

**Documents tabled on 9 May 2007:**

**National Interest Analysis [2007] ATNIA 14**

**with attachment on consultation**

**Framework Agreement between the Government of Australia and the Government  
of  
the Republic of Turkey on Cooperation in Military Fields,  
done at Canberra on 13 June 2006**

**[2006] ATNIF 15**

**Background information:**

**Country political brief and country fact sheet**

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## **NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY**

### **SUMMARY PAGE**

#### **Framework Agreement between the Government of Australia and the Government of the Republic of Turkey on Cooperation in Military Fields, done at Canberra on 13 June 2006**

**[2006] ATNIF 15**

#### **Nature and timing of proposed treaty action**

1. Article XX of the proposed Agreement provides that it will enter into force when Australia and Turkey notify each other in writing that all procedures for entry into force have been complied with in accordance with their national law.
2. Subject to the Joint Standing Committee on Treaties' recommendation, it is proposed that notification will occur as soon as practicable after the tabling period and consideration by JSCOT.
3. This treaty action does not terminate any existing treaties upon entry into force.

#### **Overview and national interest summary**

4. Australia has a modest, cordial defence relationship with Turkey which includes ANZAC Day commemorations, senior-level visits and training courses. Over the past decade, there has been increasing merit in enhancing defence engagement with Turkey for a number of reasons including: Australia's greater involvement in the Middle East, an area in which Turkey has influence; the growing number of Australians attending ANZAC Day commemorations in Turkey, which are supported by the Turkish Armed Forces; and the developing potential for defence materiel cooperation.
5. The purpose of the Agreement is to enhance bilateral defence engagement by facilitating cooperation in a range of mutually agreed fields including, but not limited to, training and education, conduct of military exercises and exchange of observers for exercises, cultural and historical activities, defence materiel and equipment, and high-level visits. The Agreement also addresses issues concerning the security of classified information and the presence of the visiting force of one Party in the territory of the other Party.
6. The Agreement would benefit Australia by enhancing the quality of, and potential for, defence cooperation in areas of interest such as ANZAC Day commemorations and defence materiel. The Agreement would also benefit Australia by strengthening the overall bilateral defence relationship with Turkey.

## **Reasons for Australia to take the proposed treaty action**

7. *Facilitating cooperation.* The Agreement will facilitate enhanced defence engagement between Australia and Turkey in mutually agreed areas, including (but not limited to):

- a. training and education;
- b. co-operation between Land Forces, Naval Forces and Air Forces;
- c. reciprocal high level visits;
- d. conduct of military exercises and exchange of observers for exercises;
- e. intelligence;
- f. logistics, support services and infrastructure fields;
- g. defence materiel and equipment, including development, production and industry;
- h. communication, electronics and information systems;
- i. peacekeeping operations and armed conflict law training; and
- j. social, sports, cultural and historical activities.

8. *ANZAC Day.* The Agreement demonstrates Australia and Turkey's intention to improve defence cooperation in historical activities (article IV(j)) and would facilitate ongoing and enhanced engagement with the Turkish Armed Forces on ANZAC Day remembrance services. Australia currently works with a variety of Turkish agencies to help achieve successful ANZAC Day commemorations on Turkish soil. The Turkish Armed Forces provides particular assistance, including coordinating with other local agencies and providing elements of event security and transport.

9. *Defence Materiel Cooperation.* The Agreement also demonstrates Australia and Turkey's intention to improve general defence cooperation in materiel issues (Article IV(g)). This cooperation will be mutually beneficial as both Australia and Turkey have well developed defence industries with complementary capacities. Two notable examples of potential collaboration are Airborne Early Warning & Control and Joint Strike Fighter aircraft, both of which are likely to be operated by Australia and Turkey in the future. Cooperation on these projects will potentially offer cost-saving and industrial benefits to Australia. The Agreement will also allow for the finalisation of subordinate arrangements in information security and materiel cooperation, which will enhance materiel collaboration.

10. *Defence Personnel and dependants.* Turkish and Australian military and civilian defence personnel and their dependants routinely visit each country for a number of reasons including ANZAC Day commemorations. Articles VIII–XVI of the Agreement sets out the bilateral rights and responsibilities of each country on matters such as disciplinary jurisdiction (retained by the Sending State), the medical and vaccination status of visiting personnel and dependants, liability for the salaries and allowances of visiting personnel and liability for damages or death of visiting personnel. These provisions provide certainty for the handling of issues arising out of the presence of one country's visiting forces in the territory of another country.

11. Turkey and Australia have invested significant time, goodwill and effort in the finalisation of the Agreement. Turkey would be disappointed if Australia did not ratify the Agreement and such action would raise doubts as to Australia's commitment to the bilateral defence relationship. This outcome would put at risk the potential benefits listed above.

## **Obligations**

12. Article VII provides that each Party must protect and safeguard all classified information, documents and material provided by the other Party under the Agreement. The

details of such protection will be defined in future agreements or arrangements. Classified information may only be released to third parties if written consent is obtained from the releasing Party. The receiving Party is required to afford the information provided by the releasing Party the degree of protection equivalent to that afforded by the releasing Party.

13. Article VIII requires the Sending State to ensure that its defence personnel, both military and civilian, and dependants that are sent to visit the other country respect the laws of the Receiving State and do not undertake any activities inconsistent with this Agreement. It also provides that the law of the Receiving State shall be applicable to visiting personnel (except in respect of disciplinary jurisdiction), and that such personnel shall be entitled to all the procedural safeguards afforded to nationals of the Receiving State. The Receiving State must notify the Sending State of the arrest of any personnel or dependant. The Receiving State can also request the Sending State to terminate the activities of a member of its personnel in the event of breaches by a member of the law of the Receiving State.

14. Article IX, in paragraph 2, provides that the Sending State has exclusive disciplinary jurisdiction over its visiting personnel who are subject to the service law of the Sending State while in the territory of the Receiving State. The Sending State also has the right to exercise that disciplinary jurisdiction within the territory of the Receiving State.

15. Article X provides that the Receiving State shall not, unless otherwise mutually determined, assign duties to the visiting personnel of the Sending State other than those specified in the Agreement, or subsequent agreements or arrangements. Visiting personnel shall wear the uniform and military insignia of their own armed forces.

16. Article XI provides that the Sending State has the right to recall its personnel when it deems necessary in accordance with the law of the Receiving State. The Receiving State must take necessary measures to facilitate this upon receiving the request from the Sending State. The Parties are also required to immediately inform each other in the event of the death of visiting personnel in the Receiving State. Should a death occur, the Sending State has the right to take possession of the body and make arrangements for its disposition (subject to the law of the Receiving State). If requested and where circumstances permit, the Receiving State is to assist with the necessary arrangements to return the body to the Sending State.

17. Article XII requires the Sending State to inoculate all visiting personnel and dependants, and screen and find them free of communicable diseases, before allowing them to proceed to the Receiving State. The Sending State is also responsible for ensuring that any visiting military or civilian personnel are medically and dentally fit. Finally, unless otherwise mutually determined, any medical or dental treatment provided by the Receiving State to such visiting personnel or dependants shall be fully reimbursed.

18. Article XIII provides that the Sending State is responsible for the salary, allowances and entitlements of the personnel it sends to the Receiving State.

19. Article XIV provides that visiting personnel and dependants shall be subject to the foreign exchange regulations of both States. The Receiving State shall freely permit the movement into and out of the Receiving State of official funds of the visiting personnel and funds derived by visiting personnel from service with or employment by the visiting personnel or sources outside the Receiving State, subject to any law or policies of the Sending State.

20. Article XV requires each Party to waive all its claims against the other Party for damage to any property owned by it, or for injury or death suffered by any of its personnel, should such

damage or death arise out of official duties or while acting in an official capacity, except where arising from wilful misconduct or gross negligence. All other claims, including those brought by third parties, are to be dealt with in accordance with the law of the Receiving State. Where requested by the Sending State and where possible, the Receiving State shall assume a coordination role between the third party and the Sending State to facilitate the settlement of any third party claims.

21. Article XVI makes the Receiving State's entry, departure, importation and exportation laws applicable to visiting personnel and dependants.

22. Article XVII provides that the Parties will not refer any disputes concerning the Agreement to any international tribunal or third parties for settlement. Any such disputes that do arise shall be resolved solely by consultation and negotiation between the two nations.

### **Implementation**

23. No new legislation is required to give effect to Australia's obligations under the Agreement. The obligations in Article IX are already met by the Defence (Visiting Forces) Act 1963 ("the Act"). The Act governs the legal status of foreign military forces whilst in Australia. The Act allows the military authorities of visiting foreign forces to apply their military law to their personnel whilst in Australia and provides for a corresponding suspension of Australian jurisdiction over such personnel in certain circumstances. The Agreement will not effect any change to the existing roles of the Commonwealth and the States and the Territories. Under Article XX, however, the Agreement will not come into force until both Parties have notified each other in writing that all procedures for entry into force have been complied with in accordance with their respective domestic laws.

### **Costs**

24. The Agreement does not impose any foreseeable direct financial costs or benefits for Australia. While the Agreement provides that standard administrative expenses for Defence personnel visiting Turkey are borne by Australia, it does not impose any obligation on Australia to send such personnel to Turkey. Standard administrative expenses would include funding Defence personnel's salaries and allowances, ensuring they are medically fit for service, and reimbursing Turkey for medical expenses that they may incur while visiting. Administrative expenses for Turkish personnel visiting Australia are paid by Turkey. Further financial costs and/or benefits may arise from subsequent agreements and arrangements concluded pursuant to the Agreement.

### **Regulation Impact Statement**

25. The Office of Best Practice Regulation, Productivity Commission has been consulted and confirms that a Regulation Impact Statement is not required.

### **Future treaty action**

26. Article XVIII provides that either Party may, in writing, propose amendments to or revisions of the Agreement. Once the written notification of the proposed changes has been received the two countries must commence negotiations on the proposal within 60 days. Any amendments would be subject to Australia's treaty processes, including tabling and consideration by JSCOT. Any revisions or amendments agreed upon in writing by both Parties

will enter into force once both Parties have exchanged written notification that all procedures for entry into force have been completed in accordance with their national law.

27. Article VI of the Agreement provides for the negotiation of future agreements or arrangements to set out the details of cooperation in fields such as those listed in Article IV. Future arrangements or agreements will set out the name and scope of the cooperative activity, where and when the cooperative activity will be carried out, the sponsoring agencies, financial matters and other details as mutually determined by the Parties. Future agreements made under this article will be subject to Australia's treaty process.

28. Article VII(1) provides for the negotiation of future agreements or arrangements to set out how classified information, documents and material provided or generated under this Agreement shall be stored, handled, used, produced, exchanged, or communicated. Future agreements made under this article will also be subject to Australia's treaty process.

### **Withdrawal or denunciation**

29. Article XIX provides that either Party may unilaterally terminate the Agreement by providing the other Party with 90 days written notice. Any termination by Australia would be subject to Australia's treaty processes, including tabling and consideration by JSCOT. In the event that the Agreement is terminated, Article XIX preserves the Parties' reciprocal commitments regarding claims (Article XV) and the protection of classified information (Article VII).

### **Contact details**

North Atlantic and South America Section  
International Policy Division  
Department of Defence.

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**CONSULTATION**

1. The States and Territories have been notified of the proposed Agreement through the Standing Committee on Treaties' (SCOT) Schedule of Treaty Action, and no comment has been received to date. The Agreement does not require State or Territory cooperation for its domestic implementation.
2. The Departments of Foreign Affairs and Trade; Treasury; Customs; Immigration and Multicultural and Indigenous Affairs (as then called); Communications, Information Technology and the Arts; and the Attorney General's Department, were consulted during the drafting of the Framework Agreement. The text of the Agreement was agreed by the Executive Council in December 2005.
3. The Agreement does not create obligations which impact on industry and accordingly industry has not been consulted. In the event that cooperative activities in relation to 'logistics, support services and infrastructure fields' (Article IV(f)) and 'defence materiel and equipment, including development, production and industry' (Article IV(g)) are undertaken, industry may be consulted where appropriate.

## **POLITICAL BRIEF ON TURKEY**

### **Overview of bilateral relations**

1. Formal bilateral relations between Australia and Turkey commenced with the signing of a bilateral agreement on assisted migration in 1967 and exchange of Ambassadors in 1968. The relationship has grown rapidly since Anzac Day 2005. Prime Minister Howard met Turkey's Prime Minister Erdogan in Istanbul in April 2005 and agreed on an Australian-funded scholarship program. Prime Minister Erdogan visited Australia in December 2005. During the visit a Work and Holiday Visa Arrangement and a Memorandum of Understanding (MOU) on agricultural cooperation were signed. In March 2006, Australia opened a new consulate in Canakkale (the province in which Gallipoli is located) to provide consular assistance to the growing number of Australians who visit the Anzac battle sites each year. Mr Alexander Downer, Minister for Foreign Affairs, visited Ankara in February 2007 and signed an MOU on counter-terrorism cooperation and organised crime.

### **Bilateral economic and trade relationship**

2. In 2006 two-way trade was around \$A826 million. Australian exports to Turkey were \$A417 million and imports were \$A409million. Australia's exports to Turkey are largely commodity-based, and include sales of coal, non-monetary gold, aluminium, iron ore, and hides and skins. Australia's imports from Turkey are dominated by gold, cargo vehicles, and dried fruit and nuts.

### **Political overview**

3. The Republic of Turkey has a unicameral parliament, the Turkish Grand National Assembly (TGNA), with 550 deputies (parliamentarians). Political parties must achieve a national threshold of 10 per cent of the vote to gain representation in the TGNA. Executive power is vested in the Head of State, the President, who is chosen by the TGNA for a term of seven years. The current President is Ahmet Necdet Sezer, who was appointed on 16 May 2000.

4. At the last general election, held in November 2002, Mr Recep Tayyip Erdogan's 'Justice and Development Party' (AKP), established in 2001, won a convincing victory over the mainstream parties. With almost 35 per cent of the vote, AKP won 363 of the 550 seats in parliament, a majority which allows AKP to govern in its own right. The next election is due by November this year.

### **Economic overview**

5. Following near-economic collapse in 2001, the adoption of a tough recovery program has seen impressive progress with annual economic growth averaging over five per cent while inflation has fallen dramatically.

6. Although manufacturing overtook agriculture in the 1980s as the major contributor to GDP, the Turkish economy still retains a strong rural character with agriculture accounting for around 11 per cent of GDP and 39 per cent of employment. The unemployment rate is currently around 10 per cent.





# TURKEY

Fact Sheet

## General information:

Fact sheets are updated biannually; May and September

Capital: Ankara  
 Surface area: 775 thousand sq km  
 Official language: Turkish  
 Population: 71.6 million (2005)  
 Exchange rate: A\$1 = 1.4809 Liras (June 2006)

Head of State: H.E. President Mr Ahmet Necdet Sezer  
 Head of Government: H.E. Prime Minister Mr Recep Tayyip Erdogan

Recent economic indicators:	2001	2002	2003	2004	2005(a)	2006(b)
GDP (US\$bn) (current prices):	143.1	183.0	240.6	302.6	362.5	378.4
GDP PPP (US\$bn) (c):	308.9	438.1	473.0	528.7	569.2	610.0
GDP per capita (US\$):	2,126	2,675	3,463	4,289	5,062	5,202
GDP per capita PPP (US\$) (c):	5,928	8,407	6,807	7,494	7,950	8,385
Real GDP growth (% change YOY):	-7.5	7.9	5.8	8.9	7.4	5.0
Current account balance (US\$m):	3,390	-1,522	-8,035	-15,604	-23,091	-25,466
Current account balance (% GDP):	2.4	-0.8	-3.3	-5.2	-6.4	-6.7
Goods & services exports (% GDP):	34.7	29.8	28.8	29.7	28.3	28.1
Inflation (% change YOY):	53.9	44.8	25.2	8.6	6.2	10.2



## Australia's trade relationship with Turkey (d):

Australian merchandise trade with Turkey, 2005-06:		Total share:	Rank:	Growth (yoy):
Exports to Turkey (A\$m):	386	0.3%	36th	38.2%
Imports from Turkey (A\$m):	354	0.2%	37th	-2.8%
Total trade (exports + imports) (A\$m):	740	0.2%	38th	15.0%

### Major Australian merch. exports, 2005-06 (A\$m):

Coal	157
Non-monetary gold	79
Aluminium	22
Raw hides & skins (except furskins)	22

### Major Australian merch. imports, 2005-06 (A\$m):

Motor vehicles for transporting goods	48
Fruit and nuts, fresh or dried	23
Tractors	20
Non-monetary gold	19

### Australia's trade in services with Turkey, 2005:

		Total share:
Exports of services to Turkey (A\$m):	n.a.	n.a.
Imports of services from Turkey (A\$m):	n.a.	n.a.

## Turkey's global merchandise trade relationships:

### Turkey's principal export destinations, 2005:

1	Germany	13.0%
2	United Kingdom	8.2%
3	Italy	7.0%
45	Australia	0.3%

### Turkey's principal import sources, 2005:

1	France	25.1%
2	Italy	22.5%
3	Germany	9.3%
73	Australia	0.0%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.  
 (a) all recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.  
 n.a. Data not available.

## **LIST OF OTHER TREATIES WITH TURKEY**

- Convention [between the United Kingdom and Turkey] regarding Legal Proceedings in Civil and Commercial Matters  
**[1935] ATS 5**
- Agreement between the Government of Australia and the Government of the Republic of Turkey concerning the Residence and Employment of Turkish Citizens in Australia  
**[1967] ATS 22**
- Agreement between Australia and the Republic of Turkey on Trade, Economic and Technical Cooperation  
**[1989] ATS 11**
- Treaty on Extradition between Australia and the Republic of Turkey  
**[2003] ATS 24**
- Exchange of Notes constituting an Agreement between Australia and the Republic of Turkey to amend Article 2.1 of the Treaty on Extradition of 3 March 1994  
**[2003] ATS 24**
- Agreement between the Government of Australia and the Government of the Republic of Turkey on the Reciprocal Promotion and Protection of Investments  
**[2005] ATNIF 9**

## **List of treaties of the same type with other countries**

- Exchange of Notes constituting an Assistance to the Malaysia Armed Forces in the Furtherance of the Agreement on the Five Power Defence Arrangements for Malaysia and Singapore, with Annexes  
**[1971] ATS 21**
- Exchange of Notes constituting an Assistance to the Singapore Armed Forces in the Furtherance of the Agreement on the Five Power Defence Arrangements for Malaysia and Singapore, with Annexes  
**[1971] ATS 21**
- Agreement with the Government of the Republic of France in Relation to Defence Cooperation and Status of Forces  
**[2006] ATNIF 29**
- Exchange of Notes constituting an Agreement with the Government of the United States of America concerning Certain Mutual Defence Commitments (Chapeau Defence Agreement)  
**[1995] ATS 35**