support have been progressively replaced by a focus on projects. From July 2000, when the proposed 1999 Treaty is intended to come into force, budget support will be completely replaced by specific projects and activities jointly agreed between the two Governments.

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8 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR40

9 Unless specified, material in this section was drawn from NIA for the 1999 Treaty, p. 1

10 Exhibit No 2

11 Exhibit No 1

3.21 AusAID stated that, while there was initially some resistance on the PNG side to the change to a focus on projects, there was now a 'broad acceptance' of that approach. Because Government, communities and people will be able to see more clearly what a program is delivering, there is now a degree of support for this change.[12]

3.22 Details of the procedures that will apply to the future jointly developed program are set out in the Annex to the proposed Treaty. It deals with such areas as the respective contributions of the Parties, ownership of project supplies, taxation, intellectual property and dispute resolution. Specific obligations relating to individual projects will be set out in subsidiary arrangements of less than treaty status.[13]

3.23 The proposed Treaty intends to set out a framework that will ensure that Australia's program focuses even more closely on trying to promote success and effective development in PNG. It therefore seeks to implement major innovations agreed during the review by:

- specifying that the Australian Government will determine the actual amount of assistance to be provided each year, and the program will be subject to meeting agreed performance targets;
- providing for the establishment of an Incentive Fund to reward excellence and promote contestability between PNG Government agencies and, for the first time, other organisations with a record of program management. This Fund will allow the program to engage more effectively with civil society in PNG; and
- strengthening the system of performance benchmarks to monitor the program's performance.[14]

3.24 While the 1989 Treaty also committed Australia to provide development assistance to PNG, the proposed 1999 Treaty did not include any pre-determined amounts for the program. Indicative annual forward planning figures are to be set out in an Administrative Arrangement that will apply for a five year period and be subject to review every three years. While this last document will not be of treaty status, it will provide greater flexibility to vary amounts if performance standards are not met than was available in the past.[15]

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12 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR41

13 NIA for the 1999 Treaty, p. 3

14 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR40, NIA for the 1999 Treaty, pp. 1-2

15 NIA for the 1999 Treaty, pp. 2, 3, Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR40

3.25 AusAID pointed out that the amount paid to PNG over the past 25 years had been reduced by half. Over the next few years, development cooperation would be maintained in nominal terms only, rather than being adjusted for inflation. Thus, a maximum of $A300 million per year has been set for each of the three Financial Years from 1 July 2000 until the end of 2002/2003. This proposed expenditure falls within the agreed forward estimates for AusAID.[16]

The Incentive Fund

3.26 Under this proposed Treaty, a growing proportion of Australia's program will be devoted to the Incentive Fund. It is intended to encourage and reward PNG agencies that perform well, have a good record or promote reform. For the first time, this will allow funds to be channelled directly to provincial or district government agencies. It will also allow funds to be channelled directly, again for the first time, to community groups, to not-for-profit organisations, and to Australian NGOs. It was seen as providing an opportunity to go straight to PNG organisations working on the ground.[17]

3.27 AusAID provided a copy of the draft Project Design Document, to assist us in our understanding of the Fund.[18]

3.28 For the 2000/2001 Financial Year, $A15 million has been set aside for the Fund. It is anticipated that it will grow annually, perhaps to $A50 million per year in some years' time. While NGOs were unlikely to gain access to all the money in this Fund, their proportion would be significant and probably grow.[19]

3.29 The Fund will be set up under a separate Administrative Arrangement that will not be of treaty status. We have asked, and AusAID have agreed, that this Arrangement will be sent to us when it is finalised.[20]

3.30 This proposed Treaty also specifies that performance benchmarks will be developed, strengthened and focussed on ensuring that agreed outcomes are met in areas such as, for example, reducing infant mortality or increasing school enrolments. At the same time, benchmarks would be

16 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR40, NIA for the 1999 Treaty, p 3

17 Unless otherwise specified material in this section was drawn from *Transcript of Evidence*, 22 October 1999, Robert Jauncey (AusAID), pp. TR40, 45

18 Exhibit No 3 refers.

19 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, pp. TR41-42

20 NIA for the 1999 Treaty, p. 2, Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, pp. TR44-45

used to ensure that the development cooperation program did not displace PNG Government funding to key sectors, such as health, education or road maintenance.

3.31 AusAID was aware that establishing a framework to monitor benchmarking outcomes would not be easy. Should these not be met because, for example, insufficient PNG resources are being committed, there could be a linkage to the provision of funds. This would enable development assistance to be redirected from one sector to another, depending on performance. In a worst case, total funding could be reduced.[21]

Implementation

3.32 No new legislation or legislative changes are required to implement this proposed Treaty. It will be used as the basis for all future implementing arrangements and/or subsidiary arrangements for development cooperation activities with PNG.[22]

Consultation

3.33 As part of our review, we sought comments from State/Territory Premiers/Chief Ministers and also from the Presiding Officers of State/Territory Parliaments or, where appropriate, specific Committees of those Parliaments. No adverse comments were received on this proposed Treaty.

3.34 States and Territories were advised of the proposed Treaty through the SCOT process. No requests were received for further information.

3.35 The NIA gave considerable information on the consultation process undertaken by AusAID about this proposed Treaty, from October 1997. Meetings were held with a number of Australian and State Government agencies and interested organisations and, in response to invitations to express views, a number of submissions were received.

3.36 These stressed the importance for PNG of issues such as universal basic education, female participation and agricultural extension services. These and other matters already mentioned above, such as the need for good

21 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR42

22 NIA for the 1999 Treaty, p. 3

governance in PNG, were 'taken into account' during the negotiation of the proposed 1999 Treaty.[23]

Withdrawal

3.37 This proposed Treaty has no fixed duration. It may be terminated by either Party notifying the other through diplomatic channels of its intention to do so. Such a notice will take effect six months from the date of receipt of that advice by the other Party. Notwithstanding termination, activities undertaken as a result of the Treaty will continue to be governed by its terms until they are completed.[24]

Other evidence presented

3.38 A significant amount of Australian support has been given to the Gazelle Restoration Authority in Rabaul, to such activities as rebuilding schools, first aid posts, following the 1994 volcano. Specific support has also been given to the vulcanological monitoring centre to try to provide more warning of likely eruptions in future.[25]

3.39 While the proposed Treaty included a provision that allowed for the carryover of funds from one financial year to the next, at present only the emergency component of the development cooperation vote had this protection. The 1989 Treaty had included this provision and it had been retained, although it was still not likely to be used.[26]

3.40 Among the problems faced by PNG is that the formal sector of its economy only takes up about 15 per cent of the work force. Most of the rest of the population survives largely from subsistence agriculture. According to AusAID, this has led to two challenges:

- to try to ensure wider educational opportunities were available. At present, only about 65 to 70 per cent of the PNG population is literate; and

23 Unless specified otherwise, material in this section was drawn from NIA for the 1999 Treaty, p. 4

24 NIA for the 1999 Treaty, p. 4

25 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR43. AusAID provided additional information on the restoration of the Gazelle Peninsula, see Exhibit No 4.

26 Robert Jauncey and Michael Dillon (AusAID), *Transcript of Evidence*, 22 October 1999, pp. TR43-44

- just as importantly, to try to get the policy framework in place to encourage the expansion of the formal economy so that jobs were available for those leaving school.[27]

3.41 AusAID believed that some of the developments that had occurred since the recent change of government in PNG should help, if only in the longer term, to encourage labour-intensive, export-oriented industry.[28]

3.42 In this context, the five priorities of the new PNG Prime Minister and some of the actions taken by his Government were seen by DFAT as 'very positive'. These priorities were:

- restoration of the integrity of state institutions;
- improving financial stabilisation, including re-engagement with International Financial Institutions (IFIs);
- strengthening the budgetary process;
- addressing obstacles to investment; and
- pursuing a negotiated settlement in Bougainville.

3.43 Re-engagement with the World Bank and the IFIs has taken place and was continuing. A supplementary budget that aimed to reduce the budget deficit had been introduced, and welcomed by business. Work was also continuing towards the resolution of the situation on Bougainville.[29]

3.44 Austrade saw PNG as a 'billion dollar market', and it was noted that its significance was widely misunderstood in Australia. There were such incorrect perceptions as difficulties with payment for goods, that everything in PNG was funded by the development assistance program. It was a challenge to alter such perspectives, and some headway was being made.

3.45 Austrade had traditionally focussed on the mining and educational sectors, and each year had organised a range of displays in these fields. It was now looking at promoting such non-traditional exports as information technology, communications and security. So far, responses from the business community had been 'very encouraging'.[30]

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27 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR45

28 Robert Jauncey (AusAID), *Transcript of Evidence*, 22 October 1999, p. TR45

29 Joanna Adamson (DFAT), *Transcript of Evidence*, 22 October 1999, p. TR44

30 Pat Stortz (Austrade), *Transcript of Evidence*, 22 October 1999, pp. TR45-46

Material received

3.46 We wrote to a number of the organisations listed in the NIA as consulted by AusAID, inviting them to forward submissions to our review of this proposed Treaty. Apart from the Australia Papua New Guinea Business Council, which sent us a copy of its April 1999 submission to AusAID's proposed strategy for PNG, no comments were received.[31]

3.47 The Council was 'greatly concerned' about the continued good management of Australia's development cooperation program with PNG. The business community has ongoing concerns about:

- law and order;
- infrastructure;
- education and training; and
- investment.

3.48 It welcomed the inclusion of good governance among AusAID's four key objectives, believing that it is one of the main factors influencing levels of confidence and investment in PNG.

3.49 In its concluding remarks to AusAID's review, the Council was mindful of the fact that, in its view, it would only take 'moderate growth' in economic activity in PNG to generate benefits equal to Australia's development cooperation program.

Australia-PNG relations

3.50 At the time of the recent change of the PNG Government, a number of Australian newspapers commented on the relationship with PNG. One referred to difficulties in the relationship for both nations, stating that Australian support is often seen in PNG as 'paternalistic neocolonialism'.[32]

3.51 Some in PNG tend to bridle at any comments made by Australia. For example, the former Prime Minister was quoted as saying that: 'Australia thinks PNG is their state…Australians think they should continue dictating to us'. Equally, Australian opinion about PNG, and the assistance that is offered, can often sound both simplistic and patronising.

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31 Unless specified otherwise, material in this section was drawn from Exhibit No 5

32 *The Australian Financial Review* (Editorial), 8 September 1999, p. 16

Such suggestions are sometimes made about ways in which PNG could improve itself.[33]

3.52 There probably has been a perception of 'some arrogance' in Australia, and some of those comments were written at a time when the relationship, and PNG itself, was going through a particularly difficult period. It seems that this phase has now passed, but sensitivities in the relationship can cause difficulties in discussing it.[34]

Conclusions and recommendation

3.53 We were surprised at the lack of interest in this proposed Treaty. We did seek comment from some of the organisations that were involved in the AusAID review earlier in 1999. No comments were received. It is not possible to know whether this was because those to whom we had written were satisfied with the terms of the proposed Treaty.

3.54 We believe that a mixture of reasons justify Australia's development cooperation program with PNG. These include geographic proximity, the former colonial relationship, assistance by its people in war-time and the assistance a wealthy nation should give to a less developed neighbour.

3.55 Australia has had a development cooperation program with PNG for many years. A great deal of assistance, in money and by personnel, has been given. Having served a purpose, the 1989 Agreement will come to an end. Its replacement is an improvement, in part because of the discussions held with a wide range of individuals and organisations with an interest in the relationship with PNG.

3.56 We support the general direction and aims of the proposed Treaty. The move from generalised budget support to assistance for specified projects should assist in reducing the corruption reported to be such a problem in PNG. Limits are placed on the amounts Australia will contribute until June 2002. PNG nationals, especially women, will be encouraged to participate in the program. It must be consistent with the PNG Government's strategy, and so on. All these, and many more, are desirable features of the proposed Treaty.

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33 The former Prime Minister was quoted in *The Courier Mail*, 10 July 1999, p. 22. See, for example, *The Sydney Morning Herald*, (Editorial), 8 July 1999, p. 16, *The West Australian*, (Editorial), 8 July 1999, p. 12, *The Canberra Times*, (Editorial), 7 July 1999, p. 10, for some examples of what could be seen as patronising expressions. See *The Australian*, 9 November 1999, p. 9, for a report of a way PNG could gain international assistance.

34 See *The Australian*, (Editorial), 7 July 1999, p. 12

Recommendation 5

3.57 **The Committee supports the proposed *Treaty on Development Cooperation with Papua New Guinea*, and recommends that binding treaty action be taken.**

3.58 The supporting documentation for the proposed Treaty uses terms such as 'effectiveness', 'accountability', 'good governance', 'performance targets' and 'benchmarks'. It will introduce an Incentive Fund that will 'reward excellence', but bypasses the PNG provincial structure. It will also deal directly with PNG Government agencies, community and private organisations with a 'proven record of program management'.

3.59 These are sensible principles and practices, and we support their inclusion in the proposed Treaty. They will result, however, in a significant level of Australian involvement in program administration and monitoring. This level of involvement, while helping to ensure accountability and effectiveness, will present a challenge for Australian program administrators. In view of the observed sensitivities in the Australia-PNG relationship noted above, AusAID and its contractors will need to be careful to ensure that their involvement is not perceived by the PNG community to be unduly intrusive.[35]

3.60 The Australia-PNG relationship is as important as it is sensitive. It would be most unfortunate if the development cooperation program continued by the proposed Agreement were to harm or weaken any part of that relationship.

3.61 Some members of the Committee have reservations about the value system that appears to underlie Australia's assistance to PNG under this proposed Treaty. Its major aim appears to be to facilitate the transition from an informal subsistence agricultural economy, to a formal commercial exchange economy.[36]

3.62 This raises the fundamental question of what effects, both direct and consequential, this process of economic uplifting might have on PNG's traditional social structure. Australia's national interest is unlikely to be served if PNG's social stability is not enhanced by assistance provided under this proposed Treaty.

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35 See paragraphs 3.50 –3.52

36 See paragraph 3.40

4

Convention for the Protection of New Varieties of Plants

The Convention

4.1 The *International Convention for the Protection of New Varieties of Plants* was first concluded 1961. Minor revisions were made in 1972 and 1978. It is commonly known as 'UPOV', as a result of the translation of the title from French.[1]

4.2 This Convention was further revised in 1991, and these amendments formed the basis of this review. UPOV currently has 44 members.[2]

The purpose of the Convention

4.3 The National Interest Analysis (NIA) for UPOV that its purpose was to ensure that Parties acknowledged the achievements of breeders of new plant varieties, by making available to them an exclusive property right, on the basis of a set of uniform and clearly defined principles.

4.4 The agricultural, horticultural and forestry industries and ultimately the final consumer all gain from the additional stimulus that plant breeders' rights give to the creation of new varieties better suited to Australian conditions and markets.

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1 Ian Thompson (Agriculture, Fisheries and Forestry-Australia (AFFA)), *Transcript of Evidence*, 22 October 1999, p. TR88. See *Australian Treaty List: Multilateral* (as at 31 December 1998), Department of Foreign Affairs and Trade (DFAT), pp. 420, 481

2 NIA for the *International Convention for the Protection of New Varieties of Plants*, as revised in 1991 (UPOV), pp. 1, 3

4.5 To be eligible for protection, new varieties have to be:

- distinct from existing, known varieties;
- sufficiently uniform;
- stable; and
- new in the sense that they must not have been commercialised prior to certain dates, established by reference to the date of the application for protection.

4.6 By becoming a Party to UPOV, a State signals its intention to grant a prescribed set of commercial rights to plant breeders on the basis of principles that have gained worldwide recognition and support. In doing so, a member State offers its own plant breeders the possibility of obtaining protection in other member States. It also provides an incentive to breeders from overseas to invest in, multiply and release plant varieties in its own territory.

4.7 Like all intellectual property rights, plant breeders' rights are granted for a limited period of time, at the end of which varieties pass into the public domain. This ensures an appropriate balance between the interests of the intellectual property owner and of the community which benefits from innovation. The breeder's rights are also subject to controls, in the public interest, against possible abuse and it is specifically required that varieties are made publicly available. It is also important to note that the authorisation of the plant breeder is not required for the use of a variety for non-commercial or research purposes, including its use in the breeding of further new varieties.

4.8 Member states have established a detailed set of principles for the conduct of the examination of plant varieties for distinctness, uniformity and stability, and more specific guidelines for more than 160 genera and species. These normative documents are progressively updated and extended to further genera and species. Their use is not limited to plant variety protection, but extends to other areas such as national listing and seed certification. Australia has special incentives to promote and guide the development of documentation regarding our native species, for which international trade is increasing rapidly.

4.9 The most intense cooperation between member States concerns the examination of plant varieties. It is based on arrangements whereby one member State conducts tests on behalf of others, or whereby one member State accepts the test results produced by others as the basis for its decision on the grant of a breeder's right. Through such arrangements, member States are able to minimise the cost of operating their protection

systems and breeders are able to obtain protection in several countries at relatively low cost.[3]

Australia and UPOV

4.10 The 1978 Convention entered into force for Australia in 1989. In order to accede to this Convention, Australia had first to pass implementing legislation. This was done by the *Plant Variety Rights Act 1987*.[4]

4.11 Of the current UPOV member countries, 27 have already acceded to the 1991 amendments. In anticipation of Australia's accession, the provisions of the 1991 version of the Convention were set out in the *Plant Breeders Rights Act 1994*.[5]

Reasons for the proposed treaty action

4.12 Australia proposes to accede to the 1991 amendments to UPOV because the changes are evolutionary. They are not radical and do not change the basic aims and outcomes of the 1978 Convention to which Australia is currently a Party. The 1991 amendments incorporate changes reflecting experience and scientific, and technical progress.[6]

4.13 The main change brought about by the 1991 amendments will be the greater control given to plant breeders over the management of their intellectual property, both domestically and in other member countries. This greater control will further help to promote Australia's trade and economic interests in relation to intellectual property.[7]

4.14 Australian breeders will have an even greater commercial incentive to research and develop new plant varieties for sale in Australia and abroad. They will also have an even greater assurance that the new plant varieties they market in other UPOV member countries will be protected. This will increase breeders' incentives to seek export markets for their new plant varieties.[8]

4.15 As breeders gain greater security over their new varieties and thereby a greater economic incentive to create new varieties, the wider community

3 NIA for UPOV, pp. 2-3
4 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR89
5 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR89
6 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR89
7 NIA for UPOV, pp. 5, 3
8 NIA for UPOV, pp. 2-3

will also prosper. A wider choice of plants, from both Australia and overseas, will become available to Australian consumers. As AFFA noted, Australia will only get access to certain varieties bred overseas if the best form of protection, the 1991 version of UPOV, is in place here.[9]

4.16 Australia proposes to accede because it is already effectively complying with and benefiting from the 1991 amendments through its enactment of the *Plant Breeder's Rights Act 1994*. AFFA's experience over five years had been 'overwhelmingly positive'.[10]

4.17 Australia was very much involved in the diplomatic conference that led to the proposed 1991 amendments and was successful in having its views, and the interests of Australian industry, incorporated.[11]

4.18 It would therefore cause great confusion among other UPOV members about Australia's commitment to plant breeders rights if it failed to accede to the 1991 amendments. Its motives in pushing for the amendments in the first place would also be called into question.[12]

4.19 Failure to accede could be seen as unwillingness by Australia to entrench its legislation. This could lead to doubt in other countries as to how long they can rely on Australia to grant their breeders' the rights offered by the 1991 amendments, thus making them more cautious about releasing new plant varieties for sale in Australia.[13]

4.20 Failure to accede could also lead to the perception in other countries, unaware of the fact that Australia has implemented the 1991 amendments, that this country does not uphold international 'best practice' in this field of intellectual property. This perception could negatively affect technology transfer between Australia and other countries, and lead to reduced foreign investment in new plant research here.[14]

4.21 Finally, failure to accede might discourage other countries in Australia's region from acceding. To this point, Australia has been the leader in intellectual property protection in its region. If it is not prepared to adopt formally the 1991 amendments, it will be harder to argue that regional countries should join the 1991 version of UPOV.[15]

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9 Doug Waterhouse (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR91

10 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR89

11 NIA for UPOV, p. 3

12 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR89

13 NIA for UPOV, p. 4

14 NIA for UPOV, p. 4

15 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR90

4.22 Accession could also be helpful in the pursuit of Australia's broader multilateral trade, economic and environmental interests. It would demonstrate a commitment to the development of internationally coordinated approaches to a wide range of intellectual property concerns.[16]

Advantages to Australia

4.23 The advantages to Australia of membership of UPOV include:

- international recognition of Australia's national plant variety protection system, including World Trade Organization (WTO) compliance;
- encouragement of investment in plant breeding in Australia;
- greater community access to varieties with improved characteristics of nutrition, productivity, taste, look, scent, and which alleviate some environmental concerns;
- facilitation of transfer of technology and expertise to Australia;
- facilitation of the export of harvested material or end products produced from protected varieties;
- increased development of varieties adapted to Australian conditions;
- the ability of Australian breeders to obtain protection in other Member States under 'same treatment' provisions;
- protection of Australia breeders against appropriation of their varieties by genetic engineers;
- the ability of Australian breeders to claim priority in other countries for applications filed here; and
- the ability to influence the future development of the breeders' rights system, particularly in South-East Asia.[17]

Delay in Australia's accession

4.24 Australia has not yet formally acceded because UPOV requires that a country first implement the obligations of the 1991 amendments

16 NIA for UPOV, p. 4
17 NIA for UPOV, p. 3

domestically. Australia did this in 1994, with the passing of the *Plant Breeder's Rights Act 1994*.[18]

4.25 Australia was also aware that some countries may still have been willing to accede to the 1978 version of UPOV, if not to the 1991 version. Until the 1991 version came into force, they had this opportunity. Therefore, Australia was keen to delay the bringing into force of the 1991 version, which required sufficient countries acceding to it to give it effect, until countries that had the option of acceding to the 1978 version of UPOV had done so.[19]

4.26 A sufficient number of countries have now acceded to the 1991 version of UPOV in order to bring it into force, in April 1998.[20]

Proposed treaty action

Obligations

4.27 The NIA stated that:

> The 1991 Convention maintains Australia's core obligations under the 1978 Convention to balance the rights granted to plant breeders with those given to the public to guarantee access and use of the resultant varieties. The 1991 Convention builds on those core obligations with a number of additional obligations and explicit clarifications.[21]

4.28 The main difference between the 1978 and 1991 versions of UPOV is that, under the 1991 version, Parties to UPOV are required to provide plant breeders with 'greater control over the management of their intellectual property, both domestically and in other member countries'.[22]

Date of binding treaty action

4.29 It is proposed that Australia accede to the 1991 version of UPOV as soon as practicable after 9 December 19991.[23]

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18 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR90
19 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR90
20 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR90
21 NIA for UPOV, p. 5
22 NIA for UPOV, p. 5
23 NIA for UPOV, p. 1

Costs

4.30 The NIA envisaged that accession to the 1991 Convention would not lead to any additional cost over and above those currently incurred under the 1978 Convention.[24]

Consultation

4.31 All State and Territory Governments were advised of the proposed accession. All respondents were supportive.[25]

4.32 A number of other relevant organisations were also consulted about the proposed accession, including the National Farmers' Federation, Australian universities, and the Seed Industry Association of Australia. All respondents supported, or raised no objection to, the proposed accession.[26]

4.33 As part of our review, we sought comments from State/Territory Premiers/Chief Ministers and also from the Presiding Officers of State/Territory Parliaments or, where appropriate, specific Committees of those Parliaments. The WA Government made comments on a number of issues.[27]

Withdrawal

4.34 Any Party may withdraw from the 1991 Convention by notification to the Secretary-General of UPOV. Denunciation will take effect at the end of the calendar year in which the notification was received. Denunciation will also be deemed to constitute denunciation of any earlier act by which the Party denouncing the 1991 Convention is bound.

4.35 Denunciation will not affect any rights acquired in a plant variety by reason of the 1991 Convention, or any earlier act, prior to the date on which the denunciation becomes effective.[28]

24 NIA for UPOV, p. 9
25 NIA for UPOV, p. 10
26 NIA for UPOV, p. 10
27 See paragraphs 4.39 and 4.40 for this material, and for AFFA's response
28 Material in this section was drawn from NIA for UPOV, pp. 10-11

Industry views

4.36 At the public hearing we held on this matter, Mr Keith Glasson, Managing Director of Pioneer Hibred Australia and Vice-President of the Seed Industry Association of Australia, gave evidence with AFFA officials.

4.37 Mr Glasson supported remarks made by those officials, adding that it was necessary to ensure that Australian farmers and consumers maintained access to cutting edge technology in plant breeding and germ plasm enhancement. Accession to the 1991 Convention would signal to the private and public breeders of the world that Australia is serious about plant protection. It would also ensure that there will be continued and increasing investment in open-pollinated plants generally.[29]

Other evidence presented

4.38 Evidence was also provided on the following matters.

- As a result of the greater protection offered to new plant varieties by the 1991 version of UPOV, Australia's accession to it may increase its opportunity to provide the out of season production of crops for Europe.[30]
- UPOV and the 1991 amendments do not determine whether or not genetically modified organisms can be released in Australia. AFFA noted that the proposed Convention treated genetically modified organisms and conventionally bred organisms in the same way. Both are tested against their criteria as unique stable varieties and provisions in UPOV are then used to determine whether a variety of plant is new, and hence whether its breeder(s) should receive intellectual property protection. Processes to be developed by the Office of the Gene Technology Regulator will also have to be observed before a new variety of plant can be released into Australia.[31]
- Wheat, barley, cotton and cane are the Australian plant industries most protected by UPOV. They require new varieties every three to five years to deal with emerging disease problems, and to meet increasing

29 Keith Glasson, *Transcript of Evidence*, 22 October 1999, p. TR91

30 Doug Waterhouse (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR91

31 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR92

customer demands for new plant characteristics such as 'breads that cook in different ovens or beers that have high heads'.[32]

- Horticultural and floricultural industries are also assisted greatly by UPOV. In the latter, new varieties of plants are being developed continuously to meet customer tastes: different, perennial, coloured flowers; that will survive frost, floods and droughts; new fruit varieties, such as crosses between broccoli and bok choy, hairless peaches, etc.[33]
- It is not as necessary to provide protection under UPOV for new varieties of plants developed for pharmaceutical purposes, as these can also be protected by patents.[34]

Issues raised by the WA Government

4.39 In its submission to our review, the WA Government commented that:

- the definitions in UPOV do not define 'plant'. In older, common language, this term is often applied to organisms which are not animals. In this Convention, it is probably meant to include vascular and non-vascular plants which include flowering plants;
- there are now considered to be five biotic kingdoms, one of which is the plants referred to in UPOV. Fungi should also be considered for protection, and bacteria and moulds are of increasing importance in biotechnology. Fungi, bacteria and water moulds should also be considered for inclusion in this Convention;
- Article 1(iv) defines 'breeder' as the person who bred. This word may infer a person has merely raised a plant from seed that could be of wild origin, without implying that a breeding effort has been involved. 'Bred' should be replaced with either 'created' or 'originated' to imply some degree of personal endeavour; and
- the definition of 'variety' in Article 1(vi) confuses the formal taxonomic definition with the everyday use of that term. A taxonomic variety is within a single taxon, but is not of the lower rank. In taxonomy, that term is a category in the hierarchy between that of 'subspecies' and 'form'. It would be preferable for the definition to use the more neutral term 'variant' that is not confused with formal taxonomic ranks. It

32 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p. TR92

33 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, p TR93

34 Ian Thompson (AFFA), *Transcript of Evidence*, 22 October 1999, pp. TR92-93

could still be clarified by phrases such as 'defined', 'distinguished' and 'considered'.[35]

4.40 Replying to these points, AFFA noted that the WA Government had proposed a number of improvements to the definitions in the Convention. While it accepted that the text could be improved, AFFA noted:

- Australia's role at the conference that had delivered the 1991 text, on which the 1994 Act was based;[36]
- that improvements to the UPOV text could only be made by its Members;
- that it could see no evidence to support the view that the majority of proposals for improving definitions were necessary, nor that they would gain the support of members. They can consider any proposals put forward, but revisions to the text would not be made lightly; and
- that, on accession, Australia would notify the Secretary-General that, pursuant to Article 36(1), on the date that UPOV enters into force for this country, its provisions will be applied to all genera including fungi and algae.[37]

Submission from SA

4.41 A group of South Australian citizens had forwarded a submission that stated Australia should not sign the proposed Convention because, they asserted:

- under Article 4, all new plant or seed producers, including such companies as Monsanto, had to be given the same rights;
- Article 11 would require Australia to give priority for protection on request to any other Party, when it might be more beneficial to protect Australian farmers and their produce;
- under Article 14, Australia must provide measures to safeguard the authorisation of production, reproduction, propagation, sales, marketing, exporting or stocking for any of these purposes. This could benefit multi-national companies (MNCs) above locally owned products;

35 WA Government, *Submission No 1*, pp. 1-2

36 See paragraph 4.17

37 AFFA, *Submission No 3*, p. 1

- under Article 15, Australia cannot protect any new varieties not grown for commercial purposes, or any new varieties grown for experimental purposes. There is an optional exception that would allow farm-saved seed, but the submission was concerned about the definition of 'public interest' that might be involved;
- under Article 19, Australia would be committed to protecting trees and vines for 25 years, and 20 years for other seeds and plants. At the current rate of technological change, a large amount of genetically engineered material may have to be protected within those periods, and this might be detrimental to Australian farmers and their produce; and
- under Article 30, Australia would be obliged to protect all Members in their efforts to produce, export and sell plants. The submission commented that this did not seem to be fair to Australian producers, as the authors believed that the MNCs would reap any benefits.[38]

4.42 In its comments, AFFA stated that many of the points raised in this submission had been canvassed 'at great length' at the time the *Plant Breeders' Rights Act 1994*, based on the proposed Convention, was enacted. Adoption of that Act had demonstrated that the industry, the community and the Parliament broadly supported its objectives. A recent survey had indicated that this Act was 'working well'. Since it had been enacted, it had been amended to improve its administrative efficiency, not to reform its policy content.

4.43 AFFA also noted that:

- because Convention-based legislation had been in place for five years, Australia had been participant in the 1991 Convention in all but name for that period. Experience with that legislation had been positive;
- Australia's commitment to its legislation and to the Convention was constant only to the extent that the national interest was served, and it was not absolutely bound to either;
- contrary to the impression conveyed by the SA submission, the proposed Convention was based on 'world best practice' in this area of intellectual property. The benefits to this country are seen as 'numerous'; and
- Australia's domestic legislation allowed for farm-saved seed. On accession, Australia intended to notify the Secretary-General of UPOV

38 SA Submission, *Submission No 2*, p. 1

that, pursuant to Article 36(1), the *Plant Breeders' Rights Act 1994* is the legislation governing breeders' rights in this country.[39]

4.44 AFFA made the following comments on other matters raised in the South Australian submission.

- Article 4 of UPOV allowed all breeders of new plant varieties to apply for protection and to be judged by the same rules, ie. without discriminating against the breeder's nationality. The submission 'appears to ignore' the 40 year, world-wide history of plant breeders' rights. This showed that the vast majority of participants are small companies, not MNCs.
- In its comments on Articles 11 and 19 of UPOV, the submission misunderstood the meaning of 'priority'. This provision dealt with the date of lodgement of material, and did not impose special obligations to protect, use or favour varieties bred by MNCs.
- This submission also misunderstood the meaning of measures designed to safeguard the breeders' interests. These referred to access to an effective legal system, rather than to the Commonwealth assisting breeders or policing their rights against infringement.
- It also appeared to misunderstand the exemptions against infringement of the breeder's right. All new varieties are potentially protectable, but their use for experimental or non-commercial, private purposes does not constitute an infringement. As mentioned above, farm-saved seed is specifically allowed by the Act.
- It also implied that Australia must assist other UPOV Members in their efforts to produce, export and sell protected varieties. The proposed Convention did not impose this requirement.[40]

Conclusions and recommendation

4.45 It is clear that the breeding of new varieties of plants is essential to the modern world. New varieties lead to increased crop quality and yield, help stave off new and emerging disease strains, and meet growing customer demand for new varieties and tastes. It is also essential in fuelling economic growth and prosperity.

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39 AFFA, *Submission No 3*, p. 2

40 AFFA, *Submission No 3*, pp. 2-3

4.46 The protection given to new plant varieties developed by breeders will help to ensure the continued and growing development of even more new varieties. The 1991 amendments to UPOV will also add to the protections provided under its 1978 version.

4.47 We note that the *Plant Breeders Rights Act 1994* gives effect in Australia to the provisions of the 1991 Convention, and that this Act has been operating successfully since 1994.

4.48 Despite some concerns expressed at the time the legislation was enacted, some of which were repeated in submissions to our review, it seems that the legislation represents a workable balance between the interests of plant breeders, producers and the broader community.

4.49 We note also that the neither the *Plant Breeders Rights Act 1994* nor the 1991 Convention determine whether genetically modified organisms should be released in Australia. That legislation can be used to determine whether someone has a property right in a genetically modified organism. Any decision about the use of such an organism in Australia is a separate matter, however, that is considered by the Office of the Gene Technology Regulator.

Recommendation 6

4.50 **The Committee supports the proposed *International Convention for the Protection of New Varieties of Plants,* and recommends that binding treaty action be taken.**

ANDREW THOMSON MP

Committee Chairman

7 December 1999

A

Appendix A - Extract from Resolution of Appointment

The Joint Standing Committee on Treaties was reconstituted in the 39th Parliament on 9 December 1998.

The Committee's Resolution of Appointment allows it to inquire into and report upon:

(a) matters arising from treaties and related National Interest Analyses and proposed treaty actions presented or deemed to be presented to the Parliament;

(b) any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:

  (i) either House of the Parliament, or

  (ii) a Minister; and

(c) such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.

B

Appendix B - Submissions

Agreement with Singapore on the Use of the Shoalwater Bay Training Area

Submission No	Organisation
1	Rockhampton Enterprise
1a	Rockhampton Enterprise
2	Department of Defence
2a	Department of Defence
3	AES Trade Services
4	Wildlife Protection Association of Australia
4a	Wildlife Protection Association of Australia
5	AgTour Australia
6	Margaret Graves
7	Surfrider Foundation
8	Pauline and Alfred Smith
9	Livingstone Shire Council
10	Queensland Conservation Council
11	Wildlife Preservation Society of Queensland – Capricorn Branch
12	Mackay Conservation Group
13	John Morris (Banksia Pacific)
13a	John Morris (Banksia Pacific)
14	National Parks Association of Queensland

International Convention for the Protection of New Varieties of Plants

Submission No	Organisation
1	WA Government
2	South Australian citizens
3	Agriculture, Fisheries and Forestry-Australia

C

Appendix C - Witnesses at Public Hearings

Monday, 18 October 1999, Canberra

Department of Foreign Affairs and Trade

David Mason, Executive Director, Treaties Secretariat, International Organisations and Legal Division

Agreement with Singapore for the Use of the Shoalwater Bay Training Area

Department of Defence

Peter Ward, Director of Agreements, Defence Legal Office

Colonel Don Higgins, Acting Director General, Major Powers and Global Security

Lieutenant Colonel Greg Molyneux, Deputy Director of Preparedness and Mobilisation

Feargus O'Connor, Senior Policy Adviser, International Policy Division, Defence Headquarters

Lieutenant Scott Ritchie RAN, Legal Officer, Directorate of Agreements, Defence Legal Office

Mark Imber, Environmental Policy Officer, Defence Estate Organisation

Friday, 22 October 1999, Canberra

Department of Foreign Affairs and Trade

David Mason, Executive Director, Treaties Secretariat, International Organisations and Legal Division

Attorney-Generals' Department

Sama Payman, A / Principal Legal Officer, Office of International Law

Renee Leon, Assistant Secretary, Public International Law Branch, Office of International Law

Development Cooperation Treaty with Papua New Guinea

Australian Agency for International Development (AusAID)

Michael Dillon, Acting Deputy Director-General, Pacific, Africa and International Division

Robert Jauncey, Acting Assistant Director-General, Papua New Guinea Branch

Grant Morrison, Country Program Manager, Governance and Coordination Section, Papua New Guinea Branch

Gaynor Shaw, Acting Director, Governance and Coordination Section, Papua New Guinea Section

Department of Foreign Affairs and Trade

Joanna Adamson, Director Papua New Guinea Section

Austrade

Pat Stortz, Manager South Pacific Office

International Convention for the Protection of New Varieties of Plants

Agriculture, Fisheries and Forestry-Australia

Ian Thompson, Assistant Secretary, Field Crops Branch, Agricultural Industries Division

Doug Waterhouse, Registrar, Plant Breeders' Rights Office

Department of Foreign Affairs and Trade

Mr Antony Taubman, Director, World Trade Organization–Intellectual Property

Industry Representative

Keith Glasson, Managing Director, Pioneer Hibred Pty Ltd and Vice-President, Seed Industry Association of Australia

Friday, 19 November 1999, Rockhampton

Department of Foreign Affairs and Trade

David Mason, Executive Director, Treaties Secretariat, International Organisations and Legal Division

Agreement with Singapore for the Use of the Shoalwater Bay Training Area

Rockhampton City Council

Councillor James McRae, Mayor

Gary Stevenson, Chief Executive Officer

Livingstone Shire Council

Councillor Kevin Hinz, Deputy Mayor

Mark Windress, Manager, Civil Operations

Department of State Development

Brad Carter, Director, State Development Centre, Rockhampton

AES Trade Services

Robert Armstrong, General Manager and Proprietor

AgTour Australia

Colin Beckett, Managing Director

Rockhampton Enterprise

Barry Large, Chief Executive Officer

John Perkins, Defence Supply Project Director

Capricorn Conservation Council

Trevor Acfield, Coordinator

Wildlife Preservation Society of Queensland – Capricorn Branch

Leise Childs, Member

Wildlife Protection Association of Australia

Patrick O'Brien, President

Department of Defence

William Byrne, Area Manager, Defence Estate Organisation

Major Ian Cox, Manager, Defence Corporate Support Office, Rockhampton

James Edwards, Shoalwater Bay Environmental Officer

Major Pauline Mortensen, Manager, Directed Activities and Special Events, Defence Corporate Support Office, Brisbane

Richard Souness, Assistant Regional Director, Defence Acquisition Office, Queensland

Paul Watson, Manager, Defence Corporate Support, South Queensland

D

Appendix D - Exhibits

Agreement with Singapore on the Use of the Shoalwater Bay Training Area

Exhibit No

1	Excerpts from 1998 contract between SAF and AgTour Australia
2	Cosgrove, B 1996, *Shoalwater Bay: Settlers in a Queensland Wilderness*, Central Queensland University Press, Rockhampton
3	Preen, T 1999, *Dugongs and green turtles in relation to military training activities at Triangular Island, Shoalwater Bay, central Queensland*, Draft Report, Department of Tropical Environmental Studies and Geography and the Cooperative Research Centre fro the Ecologically Sustainable Development of the Great Barrier Reef, May 1999, unpub.
4	Department of Defence 1993, *Submission to the Shoalwater Bay Training Area Commission of Inquiry*
5	Department of Defence (Australia) and Singapore Armed Forces, *Wallaby 99 Environmental Report*, November 1999
6	PPK Environment & Infrastructure Pty Ltd and Defence Estate Organisation, *Crocodile 99*, FTX (E) Environmental Report, 24 September 1999
7	Shoalwater Bay Environmental Management Plan: Phase One – Initial Environmental Review (dated July 1999); Phase Two – Environmental Strategy (dated October 1999); and Phase Three – Environmental Implementation Plan (dated August 1999). Held on CD Rom.

8	Shoalwater Bay Training Area Standing Orders, June 1999, Chapter 2, 5, 6, 13, 33, 33a and paras 19.15-17
9	Department of Defence Environmental Certificate of Compliance for Exercise Crocodile 99 (FTX(EAST))
10	Department of Defence Environmental Officer's Report – Approval process for SAF tree clearing
11	DEO-SQ Routes of Access Brief
12	SAF Environmental Compliance Certificate for Exercise Wallaby 99
13	Conditions relating to ECC for Exercise Wallaby 99
14	Draft Response from DEH Canberra
15	Defence Estate Organisation, Work Programs for Stage 1 and 2 of the Shoalwater Bay Defence Training Area Dugong Research Program
16	Shoalwater Bay Training Area Environmental Advisory Committee Terms of Reference
17	First and final draft of the Minutes of the Second Meeting of the Shoalwater Bay Training Area Environmental Advisory Committee on 12 August 1999 in Rockhampton
18	Letter dated 26 August 1999 from Major M S Hall, Regional Estate Manager to M Prior, Fishermen's Organisation Representative. The letter includes the Minutes of the First Meeting of the Shoalwater Bay Training Area Environmental Advisory Committee on 11 August 1998 in Rockhampton.
19	Letter dated 11 July 1997 from J Edwards (Secretary of SWBTA EMAC) to John Stocks (SWBTA Range Manager) regarding visit to SWBTA by local EMAC members on 25-26 July 1997. Attached to the letter is the itinerary for the visit and a list of all the local EMAC attending.
20	Letter dated 11 July 1997 from J Edwards (Secretary of SWBTA EMAC) advising various defence personal of the 25-26 July 1997 visit to SWBTA by local EMAC members.
21	Letter dated April 1997 from Major W S Byrne advising EMAC members of the next EMAC meeting on 4 June 1997 in Rockhampton.
22	Letter dated 10 February 1999 from Major W S Byrne to members of the EAC. The letter contains a copy of a brief

	prepared by the Defence Department's Director Environmental and Heritage.
23	Shoalwater Bay Training Area Strategic Plan, 3 December 1996
24	Letter dated 30 November 1999 from the Department of Defence to Lam Kek Hua (Defence Procurement Division, Singapore)
25	Letter dated 11 November 1999 from Brad Carter to Major Ian Cox of the next Rockhampton Area Industry Network meeting to be held on Friday 26 November 1999. A brochure for the Enterprise 2000 Conference being conducted by Rockhampton Enterprise is also attached.
26	A Rockhampton Area Industry Network members list dated 23 September 1999
27	A copy of the Agenda for the 5 October 1999 Rockhampton Area Industry Network meeting
28	A letter dated 23 September 1999 from Brad Carter Director, State Development Centre – Rockhampton) advising Major Ian Cox of the next Rockhampton Area Industry Network meeting to be held on 5 October 1999.
29	Letter dated 28 November1998 from Pat O'Brien, President, WPSQ Capricorn Branch to the Hon. Stephen Martin, MP
30	WPSQ Capricorn Branch Newsletter Article, 'Shoalwater Bay – Live and Firing!', June 1998
31	Letter dated 1 July 1998 from Leise Childs and Pat O'Brien on behalf of WPSQ Capricorn Branch to Major Bill Byrne
32	WPSQ Capricorn Branch Newsletter Article, 'War Cry!', undated
33	Media Release dated 16 November 1999 from Pat O'Brien, President, WPSQ Capricorn Branch, titled 'Conservationists watching Shoalwater Bay developments with concern'
34	Media Release dated 9 March 1998 from Pat O'Brien, President, WPSQ Capricorn Branch, titled 'Shoalwater Bay can't take much more military use'
35	Recommendations from Commonwealth Commission of Inquiry Shoalwater Bay, Capricornia Coast, Queensland

Development Cooperation Treaty with Papua New Guinea

Exhibit No

1	(PNG's) Medium Term Development Strategy 1997-2002
2	Joint Declaration of Principles Guiding Relations Between Australia and Papua New Guinea, 1987, as amended by exchange of letters 1992
3	PNG Incentive Fund: Draft Project Design Document, October 1999
4	The Restoration of the Gazelle Peninsula (supplied by AusAID)
5	Material supplied by the Australia Papua New Guinea Business Council

Appendix E - Reports on Issues related to PNG

Foreign Affairs, Defence and Trade issues

The Torres Strait Boundary (tabled 9 December 1976)

The Torres Strait Treaty (tabled 31 May 1979)

Report of a Visit to Papua New Guinea (tabled 27 November 1986)

Australia's Relations with the South Pacific (tabled 13 April 1989)

Report of a Visit to Papua New Guinea, February/March 1991 (tabled 6 June 1991)

Australia's Relations with Papua New Guinea (tabled 19 December 1991)

Papua New Guinea Update, Report on Proceedings of a Seminar, 11-12 November 1996 (tabled 24 February 1997)

Interim Report: Visit to Bougainvillea, 15-18 March 1999 (tabled 31 March 1999)

Bougainvillea; The Peace Process and Beyond (tabled 27 September 1999)

Development cooperation issues

Australia's Foreign Aid (tabled 6 March 1973)

The Jackson Report on Australia's Overseas Aid Program (tabled 24 May 1985)

A Review of the Australian International Development Assistance Bureau and Australia's Overseas Aid Program. (tabled 9 March 1989)

The Australian Aid Program, Report on the Proceedings of a Seminar (tabled 16 September 1996)

Sharpening the Focus: Report on a Seminar on the Simons Committee Report, 11 July 1997 (tabled 20 October 1997)

World Debt: A report on the proceedings of a seminar 27 August 1999 (tabled 6 December 1999)

Human rights issues

A Review of Australia's Efforts to Promote and Protect Human Rights (tabled 8 and 17 December 1992)

Australia's Efforts to Promote and Protect Human Rights (tabled 5 December 1994)

Improving But…: Australia's Regional Dialogue on Human Rights (tabled 29 June 1998)