

**SENATE FOREIGN AFFAIRS, DEFENCE  
AND TRADE  
LEGISLATION COMMITTEE**

**Report to the Senate  
Budget estimates 2002–2003**

**June 2002**

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# Senate Foreign Affairs, Defence and Trade Legislation Committee

## Membership

<b>Chair:</b>	Senator Sandy Macdonald (NPA, New South Wales)
<b>Deputy Chair:</b>	Senator John Hogg (ALP, Queensland)
<b>Members:</b>	Senator Vicki Bourne (AD, New South Wales)
	Senator Chris Evans (ALP, Western Australia)
	Senator Alan Ferguson (LP, South Australia)
	Senator Marise Payne (LP, New South Wales)

### Other attending senators

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Senator Mark Bishop (ALP, Western Australia)  
Senator George Brandis (LP, Queensland)  
Senator Paul Calvert (LP, Tasmania)  
Senator Jacinta Collins, (ALP, Victoria)  
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Senator Jim McKiernan (ALP, Western Australia)  
Senator Brett Mason, (LP, Queensland)  
Senator the Hon Robert Ray (ALP, Victoria)  
Senator the Hon Chris Schacht (ALP, South Australia)  
Senator Sue West (ALP, New South Wales)

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**Senate Foreign Affairs, Defence and Trade  
Legislation Committee**

**Report to the Senate**

**Introduction**

1. On 14 May 2002, the Senate referred to the Committee for examination and report, the following documents:

Particulars of proposed additional expenditure for the service of the year ending 30 June 2003; and

Particulars of certain proposed additional expenditure for the service of the year ending 30 June 2003 relating to the Defence portfolio and the Foreign Affairs and Trade portfolio.

2. The Committee has considered the proposed budget expenditure for the year ending 30 June 2003, and has received evidence from the Minister for Defence, Minister representing the Minister for Veterans' Affairs, the Minister for Foreign Affairs and the Minister for Trade, and officers of the departments and agencies concerned.

3. The Committee met in public session on 3, 4, 5 and 6 June 2002. Further written explanations provided by departments and agencies will be presented separately in volumes of additional information. This information will also be placed on the Committee's Internet site ([www.aph.gov.au/senate\\_fadt](http://www.aph.gov.au/senate_fadt)).

**Questions on notice**

4. The Committee has resolved that written answers and additional information should be submitted by close of business on Thursday, 11 July 2002. Budget supplementary hearings are scheduled to take place during the week beginning 18 November 2002.

## General comments

### *Defence portfolio*

#### **Department of Defence**

5. The Committee acknowledges the presence at the hearings, of Admiral Chris Barrie, AO, RAN, Chief of Defence Force, and, Dr Allan Hawke, Secretary of the Department of Defence.

6. The Committee expressed some concern about accountability and the adequacy of the Defence budget information. The Committee invited the the Secretary of the Department to respond to the Australian Strategic Policy Institute report on the defence budget brief and its comments about the lack of detailed information in the Defence budget papers.

7. Dr Hawke acknowledged that some information, that was previously provided, had indeed, not been provided in this year's documents. This was due in part, he said, to the amount of information to be included and the size of the budget document. Dr Hawke went on to say:

I think that it [accrual budgeting] actually is the reason for what has happened but... Dr Watt is reviewing the approach to accrual based outcome budgeting. My guess is that, in association with that, he will be looking at the nature of material presented in the portfolio budget statements. We would expect some consideration of that between now and the next estimates period.<sup>1</sup>

8. The Committee also questioned the Department about information provided by Defence to the Department of Finance regarding Defence costs and the impact on its preparation of election documents. Other topics canvassed within this issue were: the impact of the caretaker period on decisions taken; the additional cost of overseas deployments and the war on terrorism.<sup>2</sup> Dr Hawke responded that:

It was always our intention to put forward for government consideration in the additional estimates context the additional moneys required for a range of activities. Because of the ongoing nature of those activities, like the war on terrorism and the interception of unauthorised boat arrivals, they were dealt with in the budget for next financial year.<sup>3</sup>

9. Other matters raised by the Committee included:

#### **Portfolio overview and major corporate issues**

- Defence budget: The White Paper, global figures, capital use charge and asset sales; new measures and other adjustments. Indexation of the Defence budget; allocations of funds to Defence for foreign exchange and price movements; increase in cash reserves being held by Defence; investment performance. (pp. 12–17, 28–33, 59, 66)

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1 Transcript of evidence, Department of Defence, 3 June 2002, pp. 3–5

2 Transcript of evidence, Department of Defence, 3 June 2002, pp. 5–12

3 Transcript of evidence, Department of Defence, 3 June 2002, pp. 6



- Industry Division: responsibility for defence industry policy; has role of supporting defence industry to obtain tender opportunities for defence business both Australia and overseas, facilitates delegations, and publicises success stories. Roles of the Defence Industry Advisory Council and Defence Exporters Council. (pp. 17–19)
- Possible request by a former minister to gain access to cabinet and other documents; access to an e-mail account. (pp. 19–20, 59)
- Funding arrangements for the Papua New Guinea Defence Rebuilding Program. (pp. 20–27, 35–37, 264–265, 272)
- Contact by the Secretary of Defence with Ms Halton, Department of Prime Minister and Cabinet, regarding evidence given to the Senate Select Committee on a Certain Maritime Incident. (pp. 37, 59–62)
- White paper: factors involved in employee expenses; budget implications; recruitment and retention initiatives. (pp. 38, 260)
- Budget measures: security and other services for CHOGM; incident response regiment; budget for military equipment. (pp. 41–45, 56)
- Administrative spending; facilities maintenance; recruitment advertising budget for the ADF; media buy strategies and effectiveness; commercial support program; Defence Reform Program. (pp. 45–54, 59, 259–260)
- The purchase of specialist military equipment; the procurement program. (pp. 56–57, 66)
- Location of new immigration detention facility in south-east Queensland; site at Meeandah. (pp. 62–64; 134, 280–281)
- Defence Family Support Program funding. (pp. 64, 260)

### **Capital budget**

- Defence Materiel Organisation: ANAO report of December 2001, on risk management within DMO; risk management program—assessment of risk in terms of timetable, capability and cost; staff movements in some program offices. (pp. 66–71, 181–182)
- Facilities management at *HMAS Cerberus*: undertaking of various works; contractual arrangements and the handling and altering of documents the subject of investigations by the Inspector General and ANAO; contract conditions for subcontractors; poor quality workmanship; payment for works to be done again. (pp. 75–80, 254–255)
- Super Seasprite: contractual arrangements for the acquisition and servicing of the Seasprites. Progress in renegotiating or relief from the contractual obligations. Shelf life of munitions, age of aircraft parts, harpoon missiles, upgrade to lightweight torpedoes. (pp. 80–98, 182, 186)
- Contract and dispute between Australian Flight Test Services Pty Ltd and the Defence Organisation; appointment of an independent reviewer. (pp. 98–100)
- Replacement of the Caribou. (pp. 100–102)
- Kalkara project: testing, evaluation and purchase of aircraft. (pp. 102–108)
- F-111s: purchase and replacement of wings for F-111s; program to upgrade to same standard. (pp. 108–109, 114, 242–247)
- Torpedoes for the Collins class submarine. (pp. 109–113, 182)
- Defence Headquarters Australian Theatre project. (pp. 114–116, 281–282)

- Patrol boat replacement project (pp. 116–118); Jindalee operational radar network (pp. 118, 158); Defence industry rationalisation process. (pp. 118–122).

### **Output 1—Defence operations**

- War on terrorism: update on operations; rotation of ADF personnel; funding of present and future operations; personnel allowances; total cost of Australia’s involvement since September 2001. (pp. 126–132)
- Loss of structured training activities with allies and regional partners; concurrency issue; Exercise RIMPAC. (pp. 132–133)
- Funding for Operation Relex and Operation Gaberdine; impact of funding on long-term planning. Personnel payments and allowances for Operation Relex II and other operations; categories of allowances. (pp. 134–138, 142)
- Operations in East Timor: rules of engagement; exist date for the Australian force; deployment of reserve units in East Timor; intergration with permanent forces; employer support payment; conditions of service. (pp. 138–142, 259–260)
- East Timor: Reimbursement of entitlements from United Nations; cost of deployment of ADF in East Timor. ADF use of in-country contractors versus use of own resources. Incident of improper behaviour of three Australian soldiers during independence celebrations. (pp. 142–148)
- Update on Australian operations: Belisi in Bougainville; Australia’s commitment to Solomon Islands; surveillance of northern waters by Operation Cranberry and Operation Mazurka in the Sinai. Operation Paladin in the Middle East; Operation Osier in Bosnia–Herzegovina; Operation Pomelo in Ethiopia and Eritrea; Operation Husky in Sierra Leone; and, aerial surveillance operations Gateway and Solania. (pp. 134, 149–151, 253, 265–266)

### **Output 2—Navy capabilities**

- Clarification of matters relating to a certain maritime incident; Operation Relex surveillance activities; Defence’s response to intelligence received and the agencies involved; declassified transcripts of a telephone call and and e-mail. (pp. 152–164, 238, 252–253)
- Navy capability: shortages of uniformed personnel in particular areas; recruitment and retention rates; gender balance; retention bonus, career management; conditions of service; attitude surveys. (pp. 164–170, 181)
- Accumulated logistical shortfall; air warfare capability; submarine capability (pp. 170–172)
- Update on allegations of a number of assaults involving *HMAS Arunta* crew. (pp. 173–179)
- Incidents of improper behaviour of naval personnel at Diego Garcia. Crossing the line ceremonies. (pp. 180–181)
- Military Superannuation Benefit Scheme retention benefit. (p. 183, 286)
- Service providers to Australian submarines. (pp. 183–186)

### **Output 3—Army**

- Sexual harassment in Army Aviation; harassment in general and prevailing attitudes to women; equity in the workplace, complaints mechanisms. (pp. 187–188, 272)
- Army ammunition study; ammunition stocks; inspections; training and safety issues. (pp. 189–190)

### **Output 4—Air Force**

- Logistics: reducing training to maintain current levels of capability; recruitment and retention and investment in personnel training and skills maintenance; pilot numbers; career management through all ranks; air traffic controllers. (pp. 239–241, 242)
- Logistics: cost of operating new platforms; unexpected software support costs; shortfall in forward budget for C130J; F–111 flying hours and cost per flying hour; rationale behind the fly hours targets; ageing aircraft and airworthiness; maintenance and upgrade costs. (pp. 241–245, 247, 252, 272)
- Upgrade of F18s; fleet size now and in the future; structural upgrades required. (pp. 246–247)
- Women in the air force and roles available to them; study on physical competencies; career structures for women. (pp. 248–249, 259)
- Aircraft capability and performance: achievement rates not reported in the 2000–2001 Annual Report; reassessment of how material is packaged for the report. (pp. 249–250)
- Salt Ash Weapons Range: undergoing an environmental impact process; report to be submitted to Environment Australia; reform to the enabling legislation. (pp. 250–251)

### **Output 5—Strategic policy**

- Annual review of Australia’s strategic environment; relationship between the strategic review and the capability plan; Australian ADF–US forces interoperability; need for coalition operations; lessons learned in East Timor. (pp. 261–262)
- Defence cooperation program: military attaches to India and Pakistan; memorandum of understanding with Indonesia on counter–terrorism; junior officer training and exchanges. Construction of armouries in Port Moresby. (pp. 262–263, 265)

### **Output 6—Intelligence**

- Defence Signals Directorate: report on the gathering of intelligence emanating from the Public Interest Law Clearing House (PILCH). DSD involved in foreign intelligence gathering; inadvertent collection, and occasional reporting of, the communications of Australian citizens. Examination and report on the breaches by the Inspector–General of Intelligence; apology letters sent to people involved; legislation covering interception of communications. (pp. 3, 266–271, 272–276)

### **Business processes**

- Defence properties: policy change regarding proceeds of asset sales; asset sales targets; capital withdrawal; reassessment of property holdings; sale and lease back arrangements; properties anticipated to be sold. (pp. 276–280)
- Defence base community centres: state of repair of some community centres; presence of asbestos (pp. 282)

- PMKEYS: software package for personnel management; size and state of the contract; degree of implimentation (pp. 282–283)
- Renegotiating PeopleSoft contract; integration of the civilian and uniformed human resource management systems. (pp. 284–285)

### **Defence Housing Authority**

10. The Committee questioned the Defence Housing Authority on a number of issues:

- Investing activities: DHA borrowings and total debt; purpose of several loans and the service of the loans; interest charges. DHA to implement a commercial capital structure. (pp. 193–194)
- DHA dividend policy; investment of working capital; return to the government. (pp. 194–196)
- Defence housing requirements; status of houses to be provided by DHA in 2003. (pp. 197–198)
- Improvments to DHA owned houses; air conditioning; maintenance budget for 2002–2003. (pp. 200–202)
- Scoping study to examine the possible sale of DHA assets; consultation with relevant groups and the timeframe. (pp. 200–201)
- Cost of relocation of ADF personnel within Australia. (pp. 201)

### **Department of Veterans' Affairs**

11. The Committee questioned the Department about its role in the review, by the Department of Health and Ageing, of the prescription benefits scheme (PBS) and any flow-on effect to the repatriation prescription benefits scheme (RPBS)..<sup>4</sup>

12. The Secretary of the Department, Dr Johnston replied that:

...this is a review of the PBS, and our membership of the committee will enable us to contribute views and advise the committee of possible ramifications or interactions with the RPBS. If a report goes to government, we would have the opportunity to comment on those recommendations and indentify any possible implivations for the Repatriation Pharmaceutical Benefits Scheme.<sup>5</sup>

13. The Committee also questioned officers on the calculation of savings on, and causes of growth in, the RPBS. Mr Stonehouse said that:

They [the calculations] have been broadly calculated as a percentage of the overall savings and we have been similarly funded in a percentage way to assist in achieving those savings through increased compliance measures, through increased education and similar types measures.<sup>6</sup>

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4 Transcript of evidence, Department of Veterans' Affairs, 4 June 2002, pp. 203–207

5 Transcript of evidence, Department of Veterans' Affairs, 4 June 2002, p. 204

6 Transcript of evidence, Department of Veterans' Affairs, 4 June 2002, p. 204

14. Other issues that were discussed included:

### **Outcome 1**

- T&PI pensions: divorced widows; evaluation of the BEST program; research by geneticist into cell damage to SAS veterans (pp. 233–234; 332)
- Gulf War Syndrome: scientific determinations by the Repatriation Medical Authority, Gulf War health study; organisations involved in study. (pp. 326–327)
- Vietnam veterans' morbidity study: fourth consultative forum of interest veterans' organisations; funding for the bursary initiative for children of Vietnam veterans. (pp. 327–328)
- British Commonwealth and overseas forces (BCOF): nominal roll project of all post–World War II service; access to National Archives documents. (pp. 328–329)
- Withdrawal of the guidelines for termination of qualifying service for Australians during the Second World War; coastal waters policy; new guidelines; decisions by the administrative Appeals Tribunal; access by ADF personnel to VVCS. (pp. 329–331)
- War widows frozen rate pension from Centrelink. (pp. 331)

### **Outcome 2**

- Database of veterans' use of pharmaceuticals; practitioners notified of overuse. Research presently undertaken by Institute of Health and Welfare on health expenditure and veterans' profiles and use patterns of RPBS pharmaceuticals; use of gold card; restricted pharmaceuticals. (pp. 205–207, 223, 232)
- Savings identified in the portfolio budget statement for the 2003 financial year; rationale for the savings. (pp. 208–209)
- Doctors not complying with RPBS prescription requirements. Selling activities of pharmaceutical company representatives; comparison of veterans' use of the RPBS to the wider community's use of the PBS; proportional impact on estimates in the budget of such a comparison. (pp. 210–213, 215)
- Pharmacy fraud unit; doctor and pharmacy shopping by veterans (pp. 213–215). Arguments for and against veterans' use of generic medicines; removal of certain drugs from the RPBS. (pp. 216–217)
- Comparison of 2001–02 estimated actuals and 2002–03 budget appropriations; data-marts (pharmacy, allied health, mental health) as a means of indentifying the level of savings. (pp. 217–223)
- Veterans' Home Care Program; community transport tender process; taxi voucher system. (pp. 221–224)
- Gold card expenditure for 2000–2001; calculation of average cost per gold card. (pp. 224–226)
- Veteran partnering arrangements: access by Western Australian veterans to tier 1 and tier 2 hospitals; gold card holders use of DVA private hospitals; and, the proportion of use and cost. (pp. 226–228, 232)
- Negotiation of specialist fees; medical indemnity premiums; withdrawal by specialists of their services to veterans. (pp. 228–229)

- Aged Care Standards Agency: nursing homes negligent in their care of residents; advertising for public tender for provision of spectacles. (pp. 229–230)
- Technical non-compliance with GST administration; tax office rulings. (pp. 230–231)

### **Outcome 3**

- Report commissioned from the Office of War Graves; reports of inappropriate behaviour by participants awaiting the dawn service at Anzac Cove, Gallipoli; first hand report of events; arrangements for next year. (pp. 332–334)
- Belgian war graves: A19 motorway extension through Pilkem Ridge battlefield; monitoring the proposal through the Australian Ambassador in Belgium. (p. 334)
- Anzac Day services: public liability insurance and the cancellation of Anzac Day events. (p. 335)
- Press article about the condition of Australian war graves in the war cemetery at Pusan, Korea. (pp. 335–337)
- Restoration of the Long Tan memorial in Vietnam; site a non-official memorial. (p. 337)
- Mr Scott's trip to France as a representative of the Australian government. (p. 337–338)
- London memorial: commemoration of all Australians who served with Britain; no names will be enscribed on the memorial. (p. 338)
- Kokoda Memorial Hospital: maintenance and staffing issues at the hospital. (pp. 338–339)
- Leasing arrangements in South Australia for Vietnam and Korean veterans' war graves. (pp. 339–340)

### **Outcome 4**

- DVA office in Tweed Heads: rationale for the location; cost of opening and maintaining office; distribution of the veteran community; recipient of the Gold card income support supplements. (p. 340)

### **Output group 6**

- ANAO report on the department's information technology systems; sale of assets; growth in the value of the contract since its inception; DMIS system; new policy measure in the budget. HOCAS-veterans' home care program computer system. (pp.341–344)

## ***Foreign Affairs and Trade Portfolio***

### **Department of Foreign Affairs and Trade**

15. The Committee sought from the Department an update on the security situation in the Solomon Islands. Officers responded that the security situation in Honiara was still marked by high levels of lawlessness and criminality, but that other parts of the Solomons are much more settled. Officers further explained that:

The ethnic conflict, which was causing large casualties and economic dislocation ... has in large measure been settled by the Townsville peace agreement and the

activities that flow from that. ... The peace agreement that was signed in Townsville played a major role in bringing to an end the inter-ethnic conflict.<sup>7</sup>

16. The Committee also questioned officers on other matters relating to the Solomon Islands. In particular, the weapons collected under amnesty; missing weapons; audits by International Peace Monitoring Team (IPMT) of the police armoury. Also, Australian support for, and membership of, the Peace Monitoring Council.<sup>8</sup>

17. Other matters raised by the Committee included:

### **Portfolio overview**

- Appearance of the Secretary of the Department at estimates. (p. 310)
- Revenue for 2001–02 compared to budget estimates for 2002–03; changes in expenses; revenues from ordinary activities; net foreign exchange gains; net foreign exchange losses (pp. 310–312, 350, 362–365)
- WTO and trade matters: public consultation regarding WTO and the broader trade agenda; transparency in WTO matters; establishment of the WTO advisory group. Draft response to the report by the Joint Standing Committee on Treaties. (pp. 312, 350)
- The objectives and outlook statement (TOOS): presentation to Parliament of the document; total cost and distribution of the most recent TOOS; multifaceted trade policy. WTO rules and Australia's trade policy objectives. (pp. 312–313, 314–315, 322)
- Subject, value and mode of engagement of consultancies. (p. 314)

### **Output 1.1.1**

- Australia's diplomatic relations with North Korea; concerns about North Korea's missile development program, and, nuclear research program; chemical weapons; influence from Korea's near neighbours; the International Atomic Energy Agency (IAEA). (pp. 372–374, 412)
- Australia's support for South Korea's engagement with North Korea. World Food Program warning about worsening famine in North Korea. (pp. 373–374)

### **Output 1.1.2**

- India–Pakistan: situation to date; department staff in New Dehli and Islamabad; contingency plans in the event of a major armed conflict. Attacks on Kashmir; Australia's diplomatic and defence relations with India and Pakistan. (pp. 374–377)
- Nuclear threats: agencies involved in contingency plans; impact on Australia of a nuclear conflict. (pp. 377–378)

### **Output 1.1.4**

- Solomon Islands: update on the security situation; inter-ethnic conflict; lawlessness and criminality; impact of the Townsville peace agreement; weapons collected under

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7 Transcript of evidence, Department of Foreign Affairs and Trade, 6 June 2002, pp. 378

8 Transcript of evidence, Department of Foreign Affairs and Trade, 6 June 2002, pp. 378–381

amnesty; missing weapons; audits by International Peace Monitoring Team (IPMT) of the police armoury. Australian support for, and membership of, the Peace Monitoring Council. (pp. 378–381)

- Islamic Republic of Iran: current political situation; human rights issues; political prisoners proposed Parliamentary delegation to Iran; agreement with Iran about returning asylum seekers. (pp. 383–385)
- Dispute between Israel and the Palestinian Authority; Australia's role; provision of humanitarian assistance to the Palestinians; proposals for outside monitors and peacekeeping forces. (pp. 385–386)
- Zimbabwe: security situation during the lead-up to, and conduct of, the recent elections; integrity of the Commonwealth Observer Group. Possible smart sanctions imposed by Australia; Commonwealth Ministerial Action Group. (pp. 386–388)

### **Outputs 1.1.5 and 1.1.6**

- Bilateral, regional and multilateral trade negotiations: trade objectives; new foreign and trade policy white paper. (pp. 314–315)
- Portfolio priorities: regional barriers to trade and investment; report: *Australia–Korea: strengthened economic partnership*; government undertaking to launch a free trade agreement with Korea; current work agenda for Australia–Korea trade. (pp. 315–316)
- Other priorities–Singapore and Thailand: task force dedicated to the Singapore proposal; staff resource for the Thailand proposal; report by Access Economics a qualitative assessment of the value of the Australia–Singapore FTA; Middle Eastern markets. (pp. 318–319, 322, 323)
- AFTA–CER: closer economic partnership between ASEAN and Australia–New Zealand; staff working on particular agreements; measure of the economic advantage to Australia. (pp. 319–322)
- Australia–US FTA: economic analysis of the benefits to Australia and the United States of the proposed bilateral free trade agreement; discussions with the National Farmers' Federation. Progress of negotiations with the US; role of the trade promotion authority (TPA); US approach to negotiations and Australia's ranking in relation to other countries. Quarantine issues between Australia and the US. Australia's agricultural objectives and US Farm subsidies; other countries negotiating agreements with the US. (pp. 319–322, 357–362)
- APEC–Bogor Declaration. (p. 322)
- Trade initiatives between Australia and New Zealand; negotiations between the two countries on a common approach to trade, business law, tax law. (p. 350)
- GATT: article 24–provisions relating to free trade agreements. (p. 350)
- WTO: Doha Development Round: value of the round for Australia; multilateral trading system–market access rules; Office of Trade Negotiations (pp. 316–317). Mexico round of negotiations; Doha Declaration; global trust fund; agricultural a key issue of the round; membership of the Cairns Group. (pp. 351–352, 358)

### **Output 1.1.7**

- Overview of the department's involvement in counter people-smuggling; focus on international or foreign policy; interaction with other government agencies; role of the



Jakarta post in counter people-smuggling; coordination of communications; records of conversations and documents. Use of departmental resources; initiatives to discourage locals crewing for people-smugglers; posts have discretion to act within policy framework. (pp. 365–367, 368–370, 390–396)

- ASIS: operating under new legislative framework; broader portfolio implications (pp. 370–372)
- Matters relating to the certain maritime incident (pp. 367)
- Asia/Pacific Group on Money Laundering: alleged money laundering in Nauru for terrorists; transnational crime. (pp. 383, 390, 396)
- Australia–Vietnam human rights dialogue; issues discussed; proposal to meet again in Australia. (pp. 388–389)
- Asylum seekers: Regional Ministerial Conference in Bali; cost of crisis centre and for travel costs for discussions about potential sites for asylum seekers; Consul General in Nauru; legal status of asylum seekers. Memoranda of understanding with Nauru and Papua New Guinea. (pp. 397–401)
- International Criminal Court: ratification process of the Rome statute; Australia’s position on ratification; government’s response to the parliamentary report on treaties; rules governing the signing of a treaty; countries in our region who have signed and ratified the Rome statute. (pp. 401–407)
- Convention on Transnational Organised Crime: Australia’s position. (pp.407 –408)

### **Output 1.1.8**

- Afghanistan: assessment of the current political and security situation. Australia’s contribution to the removal of anti-personnel landmines. Repatriation of refugees (pp. 408–411)
- Iraq: weapons of mass destruction capability; negotiations underway to return of weapons inspectors; (pp. 411–412)

### **Output 1.2**

- Asia Global Crossing (AGC) contracted to provide terrestrial communications links to Australian posts overseas; contractual arrangements; cost and length of contract; speculation about future shareholder in the company; financial concerns with AGC; maintaining a watching brief. (pp. 413–420)

### **Output 2.1**

- David Hicks: alleged role in terrorism; in detention in Cuba; visit from four Australia government departmental officers; joint press release by the three agencies involved; representations to the United States. Subject of investigations by Australian law enforcement agencies. Hick’s status in international law. (pp. 420–425)
- Future visits to Mr Hicks and Mr Habib (pp. 425–426)
- Recent consular appointments and contractual arrangements; salaries for former state and federal parliamentarians who have been appointed to consular and diplomatic positions prior to 1996. Superannuation payments to former state parliamentarians (pp. 426–429)
- Consular assistance to an Australian in Hong Kong. (pp. 430)

## **Output 4.1**

- Lease by DFAT of floor space in R G Casey building; terms of the lease; security issues with other tenants of the building. (pp. 430–431)

## **Enabling services**

- Timing of Minister Downer's trip to Chile; Ambassador Campbell: retirement; performance ratings. (pp. 433–436)

## **Austrade**

18. The Committee questioned officers from Austrade about the TradeStart program, with particular reference to the rationale for the locations of ten new TradeStart offices around Australia and the source and amount of funding for regional offices.<sup>9</sup>

19. Mr Vickers, Group Manager, Client Development and Ally Liaison, explained that the ten new offices were announced by the Minister for Trade in the context of the election campaign. The offices were on a list of potential offices which was drawn up by Austrade in preparation for the budget round of discussions late last year. With regard to funding the new offices, Mr Vickers went on to say:

The money for TradeStart is allocated as a separate item in the budget, and the government has allocated \$21.5 million over four years to run TradeStart.<sup>10</sup>

20. The Committee also sought information from Austrade on a number of matters:

- Export Market Development Grant Scheme (EMDG): Funding for the scheme; initiatives 'to double' the number of exporting businesses; annual goals for growth; enhancing the role of exporters in tourism; benchmark figure for tourism businesses. National Trade Consultations; memorandum of understanding with the states to double the number of exporters. Rethinking the use of overseas staff to encourage potential exporters; reallocating existing resources; staff numbers. Number of applications received in 2000–01; proposal 'to double' the minimum grant amount; current legislation parameters. (pp. 294–299, 302–305)
- Synergistic effects of creating opportunities for business; increased pressure on other peripheral service providers; advice to businesses; industry programs; additional funding; allocation of funding for the outyears. (pp. 305–307)
- Rent paid by Austrade for accommodation in the RG Casey building; move to new building and their associated costs; lease arrangements. (pp. 307–308)
- Appointment of new the managing director; background and experience; selection process. (pp. 308–309)

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9 Transcript of evidence, Australian Trade Commission, 5 June, 2002, pp. 293–294, 298–301

10 Transcript of evidence, Australian Trade Commission, 5 June 2002, p. 293

## AusAID

21. The Committee sought information from AusAID on the following topics:
- AusAID's participation in the Australia–Vietnam Human Rights Dialogue: issues discussed and the issue of HIV/AIDS. (pp. 438–339)
  - Australia's support for the establishment of the Asia–Pacific Leadership Forum; discussions with UNAIDS; establishment of a training and networking facility. (pp. 439–440)
  - Budget statement: 'Other government departments unallocated'; break–down of major items of expenditure; total flow to partner countries of Australian overseas development aid (ODA). (pp. 440–442)
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## **Acknowledgements**

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23 The Committee gratefully acknowledges the longstanding contribution of Senator Sue West to both the Senate Foreign Affairs, Defence & Trade References Committee and the Estimates function of the Legislation Committee. In particular, the Committee pays tribute to Senator West's sustained concern for the wellbeing of female members of the ADF and to the promotion of equal opportunity across the services.



**Sandy Macdonald**  
**Chair**



**Foreign Affairs, Defence and Trade  
Legislation Committee**

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