INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:
http://parlinfo.aph.gov.au
SENATE
FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

Thursday, 24 October 2019

FOREIGN AFFAIRS AND TRADE PORTFOLIO

In Attendance

Senator Simon Birmingham, Minister for Trade, Tourism and Investment
Senator Marise Payne, Minister for Foreign Affairs

Department of Foreign Affairs and Trade

Ms Frances Adamson, Secretary
Mr Daniel Sloper, Chief People Officer
Mr Murali Venugopal, Chief Finance Officer
Ms Suzanne McCourt, Assistant Secretary, Executive Branch
Ms Angela Robinson, Assistant Secretary, Executive Branch

Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on

Australian Government foreign, trade and international development policy priorities

Program 1.1: Foreign affairs and trade operations
Program 1.2: Official development assistance
Program 1.3: Official development assistance—multilateral replenishments
Program 1.4: Payments to international organisations
Program 1.5: New Colombo Plan—transforming regional relationships
Program 1.6: Public information services and public diplomacy
Program 1.7: Programs to promote Australia's international tourism interests

Ms Frances Adamson, Secretary
Ms Clare Walsh, Deputy Secretary, Global Cooperation, Development and Partnerships Group

Mr Stephen Gee, Assistant Secretary, Passport Policy, Integrity and Technology Branch, Australian Passport Office
Dr Robert Floyd, Director General, Australian Safeguards and Non-Proliferation Office
Mr Andrew Todd, First Assistant Secretary, Consular and Crisis Management Division
Ms Beth Delaney, First Assistant Secretary, Contracting and Aid Management Division
Mr Daniel Sloper, Chief People Officer
Ms Cate Rogers, Acting First Assistant Secretary, Development Policy Division
Mrs Paula Ganly, Executive Director, Diplomatic Academy
Ms Minoli Perera, Acting Chief Security Officer
Ms Cathy Raper, First Assistant Secretary, Europe and Latin America Division
Mr Dougal McInnes, Assistant Secretary, Europe Trade, United Kingdom, and Ireland Branch, Europe and Latin America Division

Ms Suzanne McCourt, Assistant Secretary, Executive Branch
Ms Angela Robinson, Assistant Secretary, Executive Branch
Mr Murali Venugopal, Chief Finance Officer, Finance Division
Mr Jamie Isbister, First Assistant Secretary, Humanitarian, Non-Government Organisations and Partnerships Division

Mr Tim Spackman, Chief Information Officer, Information Management and Technology Division
Dr Sarah Pearson, Chief Innovation Officer and Chief Scientist, innovationXchange
Ms Amanda Gorely, First Assistant Secretary, International Security Division
Mr Paul Foley, Ambassador for Counter-Terrorism, International Security Division
Dr Tobias Feakin, Ambassador for Cyber Affairs, International Security Division
Mr Bryce Hutchesson, Ambassador for People Smuggling and Human Trafficking, International Security Division
Mr Simon Newnham, First Assistant Secretary, Investment and Economic Division and Ambassador for the Asia-Pacific Economic Cooperation
Mr Chris Elstoft, Assistant Secretary, Investment Branch, Investment and Economic Division
Mr Alan Copeland, Assistant Secretary, Office of Economic Analysis Branch
Mr James Larsen, Chief Legal Officer, Legal Division
Dr Ralph King, Acting First Assistant Secretary, Middle East and Africa Division
Ms Sarah Goulding, Acting First Assistant Secretary, Multilateral Development and Finance Division
Dr Justin Lee, First Assistant Secretary, Multilateral Policy Division
Ms Elly Lawson, First Assistant Secretary, North Asia Division
Dr Robert Christie, Assistant Secretary, Office of Development Effectiveness
Mr George Mina, First Assistant Secretary, Office of Trade Negotiations
Ms Alison Burrows, Chief Negotiator, Australia-European Union Free Trade Agreement, Office of Trade Negotiations
Mr Kevin Nixon, Executive Director, Overseas Property Office
Ms Kathy Klugman, First Assistant Secretary, Pacific Strategy Division, Office of the Pacific
Mr James Gilling, First Assistant Secretary, Pacific Bilateral Division, Office of the Pacific
Mr Pablo Kang, Assistant Secretary, Pacific Infrastructure Branch
Ms Danielle Heinecke, Assistant Secretary, Pacific Labour Mobility and Economic Growth Branch
Ms Kate Logan, Chief of Protocol, Protocol Branch
Mr James Baxter, First Assistant Secretary, Regional Trade Agreements Division
Ms Elizabeth Ward, Chief Negotiator, Regional Trade Agreements Division
Ms Caroline McCarthy, Assistant Secretary, Free Trade Agreement Investment, Digital Trade and Other Issues Branch, Regional Trade Agreements Division
Mr Jeremy Green, Assistant Secretary, Free Trade Agreement Services Branch, Regional Trade Agreements Division
Ms Shannon White, Acting Assistant Secretary, Free Trade Agreement Policy and Implementation Branch, Regional Trade Agreements Division
Mr Michael Dean, Acting Assistant Secretary, Trade and Investment Advocacy Branch, Regional Trade Agreements Division
John Karatsoreous, Acting Assistant Secretary, Free Trade Agreement Goods Branch, Regional Trade Agreements Division
Ms Jo Cowley, Acting First Assistant Secretary, Soft Power, Communications and Scholarships Division
Mr Damien Miller, Assistant Secretary, Soft Power, Partnerships and Research Branch, Soft Power Partnerships and Communications Division
Mr Adrian Lochrin, Assistant Secretary, Communications and Parliamentary Branch, Soft Power Partnerships and Communications Division

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE
Dr Lachlan Strahan, First Assistant Secretary, South and West Asia Division  
Ms Julie Heckscher, First Assistant Secretary, Southeast Asia Division  
Mr Philip Green, First Assistant Secretary, United States and Indo-Pacific Strategy Division

**Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas**

*Program 2.1: Consular services*

*Program 2.2: Passport services*

- Mr Andrew Todd, First Assistant Secretary, Consular and Crisis Management Division  
- Mr Stephen Gee, Assistant Secretary, Passport Policy, Integrity and Technology Branch

**Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas property estate**

*Program 3.1: Foreign affairs and trade security and information technology*

*Program 3.2: Overseas property*

- Ms Minoli Perera, Acting Chief Security Officer  
- Mr Tim Spackman, Chief Information Officer  
- Mr Stephen Gee, Assistant Secretary, Passport Policy, Integrity and Technology Branch

**Department of Foreign Affairs and Trade—trade programs**

- Ms Frances Adamson, Secretary  
- Mr George Mina, First Assistant Secretary, Office of Trade Negotiations  
- Ms Alison Burrows, Chief Negotiator, Australia-European Union Free Trade Agreement, Office of Trade Negotiations  
- Mr Simon Newnham, First Assistant Secretary, Investment and Economic Division and Ambassador for Asia-Pacific Economic Cooperation  
- Mr Chris Elstoft, Assistant Secretary, Investment Branch  
- Mr James Baxter, First Assistant Secretary, Regional Trade Agreements Division  
- Ms Elizabeth Ward, Chief Negotiator, Regional Trade Agreements Division  
- Ms Caroline McCarthy, Assistant Secretary, Free Trade Agreement Investment, Digital Trade and Other Issues Branch  
- Mr Jeremy Green, Assistant Secretary, Free Trade Agreement Services Branch  
- Ms Shannon White, Acting Assistant Secretary, Free Trade Agreement Policy and Implementation Branch  
- Mr Michael Dean, Acting Assistant Secretary, Trade and Investment Advocacy Branch  
- Mr John Karatsoreos, Acting Assistant Secretary, Free Trade Agreement Goods Branch  
- Mr Simon Newnham, First Assistant Secretary, Investment and Economic Division and Ambassador for Asia-Pacific Economic Cooperation  
- Mr Chris Elstoft, Assistant Secretary, Investment Branch

**Austrade**

**Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government**

*Program 1.1 Promotion of Australia's export and other international economic interests*
Program 1.2 Programs to promote Australia’s export and other international economic interests

- Dr Stephanie Fahey, Chief Executive Officer
- Mr David Hazelhurst, Deputy Chief Executive Officer
- Mr Tim Beresford, Deputy Chief Executive Officer
- Ms Kelly Ralston, Chief Innovation Officer
- Mr Rob Donelly, Chief Operating Officer
- Mr Jay Meek, Acting General Manager, Strategy and Business Transformation
- Ms Jenny West, General Manager, Trade and Investment
- Ms Sally Deane, Acting General Manager, Government and Partnerships
- Mr Nick Woodruff, Chief Information Officer
- Mr Ken Wedgwood, Chief Finance Officer
- Ms Lynne Ashpole, Head of Executive Branch for Austrade

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas

Program 2.1 Consular and passport services

- Dr Stephanie Fahey, Chief Executive Officer
- Mr Rob Donelly, Chief Operating Officer

Export Finance Australia

- Ms Swati Dave, Managing Director and Chief Executive Officer
- Mr John Hopkins, Chief Operating Officer and General Counsel
- Mr John Pacey, Chief Credit Officer

Tourism Australia

- Ms Phillipa Harrison, Managing Director
- Mr Mark Craig, Executive General Manager, Corporate Services
- Mr Leo Seaton, Acting Executive General Manager, Corporate Affairs, Government and Industry

Committee met at 09:01

CHAIR (Senator Abetz): It being the allotted time, I declare open the supplementary budget estimates 2019-20 hearing of the Senate Foreign Affairs, Defence and Trade Legislation Committee. Today the committee will examine the Foreign Affairs and Trade portfolio as set out on the circulated program. The committee has fixed 1 November 2019 as the date for senators to submit written questions on notice, and 6 December 2019 as the due date for the return of responses. Information on procedural rules governing the estimates hearings and claims of public interest immunity has been provided to departments and agencies, is available from the secretariat and will be incorporated in the Hansard:

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests
information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may
not be in the public interest to disclose the information or document to the committee, the officer shall
state to the committee the ground on which the officer believes that it may not be in the public interest
to disclose the information or document to the committee, and specify the harm to the public interest
that could result from the disclosure of the information or document.

(2) If, after receiving the officer’s statement under paragraph (1), the committee or the senator
requests the officer to refer the question of the disclosure of the information or document to a
responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be
in the public interest to disclose the information or document to the committee, the minister shall
provide to the committee a statement of the ground for that conclusion, specifying the harm to the
public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public
interest that could result from the disclosure of the information or document to the committee could
result only from the publication of the information or document by the committee, or could result,
equally or in part, from the disclosure of the information or document to the committee as in camera
evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee
concludes that the statement does not sufficiently justify the withholding of the information or
document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not
prevent a senator from raising the matter in the Senate in accordance with other procedures of the
Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of
advice to, or internal deliberations of, government, in the absence of specification of the harm to the
public interest that could result from the disclosure of the information or document, is not a statement
that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be
made by the head of an agency, by reason of the independence of that agency from ministerial direction
or control, the minister shall inform the committee of that conclusion and the reason for that conclusion,
and shall refer the matter to the head of the agency, who shall then be required to provide a statement in
accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate
by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

Department of Foreign Affairs and Trade

[09:02]

CHAIR: I now welcome the Minister for Foreign Affairs, Senator the Hon. Marise Payne,
and Ms Frances Adamson, Secretary, and officers of the Department of Foreign Affairs and
Trade. Minister, do you wish to make an opening statement?
Senator Payne: No, thank you.

CHAIR: Secretary, do you wish to make an opening statement?

Ms Adamson: No.

CHAIR: Senator Wong.

Senator WONG: Secretary, could I start with perhaps just asking you to give us an update on the situation in Hong Kong and the latest developments?

Ms Adamson: I am very happy to do that. I will invite Ms Lawson, head of the North Asia Division, to join me as well. It may well be that Ms Lawson is able to update you on overnight developments. I can certainly tell the committee that from the very beginning of this emerging, developing and now continuing situation in Hong Kong, we have paid very close attention both here in Canberra and through our colleagues at the Consulate-General in Hong Kong. We have had a number of interests, foremost among them on many days, anyway, has been the safety of Australians. That has put a focus on the consular assistance and consular travel advice as well. Mr Todd can talk to that if that is your interest also. Obviously the situation in Hong Kong, its impact on the one country, two systems model, on the people of Hong Kong, the Hong Kong economy, and indeed the freedoms that Hong Kong has enshrined in the basic law are something that we have also been very attentive to. I might ask Ms Lawson, with your agreement, to just talk to some of the detail.

Ms Lawson: The situation in Hong Kong does remain very volatile. We continue to monitor it very closely, including in relation to Australians in or travelling to Hong Kong. The protests are now in their 20th straight week as of today. They have settled into a pattern of more violent protests over the weekend, with less disruptive demonstrations during the week. Overall protest numbers are down. We have seen more radical elements engaged in more aggressive attacks and vandalism. That has resulted in the use of live ammunition and attacks on police in recent weeks. We also saw a radio controlled improvised explosive device detonated near police vans on 13 October, but there were no injuries or damage. Many people have been injured, both protesters and police, some seriously. On our part, we have consistently urged all sides to exercise restraint and to step back from intimidation and violence.

Senator WONG: Secretary, can you tell me broadly what sorts of representations the Australian government has made to Hong Kong authorities?

Ms Adamson: Broadly, particularly through our Consulate-General in Hong Kong and our Consul-General in Hong Kong herself, we have been in very regular contact with the Hong Kong government and also with other influential groups in Hong Kong, including the business community, of course, and also the Chinese representatives in Hong Kong. One of the things we have been very keen to do is to urge restraint and to argue for a meaningful solution to the issues that have been raised and which have now become so protracted and entrenched. If your question goes simply to the lines of communication, they are open and regularly used.

Senator WONG: You mention that we have engaged with the representatives of China in Hong Kong.

Ms Adamson: And in Beijing also.
Senator WONG: I am about to ask that.

Ms Adamson: And in Canberra.

Senator WONG: I am asking that. Could you just tell us, have there been representations or official representations made by the Australian government to the Chinese government in Beijing and Canberra as well?

Ms Adamson: Yes, there have.

Senator WONG: Could you perhaps outline for the committee what Australia believes to be the fundamental elements of the one country, two systems agreement?

Ms Lawson: The one country, two systems agreement underpins some of the rights and freedoms that have underpinned business confidence and other freedoms in Hong Kong.

Senator WONG: Can we do this conceptually, not mechanically?

Ms Adamson: This was the diplomatic breakthrough, if I can put it, going back to 1984 and the signing of the Sino-British Joint Declaration on the future of Hong Kong. Hong Kong had, of course, been a British crown colony and then a British dependent territory. The Chinese had consistently asserted their own sovereignty over Hong Kong and, indeed, that declaration, that treaty in 1984, with its concept of one country, China, but two systems, enabling Hong Kong's quite distinct, if you like, way of life was the way it was referred to at the time, to be able to be maintained for 50 years under a treaty arrangement beyond the actual handover, as the British called it, in 1997 and which the Chinese referred to as the resumption of the exercise of sovereignty over Hong Kong. They had a different perspective on it. I think if we look at events as they are unfolding today it is worth remembering that history and that rather different view from each side of the then border, if I can put it that way.

Senator WONG: There is a fair bit of public commentary, some of which might benefit from an explanation of the features of the two systems, particularly insofar as they relate to Hong Kong's legal system, system of administration, the scope for democratic rights and so forth. I wonder if you are able to perhaps expand on that a little?

Ms Adamson: I can explain in the broad, including because my first posting was in Hong Kong in the 1980s, in the period immediately after the signing of the joint declaration but also as the basic law, if you like, the mini constitution as it was called for Hong Kong was being negotiated between the British and the Chinese. The broad features were that while Hong Kong would become a special administrative region of the People's Republic of China and, of course, when it comes to the exercise of the attributes of a state, to an army, a foreign policy—all of that of course is done from Beijing. But Hong Kong's rights and freedoms—and there was a lot of debate about this at the time—were to be maintained. Hong Kong has its own sort of judicial system with a court of final appeal on which some foreign judges, including from time to time Australians, sit. Freedoms of speech, freedoms of expression—and this is also topical, of course, to conduct its own customs and trading arrangements. Hence the ability for us to negotiate a free trade agreement with Hong Kong. Ultimate ratification, of course, happens through the National People's Congress Committee in Beijing. Nevertheless, Hong Kong is able to run its own show, to maintain an open economy. But the one part of all of this which was difficult to nail down at the time—and I'm sure you will recall the last Governor of Hong Kong, Chris Patten, made substantial efforts to try to ensure
that when it came to democratic rights in Hong Kong they were able to be developed as far as they could be, given the structure of the basic law as it had then been agreed. Of course, what was agreed then—every entity which has a democratic system runs its own system and has its own special features. Hong Kong has a number of special features, including the way its Legislative Council representatives are elected. What they do not have is universal suffrage. It has been the absence of universal suffrage which has, from time to time, including during the umbrella protests in 2013-14, come to the fore.

Senator WONG: Thank you, Secretary. That is very useful. Just to finish up from me on this topic, Ms Lawson, you referenced the safety of Australians. What are the numbers of Australian citizens who currently reside in Hong Kong?

Mr Todd: We estimate that there are 100,000 Australians resident in Hong Kong and 10,000 tourists at any one time.

Senator WONG: There were some updates to the travel advice.

Mr Todd: Correct.

Senator WONG: I know how much you can talk about travel advice. That's very impressive. I will just take it as read that you have got it right for the moment.

Mr Todd: Thank you.

Senator Payne: You should read the travel advice.

Senator WONG: I have read the travel advice. He waxes lyrical about them. It's lovely. It is good that you enjoy your job.

Mr Todd: That is an interesting term.

Senator WONG: You take such professional pride in your job. I just wondered whether there was a noticeable change to numbers of Australians visiting post those updates? That is all.

Mr Todd: We have anecdotal evidence that there was a decline. We are awaiting more formal statistics from Hong Kong authorities, who do keep quite accurate measures. Certainly when we had deployments at the airport over nine separate occasions there was a noticeable decline, particularly in the early days after the first sit-in on 12 August.

Senator WONG: I have finished on this. I think Senator Sheldon had a question and then Senator Kitching.

CHAIR: Yes.

Senator SHELDON: Good morning, Secretary and your team.

Senator Payne: We were here at 11 o'clock last night. Here we are again.

Senator SHELDON: Gluttons for punishment, aren't we. A number of union leaders and workplace activists have been involved in the activities and protests in Hong Kong. I'm wondering whether you are able to make us aware in your estimation how many people have been terminated from their employment as a result of edicts, particularly looking at Cathay Pacific, Cathay Dragon, those companies, and how many union leaders have been terminated for being activists? Have you any statistics or figures, or any feel for it?

Ms Adamson: We don't have statistics. I wouldn't expect that we'd be able to establish with any degree of precision the numbers. You referred to Cathay Pacific and also to
Dragonair. We do know there have been some—how shall I put it? There has been pressure placed on a number of companies in relation to their employees and their participation in these protests. Many of the protests, I should note because I think it's important to the way Hong Kong is still functioning, are protests for which protesters seek a permit and are granted one. So, they are in many cases legally conducted, but the issue around the impact on particular individuals is one that is generally known. We have a sense of it, but we don't have—and I wouldn't expect that we would be able to gather either—specific data.

Senator SHELDON: Could you take on notice a question regarding particularly Cathay Dragon but also Cathay Pacific, and about what's occurring with that workforce now and the terminations that have occurred?

Ms Adamson: We can certainly give you a general answer to that, but I do feel I should caution that we won't be able to provide statistics.

Senator SHELDON: If you are able to provide some details just regarding those two companies at this point, and I'll put a question on notice on what information you have.

Ms Adamson: We'll do our best for you.

Senator KITCHING: Firstly, Ms Lawson, thank you for coming to brief the joint standing committee in its various subcommittees. If violence escalates and Beijing moves in, has Australia considered giving asylum to those who are involved in the protests?

Ms Adamson: That's a hypothetical question that I'm not able to address in the way that you would like me to.

Senator KITCHING: Given the protesters have five demands and the first one is that the chief executive resigns, and it looks from recent media reports as if there are some plans underway from Beijing—obviously I am only going on the media reports—does the mission have any local advice as to whether that would ameliorate the situation in Hong Kong given that one of the demands would be met? Or does it worsen it because, obviously, it reminds everyone that Beijing is able to appoint the chief executive and some of the legislature?

Ms Adamson: Again, it's a hypothetical, of course. We're well aware of the protestors' demands. I'd simply note you've obviously read some media reports this morning. So have I. I have also read a media report debunking this from other areas as well. I think it is a fluid situation. It's one that we are very closely watching and assessing and seeking all parties to continue to convey views for restraint and a working through of the issues. One could envisage that that might be done in a variety ways. In fact, the Chief Executive herself, Carrie Lam, has sought to do that. I'm not sure whether Ms Lawson wants to add anything to that, but you would understand, as with any situation where there is a number of demands, the interplay between those, the effectiveness, if you like, of the outreach, community engagement and dialogue which is being encouraged is something that is yet to play out. I think, as Ms Lawson said, the numbers of protesters has declined somewhat. We will continue actively to counsel the sort of action that we think might further reduce tensions. The particular issue around the withdrawal of the extradition bill has, I think, now been formally addressed with its withdrawal this week.

Senator KITCHING: Has the department met with any of the Hong Kong pro-democracy protest leaders?
Ms Adamson: Yes, we have. Just broadly for the benefit of the committee, our overseas missions and indeed colleagues here in Canberra would meet with a wide range of both government officials but also in countries where there are active oppositions where there is civil society it is our job to know and understand what is going on. Therefore, yes, we do speak and have always maintained a dialogue with pro-democracy groups in Hong Kong, just as we maintain dialogues with other groups across Hong Kong society.

Senator Wong: I'm finished on the Hong Kong questions. I'm now going to China issues. Secretary, we have had many discussions in estimates about the state of the bilateral relationship and some of the convergence and divergence of interests in the relationship. I wonder if you could give the committee a bit of a status update on how you see the state of the relationship currently?

Ms Adamson: As to Australia's relationship with China—in fact I think across the world, China in the world and every country's relationship with China is a subject of keen interest and conversation across a wide range of stakeholders. In that respect Australia is no different, particularly given the nature of our relationship with China. Of course, in formal terms we have a comprehensive strategic partnership but we very quickly then within that look at the various pillars of activity that we have, including obviously trade and investment, people-to-people links, prominently captured by numbers of tourism, students and all of those things.

In broad diplomatic terms, though, Australia continues to engage with China. The Prime Minister had a good meeting at which I was present in Jakarta on the weekend with Vice President Wang Qishan. The foreign minister had also a very good meeting at which I was present in New York with her counterpart, state counsellor and foreign minister Wang Yi. It is important that those meetings occur as regularly as they can because they enable us to talk to each other about the nature of the relationship in all of its dimensions, including areas where we have differences. Those differences have been well publicised, not always accurately, but they exist and I think there's no point in us at all pretending that they're not there.

In fact, I think if we were to characterise our current relationship with China and the relationship going forward, it will be a relationship where we will need, on both sides, to work quite hard to manage what I really think will be enduring differences. Some points of difference may come and go and be able to be resolved, but other points of difference which go more deeply to the differences between our systems and our values are likely to endure. It should, therefore, not be surprising in my view that a relationship where there are points of difference, some of which are actively canvassed in the public domain—and whilst I don't particularly like the term—is the 'new normal'. I think it does apply in this situation. We do, though, have a number of very clearly shared interests with China when it comes to the development of aspects of our relationship when it comes to the kind of region that we want to see, and in Australia's case that is an open, inclusive, peaceful region, which continues to prosper. They're the sorts of things that we want, and the Prime Minister and ministers have spoken publicly in some detail about what that might look like in an Indo-Pacific region.

Of course, we also engage with China in terms of its broader role in the world and its role in international institutions. In some of those institutions we work alongside each other with a very common set of objectives. In others, differences need to be managed and sometimes they, too, become public. Broadly I would characterise it as a relationship in which both sides acknowledge continued opportunity. To a great extent that is a part of the relationship already,
and there is potential for more, but a need to manage differences. I speak as a diplomat in saying that that will require, I think, some skill on our side, their side and, indeed, by diplomats across the world as China emerges further as it grows and as its own objectives occasionally we find are contrary to ours.

**Senator WONG:** There's quite a lot in there. Thank you for that. Before I go to perhaps unpicking some of the issues you have raised, you talked about the sort of region we want. You used the phrase 'open and inclusive region'. You didn't use the term 'multipolar', which I think you have used previously.

**Ms Adamson:** I have, yes.

**Senator WONG:** I am assuming it's not that we have moved—

**Ms Adamson:** One can overuse adjectives but 'multipolar' is certainly amongst them.

**Senator WONG:** I think it is important.

**Ms Adamson:** It is important. I have previously said—and it is really Australia's position—there are a number of countries on the rise in our region, if you like, and that's one of the reasons it's so important that we continue to develop strong relationships with Indonesia, India, Japan and ASEAN itself, not just its member states but as an entity, as a regional organisation.

**Senator WONG:** I do want to come back to strategic competition in our region and some of our responses. I think that's a longer discussion. I would prefer to come back to that later, just flagging with you. I want to come back to your answer just then. You correctly, I think, identified at the outset that the bilateral relationship and China's place in the world is a subject, I think you used the phrase, 'of keen interest'. There's obviously a wide range of stakeholders. Therefore, as to the work of diplomats and leaders in terms of engagement or articulation of what the relationship is, managing difference, investing in convergence—you'd agree, wouldn't you, that that role in many ways has been augmented by the circumstances? The responsibilities you have as a DFAT Secretary in relation to this relationship might be quite different perhaps than they were, say, 20 years ago?

Twenty years is a hard time to remember, but certainly I think there is a need for at a time when a change is underway, and quite rapid change, strategically, but also in a broad range of other areas—technologically driven some of it—an ongoing conversation in this country with the Australian people, with stakeholder groups to ensure that they feel they have a sense of what's happening, where our interests are engaged, and how they can contribute to the development of further opportunities. But there are also a number of instances, frankly, where our interests need to be protected.

**Senator WONG:** Sure. And we need to articulate why.

**Ms Adamson:** We do.

**Senator WONG:** Correct. Both to the Australian people and also more broadly. You talked about the public domain and media commentary. I'm being photographed as I'm asking this. Would you agree that there's a spectrum to the extent to which media commentary is informed in terms of the relationship with China? It ranges from some commentators who are well informed to those who might have had less opportunity to be informed.
Ms Lawson: I would say that, but I would also say that being informed is not a one- or two-dimensional thing, as you yourself know. Many of these issues are very complex and there are quite legitimately a range of views, including held on the part of Chinese scholars and commentators who are trying to establish why, what, what next, how should we all be responding. I think you would expect there to be a debate and, as with any debate on any subject really, you would expect some elements of that to be more and other elements less informed.

Senator WONG: I think you and I have had this discussion. I and others have said this publicly. For a period of time, leaving aside how it is now, it seems that there were discussions about China where people were talking past each other. You would have a series of engagements or commentary from the strategic and foreign policy community and a series of interventions from members of the business community, and those conversations were talking past each other. I'm not being critical. We have a very important economic relationship with China and there are members of the business community who rightly want to remind Canberra and politicians of the importance of that relationship to Australian jobs and so forth. But equally a discussion in the strategic and foreign policy communities and, as I said, the two were not necessarily engaged. Would you agree that is a dynamic you have observed?

Ms Adamson: I have observed that dynamic. But I would say that I think that dynamic has been changing for some time. That might have been where you were going to go.

Senator WONG: It was, yes.

Ms Adamson: I think initially people were speaking from their own knowledge and their own perhaps narrower perspective. I think many people now understand it is important to understand a broader perspective in order to be able to manage whatever issue it is, whether you are in the business community, the arts community or government.

Senator WONG: Or the education sector, which is a very large export market.

Ms Adamson: I was about to say, that is an important industry.

Senator WONG: I think you may previously have indicated to me or someone has that the department was involved in outreach or engagement activities to the business community, particular in regard to the China relationship?

Ms Adamson: That is correct. It was some funding we received in last year's budget off the back of the foreign-policy white paper to engage in a series of business dialogues. We call them a strategic business dialogue. We work with partners, the Business Council of Australia, CEDA, sometimes individual companies who bring groups of business people around a table for discussions that enable them to share their perspectives and for us to listen to those and for us also to talk about the view from government, if you like, about the China relationship and the way our interests are engaged multidimensionally. I do that sometimes with my staff and sometimes with a range of senior colleagues. I also from time to time do this with colleagues, heads of agencies from other departments or indeed agencies, including in the intelligence community.

Senator WONG: But what we are talking about in terms of this outreach, I'd presume, is these are not formal intelligence briefings?

Ms Adamson: No, not at all.
Senator WONG: This is a dialogue to try to deal inter alia with the dynamic we were discussing earlier, which was the disconnected discussions; would that be right?

Ms Adamson: Yes, correct.

Senator WONG: Who has responsibility for those dialogues?

Ms Adamson: They are run from within DFAT from the Investment and Economic Division, and Simon Newnham. He has a number of colleagues with whom I work closely. I principally do this. Deputy Secretaries help me from time to time when I'm not able to be in the right place at the right time. Mr Newnham's division is the holder of the work on it.

Senator WONG: Mr Newnham, do you have a list of these dialogues and outreaches that the Secretary is discussing—dates or something? It would be great if you could hand up something. I don't think it's particularly—

Ms Adamson: We do want to be helpful, but part of the nature of the dialogue—

Senator WONG: Less helpful?

Ms Adamson: We will be helpful. We will try to describe things in a way that gives you a sense of it. But in terms of the detail of who's hosting us and who is coming and the rest of it, I would rather keep that. Because people participate in this in a personal capacity, we don't tell them when we invite them that they—

Senator WONG: I could give you a lecture about Senate estimates. Senator Abetz read out at the beginning of this hearing that you should have to make a PII claim. I'm not interested per se in making it difficult for people. I think people should attend. I'm just trying to get a sense of the regularity of them. Do you just want to tell me how many have been held approximately?

Mr Newnham: There have been four dialogues. They were held on 6 December 2018 in Canberra, 25 March 2019 in Melbourne, 12 June in Brisbane, and 30 July in Sydney.

Senator WONG: What was the last one?

Mr Newnham: It was 30 July in Sydney.

Senator WONG: These are business dialogues; would that be right?

Mr Newnham: They are and they have senior representation from a range of sectors. The topics change and the focus changes.

Senator WONG: But broadly about the China relationship?

Mr Newnham: Certainly that has been a major feature. But a range of outreach on a range of issues.

Ms Adamson: It is called a strategic dialogue with business and it therefore can cover a wide range of issues. Inevitably a fair bit of time is spent on China.

Senator WONG: Is that intended to continue?

Ms Adamson: Yes.

Senator WONG: The funding is for how long?

Mr Newnham: The funding is four years of funding commencing in the 2018-19 budget.

Senator WONG: What else is envisioned out of that funding? Is it just the strategic business dialogues or are there other outreach—
Mr Newnham: Yes, that is it, but of course that sits over the top, as the Secretary mentioned, a wide range of constant outreach at different levels and different formulations. But, yes, that funding is for those dialogues.

Senator WONG: What is the regular outreach?

Ms Adamson: I engage very regularly with members of the business community. I'm obviously very regularly in Sydney, but I try to travel to all of the state capitals at least once a year and to have discussions with members of the business community, as does of course very actively Christopher Langman at the Deputy Secretary level. I think it's across all of the Deputy Secretaries. The department is very engaged with business, and we should be. So, too, are our overseas missions. Of course, in the recent global heads of mission meeting here in Canberra and then across Australia, engagement with the business community on opportunity was a significant focus of that.

Senator WONG: What sorts of briefings of government MPs and senators has DFAT been engaged in or in discussions with or in dialogue with?

Ms Adamson: We have appeared before a number of committees. We always appear when asked. As you know, between ministerial offices and—

Senator WONG: Have there been any government MPs and senators briefed separately or having dialogue with DFAT about the China relationship?

Ms Adamson: Not in an organised sense. Let me just check with Ms Lawson.

Senator WONG: I would encourage that that be checked, please. Are you going to come back to me?

Ms Adamson: Yes, absolutely. It would be hard to know if an individual member or senator wants a piece of information—

Senator WONG: I want to understand whether government MPs and senators are being given access to the department for particular briefings and discussions in relation to foreign policy, but China more broadly. That is apart from formal committee arrangements.

Ms Adamson: Certainly I have not other than formal committee arrangements myself been involved. But we will check others.

CHAIR: Can I just indicate for the record that within this committee from time to time I have suggested to colleagues that they make an approach to the minister's office for a private briefing, should they have an issue on issues of foreign affairs, defence or trade. I understand that is taken up from time to time by opposition and crossbench senators. That is something that has been made available courtesy of the minister at the table but also her other ministerial colleagues in this portfolio.

Senator WONG: Secretary, the acting Director-General of the Office of National Intelligence was asked some questions on Monday night at estimates about my request for the foreign minister and the government to provide briefings on China to parliamentarians. Did you see that evidence or have you read it since?

Ms Adamson: I have not read the full Hansard transcript, but I saw a brief summary of it, yes.

Senator WONG: Senator Ayres, who is sitting here, asked Dr Taloni—he took a lot on notice; anyway, that's life—'When did you become aware of the request?' He took that on
notice. ' Were you asked to provide advice regarding the request? ' He took that on notice too. But he did answer this question: ' What benefits would you see from parliamentarians receiving those kinds of briefings? ' Dr Taloni stated, 'I think the obvious benefits would be a greater understanding of the way the world is working and some of the strategic drivers that are shaping our future.' Senator Ayres stated, 'Would that assist the parliament's consideration or individual parliamentarian's consideration of some of the issues of national interest? ' Dr Taloni replied, 'Yes.' Do you agree with the acting Director-General of the Office of National Intelligence?

Ms Adamson: As I have indicated in my earlier remarks, I certainly agree that there is benefit in people being broadly informed about the world in which we live on a wide range of topics. As to precisely how that is done, of course there are a number of vehicles that currently exist and, as the chair indicated and I know the minister has as well, if requests are made through a minister's office or on behalf of a particular committee for us to brief, we of course brief.

Senator Wong: I have made public requests, to which the minister responded just last night by way of a letter that was hand-delivered to me, that parliamentarians be provided with some briefing. We have also made a specific request for the shadow cabinet to be briefed. I think the government's preference was initially for a shadow NSC. But as you have pointed out, for example, education is a significant stakeholder in this relationship. We did so because we thought it was beneficial both for the opposition but also more broadly the parliament to have a better understanding of a relationship which is, as you have pointed out, the subject of a lot of public discussion and commentary. Can someone explain to me why the government thinks it is a sensible thing to engage in a strategic dialogue around China and foreign policy with the business community but it is not prepared to do so with members and senators?

Ms Adamson: The precise question, I think, is one that I possibly am not best placed to answer. But the broader question, of course, is we have been talking about Hong Kong and China for the best part of the last 45 minutes—

Senator Wong: How many senators are here? This is a relationship that goes to—I don't need to explain this. The dimensions of this relationship are substantial for Australia.

Ms Adamson: They are.

Senator Wong: They touch so many parts of our economy. They matter to the region we live in. And how we handle it also matters to our sovereignty. We have had a very difficult debate around foreign interference. We have had at times a difficult discussion around areas of difference. We also have to continue to work, as you say—and I agree with you—and we have to continue to engage and engage deeply where we are able to. Some of the discussion about that becomes extremely binary. I have to say I don't understand why people think it is a good thing for the business community to be engaged but not people who are elected to this place. I just don't understand it. What's the problem?

Ms Adamson: Again, I'm not sure that I can answer your specific question. But we stand ready in a wide variety of forums to brief. We are asked to engage where there is interest in doing so. But of course there is a vast amount of information published daily, almost too much.

Senator Wong: But parliamentarians don't read everything. Sorry. I interrupted you.
Ms Adamson: Can I refer you to our annual report with its Pacific Step Up cover. There is a very good section on China in there as well.

Senator WONG: I read a lot. Not as much as I would like, but a lot. I'm not talking about who reads what. I'm talking about people who make public commentary. Members of parliament and senators have responsibilities and a public—what's the word? Not 'forum'. We have the standing to make public statements. If we make them irresponsibly, that matters, particularly in a relationship where we have to handle this sensitively. In relation to the letter I sent requesting briefings, was DFAT ever requested to provide advice in relation to that?

Ms Adamson: Not to my knowledge.

Senator WONG: Minister, just to be clear—and I don't want to spend a long time on this—essentially you have taken a decision not to provide briefings to parliamentarians, nor to the shadow cabinet in relation to this difficult relationship without seeking advice from DFAT and contrary to the views of the Office of National Intelligence?

Senator Payne: Is there a question?

Senator WONG: Yes, I'm just putting that to you. Why?

Senator Payne: We have discussed this before. When you first raised this in the media and then by correspondence I indicated in a discussion I think in the chamber and also I was asked in public commentary. As you mentioned, I wrote to you this week as well.

Senator WONG: Last night.

Senator Payne: We regularly brief across parliamentary committees on important policy issues. That includes the Parliamentary Joint Committee on Intelligence and Security, the Foreign Affairs, Defence and Trade committees of the Senate and the joint commitment and its constituent bodies. We provide the Opposition Leader with briefings, which the Opposition Leader is, of course, appropriately entitled to receive, and some of those under legislation. In practice, we extend those briefings to counterparts on the shadow cabinet's national security committee. I can't recall an occasion, but I stand to be corrected, when a briefing has been requested by you or a national security shadow committee counterpart that has not been provided.

Senator WONG: That's not correct. No, please, I can't let that stand.

Senator Payne: I'm sorry. You are misinterpreting what I said. I said if you have asked for a briefing for yourself, for other members of the national security shadow committee, that has been provided. Where the issue has impacted all parties directly, for example, on cybersecurity, risks of foreign interference in 2017, we have provided those. The government is not persuaded that having our full panoply of national security agencies brief all parliamentarians beyond those on the shadow frontbench and on the relevant committees that already have access to briefings and assessments—and that is quite a broad number in total—is necessarily appropriate or desirable. The government has a joined up view on this, and I responded to you accordingly.

Senator WONG: First—
Senator Payne: But I will take on notice again your question in relation to the shadow cabinet and come back to you on that.

Senator Wong: First, no-one has asked for, as you describe it somewhat colourfully, the full panoply of national intelligence agencies briefing the parliament. I made it very clear in the letter that the form and content of the briefing were matters for the government. People are sensible about this. DFAT is engaged in a dialogue with business, which presumably does not involve, as you described it, the full panoply of intelligence agencies but is about ensuring there is a sensible and frankly comprehensive dialogue to enable people to understand more deeply how this relationship has developed and some of the challenges and opportunities which lie ahead. I again said to you I think it would be helpful both to your MPs and senators and ours, but more broadly, if there were a more informed discussion of a relationship which is so critical to Australia's future.

Secondly, I express my disappointment that the refusal has come without seeking the advice of the department and without seeking the advice from the Office of National Intelligence. This is not a partisan request. This is a view about what is occurring and the way in which the polity could do better in terms of the handling of the relationship. Anyway, I didn't have anything further on that. I was going to go now, subject to other views, Senator Abetz, to the Uyghurs issue? Do you want to go to someone else?

Chair: No. I was going to save for Labor up until the morning tea break.

Senator Wong: Which is when?

Chair: Ten thirty. Then some government senators might ask a few questions.

Senator Wong: That is fine. If I finish the section off—

Chair: If that suits the Labor representatives here, that's what I was intending to do.

Senator Wong: I will just ask a couple of questions and then I know my colleague has a lot of interest in this. We have had some discussions at previous estimates about the situation in relation to Uyghurs and other Muslim peoples in China. There has been a lot of media reporting and some quite distressing footage that has been released. I just wanted to give you the opportunity to give us an update.

Ms Lawson: Australia does have serious concerns about the human rights situation in Xinjiang, and we continue to actively raise these concerns in all relevant settings. There are credible reports of mass detention, surveillance, travel restrictions and other measures imposed on Uyghurs and other minorities in Xinjiang. We regularly make clear our concerns to China and to the international community. Minister Payne raised the human rights situation in Xinjiang directly with her counterpart, State Counsellor Wang Yi, in New York on 24 September, in Bangkok on 2 August, and during her visit to Beijing on 8 November 2018. The minister also raised the treatment of Uyghurs in China during her address to the high-level segment of the 40th session of the UNHCR on 25 February 2019.

Australia was one of 25 countries that signed a letter to the president of the HRC on 8 July 2019 conveying concerns about Xinjiang and calling for China to allow independent access to the region. We have raised our concerns in national statements at the Human Rights Council, most recently on 17 September 2019, at HRC42 under agenda item 4, also on 3 July under item agenda item 4, on 12 March 2019, and previously on 11 September 2018. We also raised Xinjiang in our national statement on the HRC's review of China's human rights record on 6
November 2018. We regularly raise the matter of Xinjiang at senior officials level in Canberra and in Beijing. We’ll continue to raise those concerns.

**Senator SHELDON:** Are there any indications that the Chinese government is taking heed of the concerns raised by Australia and the international community?

**Ms Lawson:** I think it's fair to say that China has noted international concerns. It does mean that China has admitted that it is detaining Uygurs. It does mean that China feels it's under the scrutiny of the international community.

**Senator SHELDON:** I appreciate there's complex and often sensitive matters that are involved here, but can the department provide a general update on whether there are Australian citizens or permanent residents you are aware of that are unaccounted for or uncontactable? I might also add into that, of course, the disturbing case of Sadam Abudusalamu, his wife who has a valid Australian visa, Nadila, and his Australian citizen son who's detained, Lutfy.

**Ms Lawson:** I'll ask my colleague Andrew Todd to talk to the consular matters. We are aware of one permanent resident who is detained in Xinjiang but in the traditional prison system.

**Mr Todd:** The government continues to raise this particular case with China at all opportunities. Given the sensitivities around this particular case, including a range of personal matters, it's our view that we don't go into it in a lot of detail in public settings. DFAT is providing quite significant consular assistance to the family and our embassy in Beijing has formally requested that China's authorities allow the young child and his mother to travel to Australia.

**Senator SHELDON:** As you have rightly stated, there are reports of re-education camps where the United Nations estimate well over a million people are detained. Alim Osman, the President of the Uyghur Association of Victoria, said, 'It was sad and heartbreaking for the community in Australia to see videos like this circulating' and 'it's chilling and very horrifying for us'. 'We feel like we're alone in this battle against the Chinese communist regime.' It's extremely important that we express our solidarity to Uygur Australians but also our concerns over what's occurring in Xinjiang. The question it also raises is the methods that the Chinese government has been applying with the use of artificial intelligence to surveil the community. This leads to a broader question. There have been many reports about the use of surveillance equipment and its application across the Chinese community and particularly its intense use in Xinjiang. China next year will launch its social credit system. The Chinese government is in the process of rolling out that credit system where all citizens will be tracked and their financial, legal, travel, employment, political and personal activity will be collected and monitored on an unprecedented scale. Of course, we have seen the potential, as I have said, at Xinjiang Province already. What preparations is DFAT making in the light of the impact this could have on Chinese-Australians, dual citizens, and other Chinese Australians?

**Ms Lawson:** The impact of the social credit system?

**Senator SHELDON:** Absolutely.

**Ms Lawson:** The social credit system is something which might impact any travellers in China, so that potentially is a consular matter which might arise in our travel advice.
CHAIR: Are we concerned that the social credit system might be applied to, let's say, students studying in Australia by people that are monitoring their behaviour and reporting back to Beijing?

Ms Lawson: The social credit system is something which is deployed within China. It's not something that impacts us in Australia. Does your question—

CHAIR: No, I'm talking about Chinese citizens who are studying in Australia who might be the subject of surveillance potentially by fellow Chinese students who report back to Beijing, which then has consequences for them when they return to China?

Ms Lawson: We would expect anyone in Australia to respect fundamental rights and freedoms of the Australian system including—

CHAIR: Yes, but—

Ms Adamson: That is as the social credit system in China comes into play, and it's in a process of development. I'm sure Ms Lawson knows more of the actual detail of the emerging system than I do. I actually think it's a fair question to ask how might the behaviour of Chinese students in Australia as reported, if you like, be fed into that system. The answer is that we don't know how it would be fed into that system. What Ms Lawson says about our expectations, of course, is absolutely right, but we also know that many embassies and consulate-generals around Australia keep a close eye on their students, a friendly eye or sometimes a less friendly eye, and precisely how that information might be used is something I think we don't know. I'm not sure that we could ever really be in a position to tell you with absolute confidence how, in fact, it might be used.

CHAIR: Have we expressed any views to the Chinese regime as to the social credit scheme?

Ms Lawson: I think we have raised our concerns more broadly.

CHAIR: Or do we just say that this is a matter for a sovereign nation to determine? Or do we say it's an abuse of human rights?

Ms Adamson: We do attempt, as you know, to engage with China on a broad range of human rights issues and we can do that and we can get into the how and into the not-how.

CHAIR: Speaking of which—

Ms Adamson: No, we haven't had a Human Rights Dialogue since 2014.

CHAIR: Five years now.

Ms Adamson: I think that is right. I attended the last one in 2014. To your question, we are concerned to ensure across our own country where, of course, our laws apply that students—as much as we possibly can support it—are able to have the full Australian educational experience. From time to time, as you know, in relation actually to a range of countries we have things to say about activities that consulate-generals undertake and whether or not they're in accordance with the Vienna conventions.

CHAIR: Do we have any indication that there is such spying taking place on Chinese students or Chinese citizens in Australia with information being reported back to Beijing? Have we made any representations indicating to them that that sort of activity on Australian soil is, to use polite language, not appreciated?
Ms Adamson: I would say looking back over decades of the conduct of our relationship with China, these things have been raised and will continue to be raised where the circumstances indicate that they should.

CHAIR: Senator Fierravanti-Wells wanted to inject one question.

Senator FIERRAVANTI-WELLS: Can I just give you a very practical example. As a consequence of some of the comments that I have made publicly, people have approached me with individual circumstances. Let me give you one example, which is typical of what has been raised with me. Student goes to a social event, makes a comment, within 48 hours that young student's family was contacted in China about the appropriateness of that student's comments at a social event in Australia. That is one example that has been raised with me.

The second point that I want to raise is: we have about half a million students who come to Australia. We recently had an inquiry where statistics were given to us about our own government indications that about 16 per cent of that cohort of students every year go on to become citizens. That's about 80,000 students a year, who come primarily from India and China. That's approximately 40,000 students from China who go on to become citizens, and that was from a public Senate hearing that we had. My question to you, Ms Adamson, is: this is not a hypothetical. This is an actual. This is happening now. Surely we must be giving some thought to how we deal with this? Those students are too scared to go public to the police or whatever. These things are happening and I think we have to be realistic about our approach to them.

Ms Adamson: I can't speak to the actual numbers of students involved. I know you talked about half a million students and their proportion, but I don't know precisely how many Chinese students go on to become citizens.

Senator FIERRAVANTI-WELLS: A hearing was undertaken for temporary visas filling skill shortages, and I happened to be hearing some evidence that was given by Universities Australia. We also know that some of the universities are using degrees as pathways to citizenship, but that is a separate issue. My point is that we have a growing number of students coming into this country. This is a situation that is happening. I am interested to know what we are contemplating, thinking, doing in relation to this issue, because they are real circumstances, Ms Adamson.

Ms Adamson: I know from my own experience that they are very real. We obviously want to encourage a society where no-one, no matter who they are, is taken to task for exercising freedoms of speech. Of course we want to do that. When it comes to the university sector as a whole—and I know you know this—the Minister for Education, Dan Tehan, has announced, and his departments are actively working on, the University Foreign Interference Taskforce. DFAT is contributing to that. I think that is the opportunity for us to consider the issues that you have raised and other issues more broadly. But I do want you to have a sense of confidence that, where we become aware of activities, wherever they may come from, which indicate that diplomats in Australia or consular officers in Australia are undertaking activities or behaviours that are inconsistent with their status, we are very quick to draw that aspect of it to their attention, both here and in capitals. That is a subset of what you have been talking about. Nevertheless, when we talk about the importance of a rules system—the rules around the conduct of diplomats and of consular officers, including in relation to their own citizens on Australian territory—that is quite important. I want the committee to have a sense
of confidence that we are forward leaning in engaging on those things when they come to our attention.

**Senator SHELDON:** Important questions have been raised by the senators. It's still not quite clear what preparation DFAT has made regarding the social credit system. In light of that, dual citizens, people residing in Australia that are Australian citizens—as the reports have said today—people that are recognised by the Chinese government will also be surveilled, through both their financial arrangements and their political and personal activity, and will be monitored at an unprecedented scale. Presently we have people within China being held to account for speaking out on human rights matters, on labour rights matters and on a variety of issues. I am deeply concerned that that may be extended to people who are Australian citizens. When you look at the fact that we have such a broad area of tracking, which involves both commercial businesses and the Chinese government, I'm a little surprised that there is not a more clear view about what the concerns could be or an attempt to allay any concerns that I may well have and concerns that I'm sure we're going to have in 2020, as it stands at this moment.

**Ms Adamson:** We are actively—particularly through the embassy in Beijing but also through our consulates-general around China—trying to get a sense of how the social credit system will apply in practice, not just what the media has reported but how it will apply in practice and also how it will apply to businesses. Obviously this is also of keen interest to Australian companies investing in China. I understand entirely where your question is coming from. I think you are just a little further ahead than we are able to be at the moment in terms of understanding how it would work. But it is something that we are looking at. I'm not sure whether Mr Todd is yet in a position to comment in terms of advice to Australians travelling?

**Mr Todd:** Not at this stage in relation to the social credit system, because as the secretary has pointed out, we're still trying to ascertain what the actual implications for individuals are. Should we have concerns about what those implications are, they will be truly reflected in our travel advice, if we consider there are risks to Australians. This is what we always do. But as the secretary said, we're not yet in a position to identify issues.

**Ms Adamson:** I think you have raised a valid question. We have done some thinking about it. We will need to continue to do that from a range of different angles. It is quite complex. Of course, our starting point will be to ensure that in Australia our fundamental rights and freedoms are protected—not just protected but that there is enforcement activity around that. I fully take Senator Fierravanti-Wells's point that for many students, at least when it comes to Chinese students, their first inclination, for obvious reasons, is not to speak to our law enforcement agencies, although they themselves—and I've expressed this previously to the committee—are very willing to take reports of these sorts of activities. Again, it will come back to this foreign interference taskforce, or elements of it. But I think it's something that we will look at more in the round. I think we'll need to, from a range of different perspectives. As I say, some elements of this are still being developed. We are talking about some of them with the Chinese in Beijing, and for others we will need to make our own judgement about how they are likely to work in practice and what we may need to do in response.

**Senator SHELDON:** I have no further questions on this today, but I will certainly have further questions about this as we go.
Senator WONG: I understand that this is a sensitive issue and I thank the government for discussions on this. But it might be useful to just give a brief update on Dr Yang?

Mr Todd: The government remains concerned and disappointed that Dr Yang has been arrested on suspicion of espionage. Australian officials in both Beijing and Canberra have raised Dr Yang's case with Chinese authorities. We have requested that he be treated fairly, transparently and in accordance with due process. On 23 August, Dr Yang's case moved to a formal investigation phase that could last up to at least seven months. And following this, if his case is approved for prosecution by the Chinese, the subsequent indictment period can legally last up to a further 6½ months. The court case would commence only following the conclusion of that indictment period. As you are aware, the government, the department, the embassy in Beijing and officials in Canberra have worked tirelessly and in good faith with the Chinese government to advocate for his interests since he was detained. The foreign minister has been actively engaged in making representations to her counterpart on numerous occasions and has also written to her counterpart on several occasions.

Australia has made it clear that we believe that Dr Yang should be treated fairly and transparently and granted immediate access to his lawyers and that, if he is being detained purely for his political views, he should be released. Our officials continue to make those points both in Beijing and in Canberra. We continue to get regular consular access on a monthly basis. The last visit was on 25 September. We had discussions yesterday with our ambassador in Beijing, and he is confident that we will get our monthly access again this month.

Ms Adamson: Mr Todd has conveyed quite a lot of detail there. I want you to be absolutely confident that a key focus of our active advocacy at the moment, including by the foreign minister, is access to a lawyer. Of course his conditions are something that we're concerned about. But the point of our advocacy is to enable him to get legal representation.

Senator WONG: Thank you very much. Can I thank you for your efforts, collectively and individually, on this and reiterate, again, what I and others have said publicly, which is that the representations and advocacy that are undertaken by you, by the minister and by others have the full support of the opposition and, I have no doubt, members and senators of the parliament. I am going to turn now to the issue which was discussed quite at length. Hopefully we don't need to get as heated in PM&C—the issue of the Australian government's engagement in relation to the Barr inquiry. I was referred here by Senator Cormann, who said you would give us a forensic explanation of these matters. Firstly, there was a letter from Mr Hockey to the US attorney on 28 May. The letter was copied to Mr Trump's acting chief of staff, Mr Mulvaney. I'm sure you have a copy of the letter, in which Mr Hockey stated: 'The Australian government will use its best endeavours to support your efforts in this matter.' It also refers to Australia as 'a potential stakeholder', using, I think, President Trump's language, where we were identified as such alongside the United Kingdom and Ukraine. Can you tell me how this letter came about? I would like to know who proposed it, who drafted it, who was consulted on it and how it was approved.

Mr Green: The letter was indeed written by Ambassador Hockey to Attorney-General Barr on 28 May, noting that Australia stood ready to assist the inquiry.

Senator WONG: Yes, I just said all that, Mr Green. I just asked you: who drafted the letter and who was consulted?
Mr Green: The letter was drafted in the embassy. As has been on the record, I and other officials were consulted about the letter being sent and I passed that on to other officials.

Senator WONG: Were you consulted before or after it was sent?

Mr Green: I was consulted before.

Senator WONG: It was drafted in the embassy; is that right?

Mr Green: To the best of my knowledge, yes.

Senator WONG: Did you change the draft?

Mr Green: No.

Senator WONG: Essentially, was this a letter initiated by Ambassador Hockey? I'm trying to work out: did DFAT Canberra say, 'We need to send a letter'?

Mr Green: To the best of my knowledge, it was initiated by Ambassador Hockey.

Senator WONG: Was it approved by the minister's office?

Mr Green: Not that I know.

Senator WONG: The Australian Ambassador to the United States sends a letter to the President's chief of staff and to the attorney-general about an investigation that is not approved by the foreign minister's office?

Senator Payne: The letter was discussed with me.

Senator WONG: It was discussed with you?

Senator Payne: Yes, by the ambassador.

Senator WONG: When did you discuss that with him?

Senator Payne: By the ambassador—I will check as to the exact date, but obviously prior to it being sent.

Senator WONG: Was it prior to being sent?

Senator Payne: Yes, of course.

Senator WONG: Can you explain to me why, on 27 May, Australian time—so with the time difference and the date difference it was before this letter was sent—you said quite clearly on national radio: 'We have not been asked to participate. We would, of course, consider such a request, were it to be made'?

Senator Payne: Because that was the situation.

Senator WONG: What changed between your comments and the letter of the 28th? Because we move from saying, 'We'll help if asked,' to actively offering. Why was that decision made?

Senator Payne: I said in my media interview that we had not been asked to participate in the inquiry. The letter of the 28th informed the United States that we were aware of the inquiry and we stood ready to cooperate. Those two matters are completely consistent.

Senator WONG: No, one is a step further; it is a proactive offer of assistance. It is one thing to say, 'We stand ready.' It is another thing for the ambassador to the US to write a letter to the attorney-general and to the chief of staff offering assistance. Could you explain why the government chose to take a more proactive position and offer assistance rather than await a request?
Senator Payne: We would provide cooperation with an inquiry of that nature, which I emphasise is an active inquiry that is ongoing. I do think there is some need to be observant of that in our responses. We would do the same with other Five Eyes partners as well. We would expect friendly nations, our allies, to support an activity if the Australian government required it or requested it. But in this case it was the advice of the ambassador that it would be appropriate to send an item of this nature, and the government agreed.

Senator WONG: So the ambassador advised it. Did he advise you, Secretary, or was the advice directly to the minister?

Ms Adamson: I think on this occasion it was advice directly to the minister. But I would say that Ambassador Hockey's forward-leaning approach on this—and that's what it was—was exactly what I, as DFAT secretary, would expect him to do in a situation where an inquiry had been launched, where Australia had been mentioned by the President and where the foreign minister had indicated our willingness to assist. Just because the foreign minister says it here in Australia doesn't mean it gets through to the US system. That's what he was doing, effectively saying: 'We're here. We're ready to help in whatever way you might want us to.'

Senator WONG: Just to be clear, we sent the letter offering assistance without any request for assistance being forthcoming from the Attorney-General of the United States?

Ms Adamson: That is correct, yes.

Senator WONG: These are judgements. But you would agree, leaving aside the domestic politics of the US, that this is an inquiry that is not without partisan contest and debate in the United States?

Ms Adamson: That's certainly very apparent. But from Australia's point of view it is Australia's interests that our ambassadors need to be in the service of, and that is what prompted Ambassador Hockey's letter.

Senator WONG: Just to be clear, we offered to assist in this inquiry without being asked?

Ms Adamson: That's correct.

Senator WONG: Did Mr Barr or the White House respond to Mr Hockey's letter?

Mr Green: Yes, they did.

Senator WONG: How did they respond, Mr Green?

Mr Green: Let me just go to my timeline. Mr Barr's office telephones Mr Hockey's office in Washington to request a meeting, and that's followed up by an email.

Senator WONG: Do you have timeline, Mr Green? Can you table the timeline?

Mr Green: I'd very much prefer not to. The time line is highly sensitive and contains matters which relate to ongoing inquiries in the United States as well as other sensitive matters.

Senator WONG: Can I make a suggestion?

Senator Payne: We'll take it on notice.

Senator WONG: The process is a PII claim by the minister.

Senator Payne: We'll take your question on notice.
Senator WONG: There were 125 questions taken on notice.

Ms Adamson: We are willing, as much as we are able, to answer questions about the time line.

Senator WONG: Secretary, I appreciate the culture that you demonstrate and model in these hearings, which I think is in the traditions of the Public Service. What I would request is that you consider redaction.

Senator Payne: I have said we'll take it on notice.

Senator WONG: Thank you. I appreciate that, Minister. So Mr Barr's office responded requesting a meeting. The meeting occurred with Ambassador Hockey. Is that—

Mr Green: The meeting occurred—I just lost the last bit?

Senator WONG: I apologise. The attorney-general responded, a meeting was requested and the meeting occurred with Ambassador Hockey?

Mr Green: The meeting occurred with Ambassador Hockey.

Senator WONG: And whom?

Mr Green: With Ambassador Hockey and Mr Barr.

Senator WONG: I know. Sorry. Were there other DFAT officials present at the meeting?

Mr Green: I don't know the answer to that question. I'm sorry.

Senator WONG: Please don't get offended, Mr Green. He's a DFAT officer. It's a meeting with the Attorney-General of the United States. I'm entitled to ask, with respect, whether or not we have any record of other officials attending.

Senator Payne: We don't have that information here.

Ms Adamson: Can I help? I think that—to my knowledge, anyway—Ambassador Hockey met Attorney-General Barr on his own.

Senator WONG: Fine. Can you confirm that on notice? Do we have a readout of the meeting?

Ms Adamson: Yes, we do.

Senator WONG: What occurred in the meeting?

Senator Payne: These are matters which are the subject of an ongoing investigation in the United States, and it is a US investigation. I don't think it is—

Senator WONG: I don't intend, by that question, to ask—and I would have been surprised if this occurred—what the attorney-general asked about and who told what to whom when as part of the investigation. I just want to know: what was the subject matter of the meeting?

Senator Payne: The investigation.

Senator WONG: Was there a request in that meeting about certain information being provided by the Australian government to the inquiry?

Ms Adamson: If I could broadly characterise it—and this is really as far as I think I can go for the reasons that the minister has mentioned—Ambassador Hockey reiterated Australia's willingness to assist the inquiry where we were able to do so.
Senator WONG: In that meeting was there a request for particular information to be provided?

Ms Adamson: That is the point beyond which I can’t go.

Senator WONG: No, I am not asking what information; I’m asking if there was a request for information?

Ms Adamson: I know, Senator.

Senator WONG: So you're declining to answer that?

Ms Adamson: I am.

Senator WONG: Okay. Senator Graham, who chairs the Senate Committee on the Judiciary, wrote to the Prime Minister requesting Australia's continued cooperation with the investigation I think earlier this month? Yes? 2 October?

Mr Green: On 2 October.

Senator WONG: Can you explain why it was necessary for such a request to be made? It just seems odd, if we've already had—

Senator Payne: I'm not sure that we can go through—

Senator WONG: Let's not play games, then. Was the US unhappy with Australian government cooperation, or can you rule that out as a motivation for that letter?

Ms Adamson: I can rule that out.

Senator WONG: Thank you.

Senator Payne: W

CHAIR: It's nearly morning tea break.
Senator WONG: I just had to get that on the record. So the letter was approved by the department. Was it also approved by the minister's office? I'm now talking about Mr Hockey's letter to Senator Graham.

Mr Green: The foreign minister's office was a part of the consultation process. They were part of the emails which discussed the draft of the letter.

Ms Adamson: But you can be confident that Ambassador Hockey's letter was authorised by the Australian government and reflected the views of the government accurately.

Senator WONG: If that's the case, can someone explain to me why Senator Cormann declined to stand behind the actions of Mr Downer on Monday?

Ms Adamson: I'm not in a position to comment.

Senator Payne: Although I'm sure it would have been highly diverting, I was in other estimates myself when you and Senator Cormann were having this conversation.

Senator WONG: With respect, Minister, you ought to have been briefed. This is a pretty important issue, and you had the Leader of the Government in the Senate refusing to stand behind the actions of a former high commissioner.

Senator Payne: Senator, is it—

CHAIR: That's your interpretation.

Senator WONG: I'm happy for people to read the transcript. Sorry. I interrupted you.

CHAIR: Allow the minister to do that, and they can come back to you.

Senator WONG: I'm happy for her to do that.

Senator Payne: That's your interpretation, Senator, and I don't accept that interpretation.

Senator WONG: We will come back on it.

Senator Payne: The issues going to that matter have been discussed previously.

Senator WONG: The Prime Minister has confirmed that President Trump called him ahead of his visit to the US. Was DFAT involved in setting up that call?

Mr Green: No.

Senator WONG: Was DFAT—

Mr Green: No.

Senator WONG: Thank you. Were you aware of the call prior to it occurring?

Mr Green: No, I wasn't. I'm not aware that anyone in DFAT was aware.

Senator WONG: Mr Hayhurst, I think, gave evidence on Monday that he was aware of the call shortly—I don't want to misrepresent him—prior to it happening. I don't think it was a long time frame. In that time frame there was no contact of any DFAT officer?

Ms Adamson: I was travelling at the time, and not very far away. I think I was aware that there was a call expected from the President, but it was not with very much notice at all.

Senator WONG: By whom were you advised?

Ms Adamson: We have regular contact with Mr Hayhurst. It may possibly have been him, but also I could have heard from the Prime Minister's office. They obviously keep us well
informed about high-level interactions, both prospective and underway, with the Prime Minister.

**Senator WONG:** Was there any DFAT official on the call or taking any notes of the call?

**Ms Adamson:** No.

**Senator WONG:** Have you seen any notes prepared by any other officer from PM&C or a member of the Prime Minister's staff?

**Ms Adamson:** Yes, I have.

**Senator WONG:** Who took those notes?

**Ms Adamson:** As has been explained to you by Mr Hayhurst, sometimes calls between leaders are set up at short notice. There's not always a departmental note taker present. Where that is the case, as it was on this occasion, the Prime Minister's office is always quick to advise us of any action points emerging or any elements of the conversation which relate to our responsibilities, and that was the case in this instance also.

**Senator WONG:** A note or a readout of the call was provided to you, which had been prepared by the PMO?

**Ms Adamson:** It was.

**Senator WONG:** Was that provided directly by the foreign minister's office or via PM&C?

**Ms Adamson:** I think all relevant parties were included in the first instance. I was telephoned with a very brief readout of the call, as much as it related to DFAT. I subsequently received, as I would always expect to, a very brief written account of that, confirming the phone call effectively.

**CHAIR:** Senator Wong, how much longer on this?

**Senator WONG:** Quite a bit, so I'm happy to hold.

**CHAIR:** We will stand adjourned until 10.45. We will return with a very brief bracket from Senator Stoker and then back to Senator Wong.

---

**Proceedings suspended from 10:30 to 10:45**

**CHAIR:** The committee is resumed. I hand questioning to Senator Stoker.

**Senator STOKER:** Thank you, Chair. Good morning, Secretary.

**Ms Adamson:** Good morning, Senator.

**Senator STOKER:** I have some questions about the internal management of resources. What is the appropriate approach for managing changes of government from within the department?

**Ms Adamson:** Can you help me a bit? I can talk, obviously, about the caretaker period and how we prepare briefs and those sorts of things.

**Senator STOKER:** In caretaker period, how do you go about preparing for the period post election?

**Ms Adamson:** Of course, the first thing to say about the caretaker period is that we are meticulous in observing the caretaker conventions. There is a body of work around those conventions. We typically deal with a large number of inquiries in the course of an election
campaign in accordance with those conventions. That's part of the department's work. We also, of course, as all departments do, have teams preparing policy advice for our incoming government. Naturally, as an impartial apolitical public service, we prepare advice for any conceivable election outcome.

Senator STOKER: With that in mind, is it normal practice to, during the caretaker period, create email addresses or IT user accounts for people who are at that time shadow ministers and their staff?

Ms Adamson: As I say, we prepare hard copy incoming government briefs. We also prepare soft copy incoming government briefs. The reality—and I know exactly where you're going—in relation to soft copy briefs is that the system that PM&C use is to enable soft copy briefs to be prepared of the red and blue variety; Ms McCourt can go to more detail if you're interested in that. Broadly, in the Department of Foreign Affairs and Trade, they can only be delivered, if you like, to an incoming minister through the creation of an email account, which is not a normal email account. It's what you would call a shell email account. So, in the modern era, the 21st century, we wouldn't just produce hard copy red and blue books; we would also produce soft copy red and blue books. Ahead of each election, we would need to create an email account for an incoming minister and potentially a staffer to enable them to receive the soft copy of the brief. I should emphasise, though, that when that is done, and it was done on this occasion, it is not an active email address. It is done entirely at the initiative of the department. It reflects an impartial public service ready to serve whatever government should be elected on polling day.

Senator STOKER: I find that interesting.Given the uncertainty of election outcomes, the time it can often take to get to the point where we have a declared result and the fact that you've always got the prospect of reshuffles taking place post election, I would have thought it would be the most appropriate use of public resources to wait until the outcome of an election is clear before you move out of a holding pattern, for want of a better word, and into preparation for the post election era.

Ms Adamson: Let me assure you that there are no additional resources required to be ready for any incoming government. This is a function of our human resources management information system. If you like, our chief information officer can talk to that in more detail. The creation of a shell email account requires 48 hours. So you will appreciate that this is in order to be ready as an impartial public service for an election result which could go either way. That is the nature of our system; we don't know the outcome until people vote and the votes are counted. We needed to be ready on the Sunday to provide an incoming government brief to a returning coalition minister, Senator Payne, or a then opposition minister from an elected Labor government. The 48-hour timeframe to create these accounts obliged us to do that on the Friday evening, which we did.

Senator STOKER: What obliged you to? Can you clarify that?

Ms Adamson: The 48-hour timeframe is to create a shell email account to enable a soft copy brief to be delivered on the Digital First System, which PM&C recommended all departments use. I want to assure you, Senator, that there's nothing unusual about what we did. Should there have been a Labor government elected, we would have done exactly the same for a potential incoming foreign minister. Incoming ministers typically want to access their briefs at the earliest possible moment. That can be as soon as Sunday morning.
Senator STOKER: Did you do the same for the election prior?

Ms Adamson: The Digital First platform was not available the election prior. This was the first year it was available. We would do the same next time.

Senator STOKER: I've had a look at the guidelines on caretaker conventions. Nothing in there says anything about allocating IT infrastructure or, indeed any other office infrastructure, to set up shell offices for all of the potential people who might end up being a minister post an election. Can you tell me again where that obligation for you to do this comes from?

Ms Adamson: We are a forward leaning department. We want to be ready for any incoming minister. There's no resources question here at all. It costs nothing to be ready. We wanted to be ready for any potential outcome, which is what we do as an impartial public service. This sort of thing happens across the service. It so happens particularly that DFAT's system for creating email accounts of the variety that we needed to deliver this product requires 48 hours.

Senator STOKER: I take it from your evidence so far that you concede that DFAT did set up email addresses and profiles.

Ms Adamson: I don't need to concede it. We did it.

Senator STOKER: Then it is a fact.

Ms Adamson: It is not a concession. It is a fact.

Senator STOKER: Just to be clear, because I'm not sure that the people listening from home necessarily understand, what we are talking about is the creation of an IT profile and email addresses for—

Ms Adamson: It is not an IT profile. It is simply a shell email account not activated. It was never activated. It would only have been activated in the case of a change of government. I want to be absolutely explicit that DFAT, as a department of impartial public servants, had no view on what the election outcome would be. We simply wanted to be ready, as we always will be and always are, for any outcome that the Australian people's votes might produce.

Senator STOKER: On what date were those email addresses set up?

Ms Adamson: Late evening on the eve of the election—Friday, 17 May.

Senator STOKER: Who prompted the creation of those email addresses and accounts? Who asked for them to be created?

Ms Adamson: They were created at the initiative of my incoming government brief team. It had a discussion with me in the evening about what they had done and explained to me why it was necessary that evening to be prepared. Of course, because Senator Payne has an existing email address—let me be explicit about this— we were also absolutely ready for the re-election of a coalition government. We had put as much effort into our policy development and thinking for the re-election of a coalition government.

Senator STOKER: Did the email profile set up for Senator Wong describing her as the minister affect the way that that email address interacted with any of your other systems?

Ms Adamson: I am not sure that I understand the technical nature of your question. Perhaps this is the time for me to call on our chief information officer.
Mr Spackman: If I understand your question correctly, are you asking whether that email address affected any other systems or interact with anything else on the DFAT network?

Senator STOKER: Particularly because it had been allocated a title that had already been allocated to somebody else.

Mr Spackman: No, it did not. As the secretary has mentioned, this was a mechanism to activate the Digital First platform so that we could deliver incoming briefs in a digital format. It had no real interaction with any other system or capability. You couldn't send to that email and nor could you send from that email address.

Senator STOKER: So it was the incoming government team, you said, Ms Adamson?—

Ms Adamson: That's correct.

Senator STOKER: That requested these email addresses.

Ms Adamson: Their job is to ensure in all respects the provision of the briefing, IT systems, offices and all the rest of it. They think through all the steps that will be needed for a returning minister, a different minister in a coalition government or a new minister in a Labor government, should that have been the case. Their job is to prepare for all eventualities. Obviously it is a very small team. Information on this was very tightly held. But the judgement was made that in order to be equally ready to serve an elected government, whatever its complexion, this was something that we needed to do.

Senator STOKER: Were other preparations made for an incoming Labor government? Were briefings planned? Were offices set aside? Was hardware put aside?

Ms Adamson: We were prepared for, as we need to be, a re-elected coalition government or a newly elected Labor government. We were equally prepared in both respects.

Senator STOKER: That doesn't tell me about resources. What resources had been put aside in preparation for a change of government?

Ms Adamson: Could you be a bit more specific, Senator?

Senator STOKER: Sure. Was IT hardware allocated and set up? Were briefings scheduled? Were meetings planned?

Ms Adamson: We always have a schedule of things that we would do with an incoming government.

Senator STOKER: What are they?

Ms Adamson: We had IT equipment ready for a returning or a change of government. You have to understand that if on the Sunday you have a new minister—this is the case across the Public Service—they need phones and they need IT equipment. In this instance, we limited it, obviously, to an incoming minister and a potential chief of staff or adviser. But we were ready to go, as we always need to be, for a larger set-up if there had been a change. I don't think any Australian government would expect differently from their departments.

Senator STOKER: A degree of preparation makes sense. It's just interesting that, rather than leaving a title blank or putting even a shadow minister in as a temporary placeholder, the title 'minister' was used. Without getting hung up on that, let me ask this: was there any request made from shadow minister Wong's office for those provisions to be set up?

Ms Adamson: No.
Senator STOKER: Was any request made from members of her team?
Ms Adamson: No.

Senator STOKER: The Labor transition to government team?
Ms Adamson: I had no contact with the Labor transition to government team.

Senator STOKER: Was it requested by the then Leader of the Opposition?
Ms Adamson: I had no contact with the then Leader of the Opposition.

Senator STOKER: In conclusion, it's your evidence that what I would suggest is the unusual step of using public resources to set up the early infrastructure of office for a person you did not know would be either elected or in this portfolio or somewhere else was a step taken without a request being made from that person for you to do so?

Ms Adamson: With the greatest of respect, could I please again set aside the idea that public resources were inappropriately used. The Public Service takes very seriously its impartiality and the need to serve an elected Australian government of the day. We make preparations to do that. Of course we need to do preparation. We need to undertake preparations to do that. I would always rather that we be criticised for being forward leaning than on the back foot.

Senator STOKER: Sure. I am simply concerned with the perception that it might have been a reflection of partiality rather than impartiality.

Ms Adamson: I can assure you, Senator, that there was no sense whatsoever of partiality. As much effort, as I've said, went into the preparation of the policy and practical content for both briefs. That is a function of our system. It would be something that I hope the department would always be forward leaning on.

Senator STOKER: Thank you, Secretary. I appreciate it.

Senator WONG: First, on that: in the absence of the minister doing so, I just want to say that this department and this secretary have a very fine reputation for political impartiality. Many of the officers, including the secretary, have served governments of both political persuasions and Prime Ministers of both political persuasions. They reflect that in the way they behave.

Senator STOKER: That is very reassuring.

CHAIR: Do you have questions?

Senator WONG: Yes, I do. I hope that the minister would join me in making such remarks.

Senator Payne: My views are very clear on this matter, Senator. I have never doubted the department.

Senator WONG: Thank you. Some of your backbenchers appear to be prepared to question that.

CHAIR: Enough of that, please, Senator Wong.

Senator WONG: It should not have been allowed. We were discussing the call between the President of the United States and the Prime Minister. I think you told me, Secretary, that there was a readout from the call provider by the PMO staffer. I'm assuming that readout is in a written form.
Ms Adamson: It was a very brief email setting out the elements of the call in which we had an interest.

Senator WONG: Can you provide a copy of that email, please?

Ms Adamson: I can't provide a copy of an email, but I can tell you what the content was.

Senator WONG: Thank you.

Ms Adamson: The content went to the fact that President Trump spoke with the Prime Minister. He wanted to continue the discussion that Ambassador Hockey and Attorney-General Barr had commenced, as Mr Green has outlined. He was seeking the Prime Minister's advice on who would be an appropriate person for the Attorney-General to continue that conversation with.

Senator WONG: Anything further?

Ms Adamson: No. That's the—

Senator WONG: Was there a discussion about the coming state visit?

Mr Green: As I understand, that was the other topic of conversation.

Senator WONG: Do you understand that from the readout or from the Prime Minister's public statements?

Mr Green: I understand it from public statements.

Senator WONG: So the readout that you described didn't include the state visit, as far as you can recall?

Ms Adamson: The readout was focused on the issue that I've just mentioned. There was certainly no readout on the state visit in what the Prime Minister's office debriefed me on over the phone. The focus was on action points for DFAT. This was an action point.

Senator WONG: What was the action point?

Ms Adamson: The action point was, firstly, to let us know that the discussion had taken place. As I said before, it was understood that there would be a telephone conversation, that the call had taken place and that the President had made a request for a person who could continue the conversation that had been started by Ambassador Hockey with Attorney-General Barr. Ambassador Hockey was away at the time, so it was natural, in a way, that the President should ask this.

Senator WONG: That is the first time I've had an explanation as to why it took a call from the President of the United States to get a contact.

Senator Payne: It is the choice of the United States.

Senator WONG: That is a fair answer, Minister, but it is a pretty unusual thing. Just because an ambassador goes on leave doesn't mean that the whole apparatus of the United States government can't interact with the apparatus of the Australian government to work out who a contact is. Correct?

Ms Adamson: To be perfectly honest, I didn't find it surprising.

Senator WONG: Okay. You acted on that?

Ms Adamson: I did act on that.

Senator WONG: What did you do?
Ms Adamson: When I say 'act'—yes, you asked me whether I acted.

Senator WONG: What was executed as a consequence?

Ms Adamson: Let me tell you what happened as a result of that conversation. I think there was a conversation, as I understand it, between the Prime Minister's office and the foreign minister's office about how to best meet the President's perfectly reasonable request, bearing in mind that we have always been willing to be as helpful as we can to assist the inquiry. I was advised that there had been a discussion and agreement on how we should move forward.

Senator WONG: What was the agreement?

Ms Adamson: Well, the request of me was whether I would be willing to meet Attorney-General Barr to continue that conversation. Of course, I said I would be willing. As it happened, I was going to be accompanying the Prime Minister on his state visit to Washington, so it was a relatively straightforward thing. I was a logical choice, I suspect, for that reason.

Senator WONG: Sure. So it was agreed between the FM and the Prime Minister or the foreign minister's office and the Prime Minister's office that the relevant point of contact for the Australian government would be the secretary of foreign affairs? Is that—

Senator Payne: Between the officers.

Senator WONG: Between the officers; not minister to minister?

Senator Payne: Not at that stage.

Senator WONG: I am a little bemused why, when I asked that of PM&C, that was not disclosed. It's hardly a secret that the secretary of DFAT is the contact.

Ms Adamson: Well, I'm not sure that it has been widely known. Obviously, we're engaging with an inquiry. There are sensitive elements about that.

Senator WONG: Sure.

Ms Adamson: That information has been appropriately managed within the department, which essentially has meant a relatively small number of colleagues have worked with the embassy, with the foreign minister's office and the Prime Minister's office. People with a need to know have known, but it's not necessarily been known more widely.

Senator WONG: Okay. I think there is some logic to it. Are you able to tell us anything as to why it didn't remain with Mr Hockey? He was previously the contact for one engagement.

Ms Adamson: I think it was simply that he was not there at the time. But he has been actively engaged otherwise in representing the interests of the Australian government, as I mentioned before the break.

Senator WONG: You are the official point of contact for the Barr investigation?

Ms Adamson: I would not describe myself in those terms.

Senator WONG: How do you want me to describe you?

Ms Adamson: As secretary of the department, I was asked if I would be willing to meet Attorney-General Barr—of course I said I would—to continue the conversation and our assistance to the inquiry. But, in point of fact, Ambassador Hockey is what I would call the
point of contact for the Barr inquiry. He is managing this, as I would expect a senior ambassador to do, on any issue which is of interest to leaders in the bilateral relationship.

**Senator WONG:** On how many occasions have you met with Attorney-General Barr?

**Ms Adamson:** One.

**Senator WONG:** When was that?

**Ms Adamson:** That was on 21 September.

**Senator WONG:** Have you met with any other person engaged in Attorney-General Barr's inquiry other than the Attorney-General?

**Ms Adamson:** Yes. John Durham accompanied Attorney-General Barr to the meeting that I attended on the 21st, as did Ambassador Hockey.

**Senator WONG:** Mr Durham is?

**Mr Larsen:** John Durham is the US Connecticut attorney who has been appointed by Attorney-General Barr to undertake elements of the inquiry.

**Senator WONG:** Apart from that meeting, Secretary, have you met with any personnel engaged in the Barr investigation?

**Ms Adamson:** What kind of personnel? Are you talking about Americans?

**Senator WONG:** Yes.

**Ms Adamson:** No.

**Senator WONG:** Did a team set up here to handle our engagement for the request?

**Ms Adamson:** We always work as a team.

**Senator WONG:** Of course. I walked into that. People at the table?

**Ms Adamson:** Mr Green, as head of the division, and Mr Larsen, as chief legal officer.

**Senator WONG:** Any requests for assistance and the detail of those are dealt with initially by DFAT?

**Ms Adamson:** Typically because the embassy is the point of contact. The ambassador is the point of contact. They are normally the ones first to be engaged. They deal principally with Mr Green.

**Senator WONG:** Has Mr Hockey met again with Mr Barr other than the two occasions about which there has been evidence this morning?

**Ms Adamson:** We need to be a bit careful about answering that question simply because the Attorney-General is a member of the cabinet. He was there during the state visit. The ambassador regularly receives members of cabinet.

**Senator WONG:** I mean more in relation to the request for assistance.

**Mr Green:** I don't believe so.

**Senator WONG:** And have other Australian officials met with the Attorney-General, Mr Durham or other US officials working on the Barr inquiry?

**Mr Green:** They have.

**Senator WONG:** Who has met with whom?
Mr Green: The deputy ambassador has met with Mr Durham. I would have to check whether she has met with other officials as well.

Mr Larsen: I can confirm that I've also met with Mr Durham.

Senator WONG: In relation to requests for assistance?

Mr Larsen: In relation to the inquiry.

Senator WONG: The Prime Minister gave an interview with Mr Speers on 2 October about this matter. He was asked on a number of occasions whether or not the Australian government would provide diplomatic cables to the US. It is my interpretation that he avoided the question. I'm going to ask the question: have we been requested to provide any diplomatic cables as part of this investigation?

Mr Larsen: I make the observation that this is obviously an inquiry being undertaken by the Attorney-General of the United States.

Senator WONG: This is about Australian information.

Mr Larsen: I understand.

Senator WONG: If you don't want to answer it, you need to tell me why.

Mr Larsen: I am seeking to do that.

Senator WONG: You are making an exception.

Mr Larsen: It is an inquiry being undertaken by the United States Attorney-General. In our view, it would be prejudicial potentially not only to the nature of that inquiry being undertaken by the United States Attorney-General but also to the relationship between the United States and Australia, given the confidentiality expectations that the United States would have.

Senator WONG: That's all right. So, Secretary, you're declining to answer that question?

Ms Adamson: Mr Larsen has answered the question.

Senator WONG: DFAT is declining to answer my question about whether we've been requested to provide information.

Ms Adamson: Senator, we're trying to give you as much information as we can.

Senator WONG: I'm not going to have an argument about it. I want to be clear that that is what is happening. The Prime Minister also said that these were matters that are being dealt with by officials at this stage. He also indicated that nothing at that point—this is a couple of weeks ago—had come to him in terms of a decision as to information that might need to be cleared. I actually want to understand the decision-making process. I understand you have declined to answer whether or not cables have been requested. I assume that you will give a similar answer if I ask a question about what other information has been requested. Am I correct?

Ms Adamson: Yes.

Mr Green: Yes.

Senator WONG: I want to know who makes those decisions. If a request via this process comes to the Australian government about the provision of particular information, who is the decision-maker in relation to that? Is it Mr Larsen, Mr Green or the secretary? In what
circumstances is it escalated, for want of a better word, to ministers? Do you understand the
question?

Ms Adamson: I do understand the question. Let me try to be as helpful as I can. The
Prime Minister has indicated publicly but also to the President—this is absolutely consistent
with Ambassador Hockey's initial letter and what the minister said publicly in May—that we
would be as helpful as we could be in assisting the inquiry. So that's a given, if you like. We
are working broadly to that instruction. At a lower level, there are obviously ways in which
we normally do things. As the Prime Minister said, of course we wouldn't do anything that
would be in conflict with Australia's national interest. He expressed some confidence in our
experience of dealing with these things. That is also in play. When it comes to specific
requests, I think I can say—and I've tried to indicate in what I've said so far today—that the
department, the minister's office, the Prime Minister's office and the embassy in Washington
are all working closely in a way that is designed to give effect to both of those things—the
way we normally do things, the protection of our interests and, at the same time, the desire
that we assist the Barr inquiry. I would say that that assistance also goes to our national
interest.

Senator Wong: I am sorry, but I don't really understand that answer. So who determines
it is in the national interest? If there are, for example, cables or other information that is
sensitive—and you've declined to answer this—would that be you or the minister or would it
be escalated even further up the system? Whatever one's view about this, this is obviously an
inquiry within a nation with whom we have a long, deep and historic connection. It is also an
inquiry which is controversial domestically. So there are a series of questions the government
will need to navigate. I want to get some sense around who makes the decision as to our
national interest in circumstances where those matters need to be balanced.

Senator Payne: I appreciate the points that Mr Larsen and the secretary have made. I
would say that it would depend entirely on the request at the time and the issues that may be
raised by the request. So it may involve officials. It may involve the senior leadership of the
government—the Prime Minister and myself—on these matters. You would expect that to be
the case.

Senator Wong: So has anything come to you for decision as a request for information?
Have you as minister had to make a decision and determine whether it is in Australia's
national interest to release it in relation to this inquiry?

Senator Payne: The entire engagement has to be viewed—

Senator Wong: No; I am asking if you have made a decision about the release of
information to the US.

Senator Payne: Well, I'm not going to comment on the release of material, as I normally
would not.

Senator Wong: I'm not actually asking what material. You've told me that everyone
should be calm because people will ensure the national interest is observed. I'm just asking
you, as minister, whether anything has come to you for decision in terms of information to be
released or not?

Senator Payne: They're your words. I said that requests would be considered on their own
intrinsic aspects and any issues that were raised within them. I am not going to provide—and
I don't think it's appropriate to provide, for the reasons that Mr Larsen has outlined, and with which I agree completely—a running commentary on discussions with the United States on these matters. I don't think that helps—again, for the reasons Mr Larsen outlined. But, absolutely, the government and the most senior officials of the Department of Foreign Affairs and Trade and, where required, I presume, the Department of Prime Minister and Cabinet will deal with these matters on their merits on every occasion.

**Senator Wong:** Is the Australian government providing any support to Mr Downer in relation to this investigation?

**Mr Larsen:** If I may say, our very strong view is the nature and substance of—

**Senator Wong:** I am asking about resources. Is he being provided with legal advice and support for legal costs? That is entirely reasonable.

**Mr Larsen:** If we answer the question concerning whether a particular individual has received support—

**Senator Wong:** Oh, come on!

**Mr Larsen:** in relation to the inquiry, that goes to the question of whether or not—

**Senator Wong:** Oh, come on!

**Mr Larsen:** He is actually—

**Senator Wong:** Really?

**Mr Larsen:** It does, Senator, yes.

**Senator Wong:** He is clearly a person of interest. He has been spoken about by Senator Graham. It's been written about in the United States. I have been very sensible and reasonable about not contesting what is effectively a PII claim. I am entitled to ask whether any taxpayers' money is being used to assist Mr Downer in relation to this matter.

**Mr Larsen:** In my view, Senator—

**Senator Wong:** Well, I don't accept it. So we're going to have the committee consider it. I'm simply asking that. You might want to consider that. Maybe we will come back to it.

**Mr Larsen:** I will take that on notice.

**Senator Wong:** You have raised the PII claim. You are not demurring from it, so we'll have to have the committee discuss it. I am simply asking—

**Chair:** Well, he is now taking it on notice, as I understand it.

**Senator Wong:** Why is that a secret? It's public money. That's what these estimates are about. There are a series of questions I will now ask about Mr Downer. I anticipate that the secretary or you will say, 'Well, we can't.' But, really, you are refusing to answer a senator's question in estimates about whether public money has been spent or is being spent in relation to a former high commissioner and a former foreign minister.

**Mr Larsen:** I have indicated that I will take that question on notice.

**Senator Patrick:** I raise a point of order. There is a guide to witnesses in respect of taking points on notice. Whilst it is appropriate to take questions on notice if the information sought is not available or incomplete, officials should not take questions on notice as a way of avoiding further questions during the hearing.
CHAIR: And I don't think he's not.

Senator Payne: Chair, you are ruling. I was just going to add to the point of order.

CHAIR: As I understand it, where there are sensitive issues or officials want to give more thought in relation to a particular answer, the common practice has been to take it on notice so that a full, considered answer can be provided.

Senator PATRICK: Can he take it on notice to go to the minister? The minister is sitting at the table.

CHAIR: But the minister and others might seek to take advice in relation to the appropriateness or other factors.

Senator WONG: Can I just say that is overly secretive. I understand the sensitivity.

CHAIR: That is, with respect, editorialising. Is there going to be a question?

Senator WONG: I am pressing the question about whether any decision has been made to provide financial or legal assistance to Mr Downer. I have accepted a number of occasions at the table where people have said they don't want to answer questions about timelines, content, whether cables have been asked for and what decisions have been made. I understand the sensitivity. But it is unreasonable for the department and the minister to be drawing a line as to whether or not public moneys are being spent to assist Mr Downer.

Senator Payne: Senator, to be very clear, we are dealing with an active investigation in the United States.

Senator WONG: Sure. Thank you for that. No-one understood that. Really, it's not an answer to the question, Marise.

CHAIR: Minister.

Senator WONG: Minister, sorry.

Senator Payne: Feel free, Penny. The nature, though, of the matter that we are discussing is unique. You and I have been sitting across these tables for a very long time. We are currently discussing an active legal process and investigation in the United States. To be pursuing these aspects of such an inquiry, as Mr Larsen has set out, does have the potential to either influence or prejudice—perhaps that is a better word—that process.

Senator WONG: It doesn't.

Senator Payne: Senator, it goes to—

Senator WONG: How?

Senator Payne: It does, Senator.

Senator WONG: How does the issue of whether or not public money is being spent to provide assistance to Mr Downer go to the content of the inquiry? We are entitled to do that.

Senator Payne: You are.

Senator WONG: No; the Australian government is entitled to make a decision about requests for legal assistance for people who have been ambassadors or, in this case, high commissioners. They are entitled to do that. Whether or not some others might feel sensitive about that, that is entirely a matter for the Australian government. It should be asked—

Senator Payne: That in and of itself is not the sensitivity; the inquiry is the sensitivity.
Senator WONG: I will have to have a discussion about this—I don't want to delay this anymore—with the committee afterwards in the break, if we can, Chair. I will give you an opportunity to deal with this given its sensitivity. You are declining to tell us anything about what information has been requested. By my count, we've had at least four meetings with US officials about the investigation. How many have there actually been? We've got one with the secretary. Was it two with Mr Larsen and one with Mr Hockey? How many meetings have there been with US officials regarding the investigation?

Senator Payne: I think we indicated, Senator, the ones that were referred to.

Senator WONG: We've had four in evidence so far. I'm trying to work out if it's 10 or 20.

Mr Green: If I can have a few minutes to get the answer for you—

Senator WONG: Sure. I'll breathe.

Mr Green: I am very happy to do that. Do you want it right now?

Mr Larsen: It might be a good idea if we take that on notice to make sure we have an accurate answer for you.

Senator WONG: Is that going to be later? If it's taken on notice to avoid the question again, Mr Larsen, I am not inclined to agree to that.

Mr Larsen: I am very confident that I can give you an answer later today, Senator.

Senator WONG: Thank you. I invite the secretary and the minister to consider this. We have a number of meetings. A public impression might be created as a consequence of the answers and the people refusing to answer questions about what has been requested and what has been provided. Is there anything you might wish to say to ensure that there is some public perception about how this is being handled? There is a risk that the perception is that there is a lot of information that has been asked for and provided and the government doesn't want to tell people about it.

Senator Payne: I think that is an unfair characterisation. The nature of the discussion that has been had here this morning, which goes to meetings held thus far, including with my secretary and the ambassador and his deputy, goes to those events themselves. Any further information at this point—and not at all a disinclination to provide information in the general—given the time at which the investigation currently stands in the United States, is not something that we are able to do. We do not want to be in the position of prejudicing the investigation in any way. We will not do that in Australia and we will not do that in relation to an international matter such as this. So we would be equally careful were your inquiries going to a matter which was being examined in Australia and was at the stage that this investigation currently is in the United States. We are able to provide information on process, as the secretary has.

Senator WONG: Except you're not.

Senator Payne: And Mr Larsen has. Mr Green has.

Senator WONG: On some issues you're not.

Senator Payne: On the process where we can, yes.
Senator WONG: What is the process? You won't tell me who is approving any disclosure of information because you are talking in the hypothetical. You won't tell me whether Mr Downer is being supported.

Senator Payne: No. That's not correct.

Senator WONG: At this stage, I'm waiting for how many meetings there have been. You won't tell us whether any information has been requested. I don't know what process you think—

Senator Payne: I don't agree that that is correct. I believe that I said, in relation to decisions around materials about which you asked, that those decisions would be made across the government based on each request. So they may be matters which can be dealt with by officials. They may be matters which require elevation to leadership of the government—the Prime Minister or me. They will be dealt with on each request, if a request hypothetically, as you say, were to be made.

Senator WONG: Have decisions been made such as you reference in relation to requests for information?

Senator Payne: I said that I would not go into the specifics of matters that pertain—

Senator WONG: I didn't ask you what information; I just asked whether a decision has been made.

Senator Payne: to the investigative process.

Senator WONG: This is the difficulty. I think I've been quite reasonable. I'm not asking any longer about what the information requested is. I'm just actually asking you whether you've made any decision about any information requested. You wouldn't even answer that.

Senator Payne: I'm not suggesting that you're being unreasonable.

Senator WONG: Well, you are not answering that.

Senator Payne: Our approach is to cooperate in accordance with Australia's national interest. You would expect that to be the case. We make those decisions on a case-by-case basis using judgement grounded in Australia's national interest.

CHAIR: The chair wants me to finish up, so I'm trying to. Mr Green, are you ready, or shall I just go quickly to something else while you keep—

Mr Green: I'm not ready yet, Senator.

Senator WONG: Minister, have you discussed this investigation with Mr Downer?

Senator Payne: No.

Senator WONG: Has the Prime Minister?

Senator Payne: Not to my knowledge.

Senator WONG: Secretary, have you?

Ms Adamson: Yes.

Senator WONG: The Wall Street Journal references—it may well have been written elsewhere—a suggestion that Mr Downer decided to convey the information, following his meeting with Mr Papadopoulos, to the US embassy in London. I'm not in any position to
verify that. If information were received from a head of mission, would the usual practice be that you would ensure that information was provided back to Canberra? Correct?

Ms Adamson: You mean information received from a head of mission?

Senator WONG: Did Mr Downer approach US officials in London about the information he had received, or did he simply provide that information back to Canberra? This is on the public record.

Mr Green: I think that question goes to the inquiry that is currently ongoing into very specific matters.

Senator WONG: I would like to know what would be the usual practice. If a head of mission receives sensitive information, what would your expectation be? Would your expectation be that they provide that information to Canberra?

Ms Adamson: Yes.

Senator WONG: Would your expectation be that they provide that information to another country?

Ms Adamson: That would depend very much on the circumstances. I can envisage situations where that would be entirely appropriate. Our senior heads of mission make judgements—I am speaking in the very general sense, not specifically to any single head of mission—which typically I would back because we work with them. We also trust them to act in our interests. That is a very general point, as I say.

Senator WONG: Sure. Would permission or consultation generally be required to provide information to another country?

Ms Adamson: Again, it's very hard to say.

Senator WONG: Sure.

Ms Adamson: It would depend on what we're talking about.

Senator WONG: Did Mr Downer seek permission from DFAT Canberra to provide information to US officials in London?

Mr Larsen: I think that goes to the nature and substance of the current inquiry.

Senator WONG: So you don't want to answer it?

Mr Larsen: Correct.

Senator WONG: I've asked this question, and I will ask it again of the minister or the secretary: does the Australian government stand by all of Mr Downer's actions in relation to this matter?

Senator Payne: Yes.

CHAIR: Senator Fierravanti-Wells has a couple of follow-up questions. Then we'll go to Senator Patrick.

Senator FIERRAVANTI-WELLS: In the context of what Mr Larsen has said, it's a matter for the public record that the Obama administration—whether you agree or disagree, this is what appears to be on the public record—placed a request with Australia to conduct the activities of Mr Downer interviewing Mr Papadopoulos. Is it part of the inquiry who in the
Australian government would have authorised that meeting between Mr Downer and Mr Papadopoulos?

**Mr Larsen:** I am terribly sorry, Senator, but I'm not sure I understood the preamble of the comments in your question.

**Senator FIERRAVANTI-WELLS:** You've indicated, Mr Larsen, that there is this inquiry. Do I take it that this inquiry will cover whether the Obama administration placed a request with Australia to conduct the activity which Mr Downer ultimately conducted?

**Mr Larsen:** The stated premise of the inquiry being undertaken by the US Attorney-General is to look into the origins of the FBI inquiry process, including the Mueller investigation.

**Senator FIERRAVANTI-WELLS:** Mr Larsen, my point is this: as part of the ambit of the matters that you are not able to discuss or disclose to this committee, I would assume that that request to Australia would be covered. If there were such a request, that request would be covered by the ambit of the assistance that you are going to give to the United States.

**Mr Green:** I think we would prefer not to speculate or hypothecate about what the DAG inquiry may or may not look into.

**Senator FIERRAVANTI-WELLS:** So to ask the question that Senator Wong asked in another way, would somebody have authorised Mr Downer to meet with Mr Papadopoulos? Would somebody in the Australian government had to have given him authority to meet with Mr Papadopoulos?

**Ms Adamson:** Can I assist by saying that our embassies overseas have a very broad remit to engage with interlocutors in their countries of accreditation. They need no approval from us. I'm speaking in a very general sense, you understand. If you want us to go more specifically, I will need to ask Mr Larsen to give you the kind of answer that he has been giving so far. But, in general, heads of mission and diplomatic staff overseas do not seek, and do not need to seek, permission to meet people in their countries of accreditation.

**Senator FIERRAVANTI-WELLS:** Are you saying, Ms Adamson, that Mr Downer sought authorisation or didn't or it was in the broad remit of what he was doing?

**Ms Adamson:** I am just saying that staff overseas do not need to seek authorisation to meet people.

**Senator FIERRAVANTI-WELLS:** But that doesn't mean that he didn't seek authorisation in this case?

**Ms Adamson:** It doesn't mean that he did and it doesn't mean that he didn't. So I'm giving you a general sense that there is no need—

**Senator FIERRAVANTI-WELLS:** But you're not in a position to say either way?

**Ms Adamson:** No.

**Senator FIERRAVANTI-WELLS:** Because you don't know or because you don't wish to?

**Mr Larsen:** If I may say, it goes to the substance and nature of the matters currently under investigation within the United States. I guess if we get into the business of identifying things that aren't and things that are, by inference, we then reveal the essence of the investigation. I
think we are strongly of the view that we owe confidentiality to the United States in relation to this matter.

**Senator FIERRAVANTI-WELLS:** Assuming that there were cable requests from the United States, who would have given the authority or the tasking of Mr Downer to proceed?

**Mr Larsen:** Again, I think those issues go to the nature and substance of the inquiry. We feel a strong obligation to respect the confidentiality of both that inquiry process from the perspective of the relationship with the United States but also the inquiry process itself. Obviously, there's a potential prejudice for the interests of individuals who might be affected by the inquiry. I might not directly answer that question.

**Senator FIERRAVANTI-WELLS:** Thank you, Mr Larsen.

**Senator PATRICK:** I have some questions in relation to Mr Assange.

**Senator WONG:** Before Mr Green leaves the table, I wonder whether he would give me the numbers.

**Mr Green:** I have just asked my staff to check and then I'll come back to you.

**Senator WONG:** I just didn't want you to think I'd forgotten.

**Senator Payne:** We would never think that.

**Senator PATRICK:** Mr Todd, Mr Scott Morrison said that the legal processes relating to Australian publisher Julian Assange should run their course and he believed that Mr Assange should face the music. Can the department clarify what was meant by 'the process for extradition to the United States running its course'?

**Mr Todd:** Mr Assange is subject to a wide-ranging judicial process in the United Kingdom under United Kingdom law that relates to extradition to another country. It is a detailed and complex process of which Mr Assange has been provided with legal representation to enable him to undertake that particular process. The exact dimensions of extradition law in the United Kingdom is a complex matter. We would be able to provide you with a very broad overview. Mr Larsen would be able to assist with that. But the sense is that there is a legal process afoot in the United Kingdom.

**Senator PATRICK:** Thank you. On notice, I would be grateful for an overview of that process. Can you clarify what was meant by Mr Assange 'facing the music'. What did that mean?

**Mr Todd:** They were the Prime Minister's words.

**Senator PATRICK:** Minister, do you have any idea what he meant by that?

**Senator Payne:** I did not hear the interview. As you note, it is a familiar turn of phrase which means going through due process.

**Senator PATRICK:** Does the government acknowledge that there are unusual and extraordinary aspects to Mr Assange's circumstances as a journalist and publisher facing prosecution for espionage? Are there wider principles involved here that require consideration?

**Mr Todd:** Our view is that Mr Assange is facing a legal process in the United Kingdom and he has access to due protection at law. We have assurances from the United Kingdom that
due process would be put into place. Our view is that he is an Australian citizen facing a legal process in another country.

**Senator PATRICK:** So no trigger has been reached in the context that he is a journalist and in the context of media freedom and the ability for a journalist to report freely?

**Mr Todd:** That is not a consideration that we make about the provision of support assistance or advice to an Australian citizen who might be facing legal process in another country.

**Senator PATRICK:** To confirm, you basically don't view his circumstances any differently to any other Australian citizen who is subject to prosecution in a foreign country?

**Mr Todd:** Our view is that Mr Assange is facing a legal process in the United Kingdom which has a well-established process of law. He has access to a significant amount of legal advice to assist him in that process.

**Senator PATRICK:** Just to clarify, the government's position is that there are no issues of media freedom involved or being considered in respect of a response from the Australian government to either the UK or the United States?

**Mr Todd:** I can't speak on behalf of all of the Australian government. I can speak on behalf of the consular services area of the Department of Foreign Affairs and Trade. The minister and the Prime Minister have made clear what our position is. Mr Assange is facing a legal process in another country. That process should run its course. He has access to all necessary supports to enable him to be represented in that process.

**Senator PATRICK:** How many times have officials from the Australian High Commission in London visited Mr Assange since his arrest at the Ecuadorian embassy on 11 April? On what dates did those visits take place?

**Mr Todd:** I can give you details of when we provided visits to Mr Assange. I wish to point out that our ability to provide more detailed answers to you is somewhat hamstrung by the fact that, on 14 June 2019, the Ministry of Justice advised the Australian High Commission that Mr Assange had withdrawn his consent to release any information about him to the High Commission. The High Commission continues to reach out to Mr Assange to offer consular assistance and has written on four separate occasions, most recently on 1 October. There has been no reply to any of those approaches. On 15 October, the High Commission wrote to one of his legal representatives requesting that she raise our offer of consular assistance with Mr Assange the next time she meets with him. We have not heard back from that particular approach.

**Senator PATRICK:** Thank you. That was quite informative. Could you still provide the dates?

**Mr Todd:** Absolutely.

**Senator PATRICK:** You will take them on notice?

**Mr Todd:** I will provide all those dates, yes.

**Senator Payne:** Yes.

**Senator PATRICK:** Did the Australian High Commission have any officers attend court proceedings in London this week?
Mr Todd: Yes. They were present at that. They have been present at previous court hearings observing the court proceedings.

Senator PATRICK: Observers at the court on Monday have reported that Mr Assange appeared confused. He stumbled in giving his name and his date of birth at the start of proceedings. At the end of the proceedings, he was asked by the judge if he knew what was happening and he replied, 'Not exactly.' He said he was unable to think properly. He went to say:

I don't understand how this is equitable. This super power had 10 years to prepare for this case and I can't access my writings. It's very difficult where I'm to do anything but these people have unlimited resources. They are saying journalists and whistleblowers are enemies of the people. They have unfair advantages dealing with documents. They [know] the interior of my life with my psychologist. They steal my children's DNA. This is not equitable what is happening here.

Has the department sought or provided any professional advice concerning the state of Mr Assange's physical or mental health from British authorities or from his legal representatives?

Mr Todd: I mentioned previously that on 14 June we were advised that Mr Assange had withdrawn his consent for the release of information to the High Commission.

Senator PATRICK: But has any approach been made?

Mr Todd: We continue to make approaches. We are advised by authorities in the United Kingdom that they have no authority to respond to our inquiries.

Senator PATRICK: Has the Australian government made any representation to UK authorities concerning the conditions of Mr Assange's incarceration at Belmarsh prison, especially as he may, on the face of it, have some physical and mental health issues and perhaps even in his ability to instruct solicitors?

Mr Todd: Prior to the withdrawal of his consent, the Australian High Commission in London did make representations to authorities at Belmarsh about the health concerns that he had raised with us. But with the withdrawal of consent and the lack of our ability to meet with him, we're unable to provide detailed requests or receive a response from British penal authorities.

Senator PATRICK: Thank you. Minister, in your view, does Mr Assange's situation invoke considerations in respect of media freedom and such issues, noting that there has been a fair amount of international publicity around this case?

Senator Payne: I understand that Mr Assange has a very high profile. But from the Australian government's perspective, he is an Australian charged with offences overseas. He has been offered consular services, as Mr Todd has outlined in some detail, like any other Australian would. I appreciate also that there are members of the public community who do feel very strongly about his situation. I think it's important to remember that, as Australia would not accept intervention or interference in our legal processes, we are not able to intervene in the legal processes of another country. He is absolutely entitled to due process, including legal representation in his legal processes themselves. But, as the Prime Minister has said, to which you referred earlier, those processes are running their course.

Senator PATRICK: I appreciate everything you are saying. In all circumstances, I would agree with what you've said. But there is an issue of media freedom involved here.

Senator Payne: Well, I think there are differing views on that.
**Senator Patrick:** But nothing that would invoke any sort of special consideration within the context of representation back to UK or US authorities?

**Senator Payne:** We make the same representations for Mr Assange as a citizen of this country as we do for other citizens who find themselves in a range of very complex situations of detention around the world.

**Senator Patrick:** Thank you, Minister. I will move to Syria and the matter of the 60 Australian women and children in camps in north-east Syria. Mr Foley, you would be aware that there are women and children in a camp in north-east Syria. It has been put to me that were the Australian government willing to deal with these women and children appropriately, of course, if they were to make it to the Iraqi border, just sending that signal would enable these Australians to at least get to Iraq, where they may be safe and can be then dealt with properly.

**Mr Foley:** The situation is that Australian foreign terrorist fighters and their families are dealt with on a case-by-case basis. That would be the case wherever they presented.

**Senator Patrick:** Well, this is a particular case. I think we understand the circumstances of it. I am asking about this case. A proposition has been put to me that the Australian government simply signal its willingness to deal with these women and children in an appropriate manner. I'm not asking for anything outside of our normal processes; we now have in place things like temporary exclusion orders and so forth, particularly in relation to the children. Are you aware of the proposition I'm putting to you—that simply signalling a willingness to deal with them would allow them to get to the Iraqi border or would cause for others, not putting any other Australians at risk, to get them to the Iraqi border?

**Mr Foley:** I think the Prime Minister and ministers have said that the cases of people in this situation are complex. They would be dealt with case by case. So, if people presented at a border, that would be considered precisely on that basis.

**Senator Patrick:** So the Australian government would treat them in a normal manner were they to make it to the Iraqi border?

**Mr Foley:** They would be dealt with on a case-by-case basis, as all Australian alleged foreign terrorist fighters and their families would be.

**Senator Patrick:** Are you aware of the proposition that I put?

**Mr Foley:** No, I'm not.

**Ms Adamson:** Perhaps I could contribute as well.

**Senator Patrick:** Sure.

**Ms Adamson:** I think the Australian government would be very cautious about—and, so far, it has not done so—giving any encouragement to any of these people to do anything in a situation where we don't have visibility. It's fluid. It's dangerous. It would be, in my view, irresponsible, certainly at the departmental level, at the level of officials, for us to be encouraging people to take any particular action in the hope that we might be able to help them once they got there. That just seems to me to be—I'm not familiar with the argument—on its merits potentially highly dangerous and not something that we would in fact encourage.

**Senator Patrick:** I put it to you, Secretary, that left in their current situation they are in perhaps a more dangerous situation. Has that been considered?
Ms Adamson: Relative danger is a difficult concept. The Prime Minister and ministers have spoken about this. Should there be a case where we would be able to provide assistance in the setting that you've described, it is part of the department's role to be ready to do that. But it is inordinately complex. We are not the only interest that would be brought to bear in any consideration of this. The work that was done earlier to bring the nine children to Australia indicated the complexity. Mr Foley talks about a case by case basis. A tremendous amount of detail needs to be brought to bear in terms of the considerations. You've referred to some of them yourself.

Senator PATRICK: Just referring to the children—and that's a relatively simple case, in my view, perhaps compared to the—

Senator Payne: What is simple, Senator?

Senator PATRICK: Sorry?

Senator Payne: What is simple?

Senator PATRICK: Well, in terms of our compassion. I don't think we would have any concerns in respect of these children returning to Australia.

Senator Payne: To be clear, it is my strong view—and I believe it to be the view of the government—that there is nothing simple about this set of circumstances. All of it goes to obviously the very dangerous situation that pertains in that part of Syria and that has, as you alluded to, become increasingly complex. But there are issues around those families who travelled in direct opposition to a clear 'do not travel' advice from this government, which we provide for a reason. There are issues of—

Senator PATRICK: I'm not sure the children would have read that, Minister.

Senator Payne: Issues of security and issues of identity are wound up in this. The Prime Minister said yesterday, as you've also referred to, that if people found themselves at border points, there would be a process that would be followed. That process includes addressing issues of security, identity and safety. There are so many issues that it is not possible to call it simple.

Senator PATRICK: I might move on. Thank you, Minister. I will go very briefly to Afghanistan and then maybe East Timor. I have a couple of questions on each. I note that the chair has been pretty good to me. I have a question in relation to some recent comments. The US defence secretary Mark Esper visited Afghanistan this week. He told reporters traveling with him that he believes the US can reduce its force in Afghanistan down to 8,600 without hurting the counterterrorism fight. Does the Australian government concur with this assessment?

Dr Strahan: Frankly, that would be a matter of judgement for the United States. No decisions have yet been made about the actual troop deployment numbers. As we all know, the long-running talks between the Taliban and the United States ceased in September. Since then, there has been a hiatus. Frankly, I would say that any comment that is made now would be purely speculative. We would have to wait for those talks to resume.

Senator PATRICK: We have our forces present there so we ought to be making assessments as to the impact of a withdrawal in respect of the counterterrorism situation there. So it's not just something that the United States would do alone. We ought to be doing this
ourselves. Hence the reason I why ask whether or not there was a common view between the Australian government and what Australia might think.

Senator Payne: I don't know whether you were able to ask these questions in Defence estimates yesterday. Our military presence in Afghanistan is closely aligned with that of the United States. You would know that our current ADF commitment is about 300 personnel who are deployed in support of a NATO-led resolute support mission. They are involved in the train, advise and assist process of the Afghan National Defense and Security Forces. That is an in-principle approval until June 2020. We also make a contribution to the Afghan National Defense and Security Forces financially. But our military presence is, as you've observed, of course, closely aligned with the US. But we constantly review that commitment in line with our own national security priorities. It is, as you've and Dr Strahan in his remarks have observed, a period of time which has been very dynamic in Afghanistan between the peace talks process and the elections. There is resurgent terrorist activity in parts. So we will continue to work very closely with the US, NATO and other partners to ensure that our contribution does remain appropriate. But we will always make considerations around our own deployments in the context of Australia's national interests. Counterterrorism and the terrorist issues you have raised are part of that consideration. My observation is that we have seen too many times the resurgence of terrorist activity not just in the Middle East but also, through associated activities, in our own region. That is a matter which the government always has in mind in our decision-making.

Senator PATRICK: I think it's probably factual. I think the United Nations has indicated that the situation in Afghanistan has actually been getting worse in some respects, not better.

Senator Payne: I referred to increased activity.

Senator PATRICK: Sure. Minister, you know I am grateful for and respectful of the role of the ADF anywhere in the world. There may be a change in their circumstances were there to be a drawdown of, obviously, those 300 personnel. There's no secret that Mr Trump has indicated politically that's something he is trying to achieve. In the context of what has happened in Syria just recently, where we had a sudden withdrawal, I am questioning how well informed we are as to the United States's intentions and contingencies in the event that may happen to our Australian troops.

Senator Payne: Well, both the US intentions and the approach of NATO and other partners is something that we're constantly reviewing with those partners and taking into account. But we acknowledge that countries will from time to time make their own decisions in their own interests. Of course they will. Most important, I think—and you have referred to this—is the service of the men and women of the ADF who are part of that deployment, which has made a considerable contribution to the Afghan National Defense and Security Forces over many years now. In their interests and in the interests of Australia's own national security, we'll always have at front of mind Australia's national interests.

Senator PATRICK: Thank you very much for that, Minister.

Dr Strahan: We keep the events in Afghanistan under very close review. We work very closely with the US embassy in Kabul. We probably have daily communications.

Senator Payne: And with NATO, Dr Strahan. This is a NATO deployment, as we know. It is important to also engage with them.
Dr Strahan: We do. We have a wide range of partners. Our analytical work on Afghanistan and understanding the situation is deep and ongoing. This very close, deep analysis underpins the positions we take.

Senator Payne: The Secretary General of NATO, Secretary General Stoltenberg, visited Australia recently. The visit had been some time in the prospect, but its timing had been interrupted by a number of events, including our own election. One of the important opportunities that provides Australia, as enhanced opportunity partner, is also a very direct level of engagement with NATO and access on these issues. It is similar, of course, as Dr Strahan has said, with the United States. We are very focused on the best decisions for Australia and for Australia's national interests.

Senator PATRICK: Sure. Thank you.

CHAIR: Senator Patrick, do you have more questions?

Senator PATRICK: I have. I could have a five-minute bracket later, or I can do it now.

CHAIR: We might go to Senator Wong now to take us through to lunch time.

Senator WONG: I understand that there were some questions on Timor Leste. Senator Ayres has some questions on that. He could do them and you can have five minutes on that.

CHAIR: That sounds fair enough.

Senator AYRES: That might be more efficient, yes.

CHAIR: Senator Ayres on Timor Leste.

Senator AYRES: Secretary, how would you describe Timor Leste's current economic and development situation? What is the view about its trajectory over the next four or five years?

Ms Adamson: I have the benefit of having the head of the South-East Asia division here. I am sure she will be able to give you a more detailed answer about Timor Leste's current economic condition and its prospects over the next four to five years. That, of course, is of keen interest to Australia on the part of such a close neighbour. Obviously, it is a country which has quite substantial development needs.

Ms Heckscher: First of all, let me say that, of course, Timor Leste is a very important country for Australia. We are Timor's largest development partner currently. We have quite a lot invested in and working with Timor's own priorities and objectives going forward. You asked, for example, what the prospects are over the next five years. It's quite a hard question to answer. I would say that its economy currently is highly dependent on oil and gas. It depends upon the petroleum wealth that it currently has, for example, from the Bayu-Undan field. That is declining and expected to be depleted probably sometime in the 2020s. So a key priority will be the diversification of its economy. We are helping Timor Leste diversify that non-oil economy to help it create jobs and strengthen the private sector.

Things such as our intake of seasonal workers from Timor Leste and Timor Leste's participation in the Pacific Labour Scheme are really important elements of capability building and help with the diversification of its economy. It has made progress in improving human development since independence and poverty levels have declined. Infant and child mortality rates have halved, for example. But it still faces an incredible set of challenges. For example, stunting rates are really very high still. The Prime Minister, when he was recently in Timor Leste, absolutely confirmed that we're committed to Timor Leste's development. We
need to be working closely with Timor Leste on things like its human development, on assistance with diversifying its economy and on education and capability building. We are absolutely committed to all of that.

**Senator AYRES:** I did want to ask some questions about some of those opportunities in particular. Are we providing assistance to the Tasi Mane project?

**Ms Heckscher:** As you are probably well aware, Timor Leste has made the development of the south coast of the Tasi Mane a high priority. It's quite early on in that process. Certainly we have been discussing Timor Leste's aspirations, priorities and objectives for the south coast quite intensively. We have indicated—and the Prime Minister did that when he was in Timor Leste recently—our support and our willingness to assist Timor Leste in taking forward some of its priority objectives both for that area and more broadly. So it is really quite early on. But we're certainly looking to support Timor Leste.

**Senator AYRES:** So on that project in particular, in the broad, we've indicated a willingness to engage in discussions about assisting, but it's a bit early on. I think the Prime Minister spoke when he was in Dili about front-end engineering and design processes for the fibre-optic cable, the maritime security package and the construction of facilities at Timor Leste's naval base. Can you provide any further details about the maritime security package?

**Ms Heckscher:** Much of that sits with the Defence portfolio. If you give me a minute, I will see what I can find in my own brief about the exact things that the Prime Minister announced.

**Senator Payne:** While Ms Heckscher is identifying that information, let me say that obviously it was a remarkable opportunity for many Australians, including members of the opposition and the government, to be in Dili for the 20th anniversary of the vote for independence and autonomy. I was there as an observer from this parliament in 1999. What struck me returning in this capacity in 2019, particularly in our discussions with senior Timorese leaders, was the work that was being done between officials, particularly on both sides, to identify the key priorities for Timor Leste and to ensure that where Australia is able to engage and assist, that that is the focus and direction of our effort.

Ms Heckscher referred to the importance of both the Seasonal Worker Program and the Pacific Labour Scheme. I've seen the enthusiastic embrace of these programs, and for two reasons. One is the opportunity that it gives to the citizens of Timor Leste to work in key agricultural areas which are particularly of interest to them. We have had enthusiastic take-up. One of the reasons for the effectiveness of that is the decision of the Timor Leste government to place a labour department representative in Australia very early in the piece to ensure that they are well-informed and responsive to the programs. That has helped them enormously. I am sure Ms Heckscher has identified the information that you were seeking, Senator Ayres.

**Ms Heckscher:** My apologies. During the visit, the Prime Minister, of course, exchanged the diplomatic notes, formally bringing into effect the maritime boundary treaty. That was, of course, such an important thing to be able to happen during the Prime Minister's visit and on such an important anniversary. That gives rise to quite a lot of things that we will do. But the Prime Minister specifically announced that Australia would support the front-end engineering design work for a fibre-optic cable connection to Australia. That is progressing. He said that we would work with Timor Leste on the rest of the project if the design work is favourable.
The Prime Minister also announced that we would support Timor Leste's maritime security ahead of the delivery of two new Guardian class patrol boats in 2023 by constructing new infrastructure for the patrol boats at Port Hera on Timor's north coast and providing a sea based vessel for Timorese personnel to train on. There is a fair amount sitting behind that and there's a lot of work that we'll be doing with Timor Leste right across the board. Now that some of these things are progressing, we will be discussing with them, for example, ways in which we can engage as senior officials and at ministerial and prime ministerial level on the kind of shared challenges and interests that we have in those maritime domains. So I can certainly look for further information. Essentially, much of the maritime work sits with Defence.

Senator AYRES: I am very conscious of the time. Is it possible to just, in relation to the naval base and the maritime security package, provide us with where they are funded through?

Senator Payne: Where we assist.

Senator AYRES: Are they funded through ODA? Is Defence contributing any funding? Is there any additional funding from within the existing budgets?

Senator Payne: We'll provide you what we can. It's at a very early stage of planning.

Senator AYRES: Yes.

Senator WONG: Can I be clear that there is no Mr Wood anymore.

Ms Adamson: But there is a successor.

Senator Payne: That is an enthusiasm I love. That is the Department of Foreign Affairs and Trade. Look at that. That is just fabulous.

Senator WONG: I am actually—

CHAIR: You're not going to disappoint him now that he's come to the table.

Senator WONG: No. I was trying to be courteous to say I will come back at some point later today for my tables and a long discussion.

Senator Payne: I appreciate the courtesy.

Senator WONG: I flag that. I want to do something else before lunch, if I can, or if that's all right?

CHAIR: Yes, all right. After lunch, the Greens will have half an hour. If I may, I will take some time after the Greens, if that suits.

Senator WONG: Sure. We were actually going to go to you, but I think you were otherwise engaged.

CHAIR: Indeed.

Senator WONG: So we went to Senator Patrick instead.

CHAIR: Chalk and cheese.

Senator WONG: I want to ask a discrete block of questions about Indo-Pacific strategic competition. During the PM's visit to Washington, the White House issued a facts sheet which included the statement that the two countries had agreed to develop a new mechanism to
strengthen and align coordination of Indo-Pacific strategies to promote peace and stability in the region. Can someone tell me what the new mechanism is?

Mr Green: Yes, I can. The new mechanism is a way in which senior officials from the United States and Australia can engage to talk about our Indo-Pacific strategies and take forward the AUSMIN work program. The expectation is that most of the meetings will take place by secure video conference and that there will probably be a meeting or meetings—fewer than the video conference; maybe once or twice a year—that might take place face to face. The agencies involved in these meetings will be DFAT, PM&C and Defence and, on the US side, State Defense and the NSC.

Senator WONG: I would like to understand precisely how this actually differs from what we already do. There is already a very deep level of engagement at an agency and institutional level, leaving aside intelligence matters, with certainly Defence and the Pentagon, DFAT and State and obviously NSC. You mentioned it being part of the preparation for AUSMIN. Can you explain to me how this differs from what we already do? Video conferencing?

Mr Green: There has been no formalised mechanism for official to official engagement between AUSMINs. This is the first time we're having formalised—

Senator WONG: We engage all the time.

Mr Green: Excuse me.

Ms Adamson: Rewind, Senator.

Mr Green: This is an additional and, we expect, more frequent engagement between officials on AUSMIN and specifically focused on Indo-Pacific matters.

Ms Adamson: I typically engage my counterpart in the State Department every six months or so on all of this. We felt that there was a need, partly for the reasons that go to the broader strategic competition that you mentioned, for us to have high-level but more regular discussions and at a deeper level of detail. That is what we are doing. We regard it as valuable. It will be a useful addition to what we do.

Senator WONG: I assume that part of that is a discussion with counterparts in the US about the sort of region we want, about how to deal with the strategic competition in the region and at least a communication of our perspective of what constructive US engagement in the region looks like. Correct?

Ms Adamson: Correct.

Senator WONG: On that point, there has been some discussion. Certainly Jake Sullivan, Kurt Campbell and I went to a former CIA analyst who talked about the importance of trying to advocate for the US having a settling point or determining, basically, the plausible, desired outcome of the strategic competition with China. Do you think that there is value in those questions being raised and considered, including by the US?

Mr Green: Yes. We do.

Senator WONG: I assume that is something to which Australia turns its mind too?

Mr Green: Yes. Of course.
Senator WONG: I don't think we need to go through a long discussion. I think we all accept that we live in an era of strategic competition. The US and China, in their various ways, have identified the other as competitors?

Mr Green: Correct.

Senator WONG: Hopefully also cooperation on some elements?

Mr Green: Correct.

Senator WONG: But competition has to lead to a point. We have an interest in a particular outcome, which hopefully is the sort of region we want and so forth?

Mr Green: Correct.

Senator WONG: I might have missed it, but how do we articulate what that outcome might look like? Have we articulated that privately? Is there some public articulation of what a plausible, desired outcome over this competition might be?

Mr Green: To be fair, we think of this privately more in terms of scenarios. I don't think we've ever articulated publicly what particular outcome we want. Clearly, we want an outcome which is open, prosperous and rules based.

Senator WONG: Sure. I think the secretary a couple of estimates ago articulated a pretty reasonable set of words around a multipolar region et cetera.

Ms Adamson: Yes. And, of course, the white paper two years ago was a very clear articulation of it. You've heard us say, I think, before that some of the headwinds that we expected to encounter have become a bit stronger there. We tend to talk about the quality and character of the region that we're looking for. That's where I spoke earlier about open and inclusive, secure and prosperous, and disputes being settled in accordance with international law—all of these things. I'm aware what Jake Sullivan and Kurt Campbell have written on this matter. There is a debate—I spoke earlier about it—in a number of countries about how everyone adjusts to the new realities. But the fact is that these realities are still unfolding. We tend to be not too precise about what the settling point—'equilibrium' might be another word; it is a word that foreign policy strategists use as well—looks like. We go to the character.

Senator WONG: Sure. Scenarios are useful but they are fundamentally about driving tactical responses. I am actually talking about what we are seeking to advocate, including in terms of our alliance with the US. Do you envisage that this new mechanism is a forum where those discussions can be had more deeply?

Mr Green: Yes.

Ms Adamson: Recognising, though, that they also happen, and very valuably so, at the political level with actually quite a degree of regularity. The minister may want to speak to that.

Senator Payne: Well, I think in terms of the link that you're trying to draw, Senator, between the value of this coordination mechanism, if you like, and the broader discussions that you've referred to, this is a value add. I think Mr Green's right: engagement between officials is very useful. At the same time, though, we find ourselves with our counterparts—if we're specifically talking about the United States, it is the Secretary of State, the Secretary for Defense and, of course, the President with the Prime Minister—talking about, working on and discussing these issues and then ventilating them quite regularly.
**Senator Wong:** Strategic competition, I think, is the accepted dynamic that we live in. The bilateral relationship between the US and China is the most important relationship in the world. It will largely define—although some people push back when I say that; they say 'shape'; you can use whatever verb—the region in which we live. Minister, what would you point people to if they asked you to reference what you have said about what that equilibrium, to use the secretary's term, or settling point might be? What would you point to in terms of the Prime Minister's speech, your speech or a policy document? What would you say people should look at?

**Senator Payne:** Well, I think the Prime Minister's speech at Asialink in June, for example, which talked about the balance between strategic engagement and strategic competition, would be a starting point in the current discussion. It is obviously also relevant in terms of his remarks at the UNGA itself in September. Maybe almost a month ago now, I made a speech to the CEDA State of the Nation conference that pointed to the sort of environment we are working in and the world we want to see. So there are a number of things on the record and a number of ongoing conversations on these issues, of course.

**Senator Wong:** I will come back to the CEDA speech when I get the call after lunch at some point after Senator Abetz.

**Chair:** At some point.

**Senator Wong:** That's fair enough. I appreciate the courtesy that has been extended to the opposition. I want to deal quickly, in the time remaining, with a few questions on the South China Sea, including the code, Mr Green. I don't know if you're still handling that or if someone else is. Can you update the committee in relation to the discussions on the code of conduct in the South China Sea, including your expectations for consideration of the code at the upcoming ASEAN related meetings?

**Ms Adamson:** The negotiations are ongoing. They've been quite technical in nature. Last time we were here, we talked about what we understood. Of course, we're not a direct party to the process. This has been zero draft. That first reading has been completed at leader level. A number of things have been said. The process continues.

**Senator Wong:** I understand. I wonder if there could be a quick update on the expectations of, I suppose, the next set of meetings. Then I'll ask you to reiterate the principles I think you've previously iterated and see if there is no change.

**Mr Green:** What I was looking for in my notes is that there has been a rather recent meeting in Vietnam, which is the first meeting which follows on from the completion of the first reading of the single draft negotiating text, which was announced by ASEAN leaders. The expectation now is that the parties will continue with a second reading of the single draft negotiating text. The expectation has been that the faster pace of negotiations that we had seen in recent months would continue. We're not parties to the negotiation, but the pre-existing arrangement of four meetings per year will certainly persist and might move more quickly than that. The parties principal have, as you know, identified a three-year timeline starting last year for completion of the document.

**Senator Wong:** Is it your anticipation that that is likely to be achieved?

**Mr Green:** It's too early to say.
Senator WONG: I'm trying to expedite things. I will articulate what I understood to be the principles that I think DFAT indicated on the last occasion. Australia's position is that the code of conduct does not prejudice the interests of third parties or the rights of all states under international law, including UNCLOS. It also reinforces existing regional architecture and ASEAN centrality. It strengthens parties' commitments to cease actions that would complicate or escalate South China Sea disputes, including militarisation. Is that a reasonable summation of the principles?

Mr Green: That is a reasonable summation.

Senator WONG: Have there been any changes to our position?

Mr Green: No.

Senator WONG: I think on a previous occasion we also spoke of concern regarding a proposition in the draft text that would exclude parties, not the code itself, from being involved in natural resource development or potentially exclude such parties from any military or other exercises. Do you recall that discussion?

Mr Green: That's correct.

Senator WONG: Is that a concern we still have?

Mr Green: Yes.

Senator WONG: Is that still a proposition that is live, from your understanding?

Mr Green: We're not parties to the negotiation, but we understand that is live. As you know, it was set out in an article in the Diplomat some many months ago now.

Senator WONG: I didn't read it.

Mr Green: I have no reason to believe that it has ceased to be an issue in negotiations.

Senator WONG: On a recent visit to Vietnam, this was reiterated with me. There have been, obviously, public expressions of concern. Vietnam has expressed concerns about activities occurring within its EEZ. Can you briefly summarise what your understanding of the situation is?

Mr Green: I am just trying to find that in my notes, Senator.

Senator WONG: Would you like to come back to it?

Mr Green: Yes. I wouldn't mind.

Senator WONG: I have a couple more questions on this, Chair. But if Mr Green wants to come back on the Vietnam and EEZ activity, I'm happy to hold that. He wants to have a look at his notes before proceeding further. I don't know if someone else has questions.

CHAIR: Look, it's close to 12.30 pm. Let us resume at 1.30 pm. The committee will suspend.

Proceedings suspended from 12:28 to 13:30

ACTING CHAIR (Senator Fierravanti-Wells): Senator Abetz will be delayed for a little while. We might start with Senator Faruqi.

Senator FARUQI: I will start with some questions on foreign affairs and then move to international aid. I have a set of questions about the situation in Kashmir. What is the
Australian government's view of the Indian government's decision on 5 August to revoke the special status of Jammu and Kashmir?

**Dr Strahan:** We would regard the Indian decision about the status of Kashmir as, as it says, an internal matter.

**Senator FARUQI:** Is the Australian government's view that the Kashmiris have a right to self-determination?

**Dr Strahan:** It would be the view of the Australian government that it's important that there is an internal dialogue with the people of Kashmir about their future. We have repeatedly underlined the need for such a dialogue.

**Senator FARUQI:** A dialogue about what?

**Dr Strahan:** About the political future of the Kashmiri people. There has to be a dialogue between the Indian government and the people of the Kashmir Valley.

**Senator FARUQI:** What is the government's understanding of the situation on the ground in Kashmir?

**Dr Strahan:** That is a good question. As of today, it's a very mixed picture. There are some signs that some of the security restrictions which were implemented just before the decision on 5 August have been eased. So some roadblocks and security checkpoints have been removed. Most hospitals, schools, shops and markets have reopened. However, the security presence remains very big and very intense. It probably numbers in total around 300,000 security forces in Kashmir. Many security checkpoints are still in place in particular parts of especially Srinagar. It unfortunately is still the case that mainstream political Kashmiri political leaders are in what you would probably call home detention. It is also the case that probably several hundred other mostly younger Kashmiris are also being held in detention.

**Senator FARUQI:** Given that situation, which is obviously very concerning, is the government concerned about that situation?

**Dr Strahan:** Yes. On seven separate occasions I have raised these matters directly with the Indian High Commissioner. The points that I have made have been the following. Firstly, we see the need for a frank and cooperative internal political dialogue between the Indian government and the people of the Kashmir Valley. Secondly, all mainstream political leaders should be released from detention and they should be allowed to engage in normal political activities within the confines of the law. Thirdly, I have said that the communications blackout, which has been partially lifted, should be lifted. At the same time, I must say, I've also had a series of conversations with the Pakistan high commissioner about the importance of ensuring that extremist and terrorist groups which use Pakistani territory do not carry out attacks in Kashmir, which has been part of the cycle of violence. I've delivered these messages consistently and firmly.

**Senator FARUQI:** What responses have you received to the concerns that you've raised?

**Dr Strahan:** I won't go into all the details of that because, of course, they have been deliberately kept as private discussions between myself and the Indian government. Essentially, the high commission here has restated the position of the Indian government as articulated in public, and that is that the Indian government is committed to creating a new
political reality in Kashmir and combining Jammu and Kashmir more directly into the greater Indian nation and allowing Kashmiris to have access to some of the programs which the Indian government has which do not currently operate in Kashmir.

On the political point of releasing political leaders, the consistent message has been that when the situation settles to a certain point, the government would feel able to release political leaders. The last point I would note is that today in Jammu and Kashmir, local council, or so-called block, elections are taking place. All the opposition parties have boycotted these elections, leaving only the BJP to run. I have said to the Indian high commission that it would be good if all political parties could be given a chance to run on an equal footing. That would mean releasing from home detention the mainstream Kashmiri political leaders, including three former chief ministers.

**Senator FARUQI:** Have you had a response on that?

**Dr Strahan:** Again, the response has been given that the situation is volatile, and it is. There are real security concerns. Over the past couple of weeks, it's evident that some extremist groups have been carrying out attacks. There have been some incidents involving encounters with militant and extremist elements. So it is a delicate situation and not easily handled.

**Senator FARUQI:** From what I understand, there have been forced disappearances of people and illegal detentions of people apart from political leaders. Has our government expressed any concerns about that? I want to move beyond the high commission. Have there been any other representations to the Indian government at any other level on this very concerning situation in Kashmir?

**Dr Strahan:** On your first question, Senator, in Kashmir, a particular act applies—the Public Safety Act. Under that act, there is a process which does allow the security forces to hold people under particular conditions for up to two years. We have said that we do not think that an act of that kind is the right kind of act to have in place. But we do—

**Senator FARUQI:** Who have you said this to?

**Dr Strahan:** Again, the—

**Senator FARUQI:** The high commissioner?

**Dr Strahan:** Yes. The high commission here. Again, to be frank, we're not confronting the very difficult challenges that the Indian government does confront in Kashmir. Last year, hundreds of terrorist incidents led to over 240 fatalities, so it's a very tricky situation. Our high commissioner in Delhi has also spoken to the Indian government in Delhi. She has asked the Indian government to bring down tensions and to think of ways of igniting the kind of political dialogue that I have referred to.

**Senator FARUQI:** Minister, at your level, have you raised any concerns with the equivalent minister in Indian?

**Senator Payne:** Not recently, no.

**Senator FARUQI:** Has the Australian government—and I include the minister as well—made any public statements about the concerns in Kashmir and the recent developments?

**Senator Payne:** I can't recall whether I've been asked a question about Kashmir specifically on the record in recent times. I would endorse everything that Dr Strahan has said.
about the views of the government and the approach the government has taken on these matters.

**Dr Strahan:** We have made a very conscious decision in this case not to comment in public. I have been able to therefore have a much franker conversation on the minister's behalf with the high commissioner and say more direct things which we could not say in public. Were we to try and comment in public, we would not be able to have that kind of frank and direct conversation. I must say at times it's been a good to and fro conversation. So guided by the minister, we've been very careful not to inadvertently inflame the situation.

**Senator Payne:** We've certainly received representations from both Indian and Pakistan on these matters, of course. We would expect that to be the case in the process of normal diplomatic practice.

**Senator FARUQI:** But this is quite an abnormal situation, I guess, at the moment.

**Senator Payne:** Yes. I wasn't suggesting the situation was normal.

**Senator FARUQI:** Have you brought this issue up at the UN? As far as I recall, we still have a seat at the UNHRC?

**Senator Payne:** Yes. We are still a member of the UNHRC.

**Senator FARUQI:** Has this issue been brought up?

**Senator Payne:** Dr Strahan may want to go into the detail on that.

**Dr Strahan:** The government of Pakistan did say it wanted to raise the matter at the most recent Human Rights Council session. Frankly, it introduced political elements to the discussion. Look at, for instance, the joint statement it circulated. It not only referred to concerns about human rights issues which should be debated at the human rights council; it also made very political comments about the illegal and barbaric occupation of Jammu and Kashmir. It has been the Australian government's long-held position, which is shared, I must say, by most governments around the world, that the Human Rights Council should not become the venue for trying to adjudicate bilateral political questions. In this case, once Pakistan had introduced that political element, it was unable to get support across the council. So India and Pakistan did make comments in the chamber. In each case, they used I would say relatively colourful language. It would not have served any good purpose for us or any other country to comment on that exchange because it was, as I say, pretty colourful.

**Senator FARUQI:** But couldn't Australia have brought up the issue without it having a political connotation? Like you say, it was damaging. Are there any plans for Australia to do that?

**Dr Strahan:** No. This has always been a heavily politicised issue.

**Senator FARUQI:** It is a politicised issue. These people have been suffering for decades.

**Dr Strahan:** When it is drawn into the Human Rights Council, the debate will only get out of control and will become unproductive if a set of political issues is intermingled with human rights issues. The Security Council in August did have one closed session discussion about Kashmir. I think it's very significant that the members of the council decided not to comment at all in public. Again, they did not want to contribute to what is a very inflamed situation between the two countries. So our broad message has been for each country to proceed carefully, to not escalate the situation and to be very mindful of the possibility of
things getting out of control. To be frank, in February, we had a very volatile situation which almost got out of control. We had dog fights between fighter jets. That is a very dangerous proposition for the globe.

Senator FARUQI: Thank you. I will move to another area, which is West Papua. What is the Australian government's view of the recent social unrest, mass protests and violence in West Papua?

Senator SHELDON: I have a brief question about Kashmir, just to follow up from Senator Faruqi.

Senator FARUQI: I have only half an hour, so that will come out of your time.

Senator Payne: That's perfectly fair.

Senator SHELDON: I just want to say that many of the questions that Labor wanted to ask have already been covered by Senator Faruqi. I have one quick question. How long do you envisage that the communications restrictions will be continuing?

Dr Strahan: The communications restrictions have several different elements. One is on the use of the Internet. The second is the use of landlines. The third is mobile phones and different types of mobile phones. Landline communications have mostly been restored. Use of the Internet has not. With mobile phones, if you have a prepaid plan, those phones have been able to be used for the last few weeks. However, text messages have continued to be intermittently blocked. So-called drop or burner phones cannot be used at all.

Senator SHELDON: Thank you.

Senator FARUQI: What is the Australian government's view of the recent situation of mass protests and violence in West Papua?

Ms Heckscher: Thank you for the question. The situation in the Papua provinces is, of course, extremely complex. The exact circumstances of what has recently happened is still emerging. What I can tell you is this. From about mid-August 2019, a short while ago, demonstrations by Indonesian Papuans took place in about half a dozen cities in Indonesia following the racist treatment of Papuan students in Surabaya. Following rioting, Indonesian authorities deployed additional security personnel and restricted Internet access in Papua itself. From early September, the situation appeared to have calmed somewhat, with minor sporadic demonstrations, largely without injury. On around 20 September, protests resumed in parts of the Papuan provinces. On 23 September in particular, they turned extremely violent. There were protests in the provincial capital of Jayapura and the central highlands town of Wamena, leading to civilian and police military deaths.

Our best advice—and this is what our embassy in Jakarta has supplied as well—is that in early October the total death toll for Jayapura and the Wamena incident stood at around 37. It's a little hard to get exact details. The victims included both non-Papuans and ethnic Papuan Indonesians. In some places—Wamena, for example—it seems that the majority of those killed were non-Papuan Indonesians. Investigations are still continuing. As I said, the exact sequence is a little unclear. It seems that in Wamena at least, which is where the worst of the violence occurred most recently, protestors appeared in front of the Wamena district office claiming a non-indigenous Papuan teacher made racial slurs. It descended into a riot. There are allegations that police shot into the crowd. Around 650 properties—shops and dwellings—were reportedly set on fire. People who were trapped inside those buildings...
tragically perished. From what we can gather, in the weeks following those September riots, around 16,000 people, mostly non-indigenous Papuans, were evacuated. Some of them have begun to return. So those are the key elements of it.

**Senator FARUQI:** What representations and at what level has the government made to the Indonesian government about the recent violence in West Papua?

**Ms Heckscher:** We have had lots of engagements with—

**Senator FARUQI:** If you could tell me at what level.

**Ms Heckscher:** The Prime Minister.

**Senator FARUQI:** The Prime Minister has spoken to the Indonesian government?

**Ms Heckscher:** Yes. The president.

**Senator FARUQI:** To the president. Was this matter raised in the recent trip of the Prime Minister?

**Ms Heckscher:** Yes.

**Senator FARUQI:** Of the Prime Minister?

**Senator Payne:** He spoke to the president on 20 October.

**Senator FARUQI:** Has the Australian government actually urged the Indonesian government to allow the United Nations High Commissioner for Human Rights to visit West Papua?

**Ms Heckscher:** Yes is the answer. Of course, the invitation was first made quite some time back. At various points, the Australian embassy and the Australian government generally has spoken to Indonesian authorities. We have consistently encouraged the Indonesian government to allow access not just at the UN but of others because we see it as a good way of showing what the situation is on the ground.

**Senator FARUQI:** Recently there were media reports that Indonesia had blocked, British, Canadian and New Zealand diplomats from visiting West Papua but that US and Australian diplomats had not sought access. Is that true? Does the government have plans to request access to West Papua for our diplomats?

**Ms Heckscher:** We have sought access. The media reports don't mention it, but we called for it. I note that the Australian relationship with Indonesia is quite different from the relationship with a number of other countries. It's stronger and closer. We have a lot of ongoing engagement all the time with the Indonesian authorities. We are, I think, perhaps the only embassy that makes ongoing regular visits to Papua, not least because we have development projects on the ground there. So for us the situation is a little different. We have made regular visits consistently. Certainly we have not been able to make visits, but we have sought access. I myself recently requested access, but so has our embassy in Indonesia. We've sought a resumption of access as soon as the security conditions allow.

**Senator FARUQI:** To what extent does Australia still fund the Jakarta Centre for Law Enforcement Cooperation where the Indonesian police are trained?

**Ms Heckscher:** We do still fund it. It is a longstanding enterprise between Australia and Indonesia. The JCLEC, if you will permit, has in fact been one of the success stories in regional stop crime efforts. It's been—
Senator FARUQI: I am time limited. Can you provide on notice details of the funding and what training occurs there?

Ms Heckscher: I can probably give that to you right now. DFAT is providing up to $8.4 million under the Australia-Indonesia partnership for justice phase 2 and the maritime capacity building initiative development programs. There is probably some additional assistance that is provided directly by, for example, the AFP and others within the Australian system, but I don't have all of those details. But certainly we support it very strongly and collaborate with Indonesia. It has built and strengthened law enforcement and counterterrorism capabilities not only within Indonesia but within the whole region.

Senator FARUQI: So within that program, does Australia provide any counsel to trainees against human rights abuses?

Ms Heckscher: I'm sure that's the case. I don't have the exact details here. Certainly a key part of what we do, both within JCLEC and elsewhere within the region—this is largely within a different portfolio; it's really AFP et cetera—is capability building and cooperation and training on modern policing and modern counterterrorism efforts. Part of that, I know from ongoing conversations with the AFP, involves general human rights training. That's not a hard numbers and evidence base, but certainly that would be part of what we do.

Senator FARUQI: In light of, though, the recent violence in West Papua, and that has included reports of Indonesian militia being organised by the Indonesian police and military, is the Australian government reviewing its commitment to provide support for the Indonesian police and military? If not, why not?

Senator Payne: No.

Senator FARUQI: Why not?

Senator Payne: Because this is an important engagement between Australia and Indonesia. While there are reports, my understanding is that they are not verified as such. I also note that while our protection of human rights remains a key focus, we also saw a statement from Indonesia's chief of police that some of the events to which you and Ms Heckscher have referred would be investigated in relation to concerns around policing in cooperation with the Indonesian National Human Rights Commission itself. So while our long-term relationship with the Indonesian police and the program to which you refer is an important one, I also think that that statement is important in the context of the discussion around Papua.

Senator FARUQI: I have a few questions about the Australian women and children at the al-Hawl camp. Media reports in the Sydney Morning Herald on 23 October 2019 indicate that two journalists, Michael Bachelard and Kate Geraghty, were able to access the al-Hawl refugee camp. Mr Bachelard was recently able to speak with the Australian women and children at that camp. On Insiders on 19 October, the Attorney-General said:

The ultimate answer is that there is nothing that we can actually do in Syria at the moment without placing Australian lives at enormous risk and peril, and that's something that we would just not do.

I guess what I would like to ask is: have the Australian government officials spoken to the Sydney Morning Herald journalists about how they managed to access the camp? Have the Australian government officials made any attempt since then to access the camps?
Mr Foley: I don't have anything to add to what was said before by the Attorney-General. The situation on the ground is dangerous and unpredictable.

Senator FARUQI: I will just go to the specific question. Have Australian government officials spoken to the Sydney Morning Herald journalists about how they went to the camps?

Mr Foley: Not to my knowledge.

Senator FARUQI: Do you intend to?

Mr Foley: No.

Senator FARUQI: Why not?

Mr Foley: The government and the Prime Minister have made it very clear publicly that the situation is dangerous and unpredictable and that the government won't put Australian officials in danger at this time, given the situation on the ground there.

Senator FARUQI: In the same Sydney Morning Herald report, Zahra Ahmed, a woman in the camp, said: “We're willing to talk, and we're willing to tell them and we're willing to share our stories...But they haven't even tried to come and reach out to us—

Have DFAT or any other Australian officials attempted to reach out to the women in the camp at all?

Mr Foley: With regard to DFAT, I would defer to my consular colleagues. I know that colleagues in other agencies, particularly the Department of Home Affairs, do have conversations with the families of those in the IDP camps in Syria.

Senator FARUQI: I understand that there are still some NGOs present on the ground around those camps. Have the Australian government officials spoken to any of those NGOs recently?

Mr Isbister: Yes is the answer. Our post has been in regular contact with a range of humanitarian partners who are operating not only in north-east Syria but also in the camps. As you would know, the situation at the camp remains very fluid and has been impacted by the recent offensive by the Turkish military. The latest information we have is that all the international NGOs have withdrawn their international staff and the majority of their local staff from north-east Syria.

Senator FARUQI: So Save the Children are not there anymore? Is that your understanding?

Mr Isbister: Save the Children have withdrawn their international and national staff from north-east Syria. However, UN agencies and the Red Cross movement continue to operate in north-east Syria, including in al-Hawl camp. We know that the World Health Organisation, who the Australian government has funded, has provided and continues to provide health services to those in the camp and the annexe. Most recently, we know on 19 October that Australians were provided some access to the mobile health teams at the gate to the annexe of the camp. The Red Cross movement is providing assistance, particularly through food, water and sanitation, including, to a limited extent, inside the annexe, where the foreigners are. There is also UNFPA, who we provided funding to, and the World Food Program.

Senator FARUQI: Have there been any discussions regarding the use of UK military or other foreign governments' military support as well as Kurdish or militia forces in the region to assist with bringing the women and children to safety?
Mr Foley: I understand that the UK, like other countries, has been looking to see what they can do for the repatriation of orphans or unaccompanied children. I think I have seen a tweet by a UK minister that says there are discussions between the FCO and the defence department on the repatriation of orphans or unaccompanied children, which of course is something that Australia has already done.

Senator Payne: Mr Isbister, when he was making our observations, referred to our post. We do not have diplomatic representation in Syria. We do not have a post in Syria. There are no Australian defence personnel in Syria.

Senator FARUQI: I do know that. That is why I was asking whether you have spoken to the UK military.

Senator Payne: We support this engagement out of posts like Beirut and, to some extent, potentially Baghdad. But we do not have Australian officials on the ground in Syria.

Senator FARUQI: I want to move to another part of the world now, which is Cambodia. I would like to ask about the situation in Cambodia. In response to questions last October from my colleague Senator Di Natale, DFAT expressed its very serious concerns about Cambodia’s election in July last year. At the time, it was said that all options were on the table, something that was reiterated in February. Can you tell me what steps the government has taken and what options remain on the table regarding the situation in Cambodia under Hun Sen?

Ms Heckscher: I would say that all options still remain on the table. We continue to engage closely with the Cambodian government regularly and raise human rights issues.

Senator FARUQI: Is the government considering sanctions or other concrete measures? If not, why not?

Ms Heckscher: All options, as I said last year, remain on the table. We watch the situation closely. If you would like me to update you on the situation and how we see it and some of the recent times at which we’ve—

Senator FARUQI: No. I just want to know the options. In terms of options, are sanctions still on the table?

Ms Heckscher: All options are still on the table.

Senator FARUQI: Is DFAT aware that the Cambodian opposition party acting president Sam Rainsy has stated his intention to return to Cambodia on 9 November? Does the government support Sam Rainsy’s peaceful return to Cambodia?

Ms Heckscher: Yes, we are aware. Decisions about his return to Cambodia are a matter for Sam Rainsy himself. He has, of course, engaged here in Australia and conveyed those views here as well. I note that the situation within Cambodia in relation to Sam Rainsy is that he was recently convicted of further charges in March and May. We understand that the government of Cambodia has sent copies of arrest warrants for Sam Rainsy and other senior party leaders to all ASEAN countries and that there are threats to deploy the military if his party tries to return from exile. I mention that as what the Cambodian government has said. Mr Rainsy would be well aware of that. We will continue to watch it closely. These are matters for decision by Mr Rainsy.

Senator FARUQI: I have a few questions on aid to Palestinian refugees. I have a lot more questions, but obviously my time is running out so I will fit these in. The UN Relief and
Works Agency, or UNRWA, is the UN body, as you know, tasked to provide basic services to Palestinian refugees. On 12 August 2019, *The Australian* reported that Australia was reviewing its funding commitment to UNRWA. Can you confirm whether the report in *The Australian* is correct?

**Dr King:** The report is not correct. I would add that we are aware of that report. The allegations are being investigated by the UN Office of Internal Oversight Services. We've spoken to them. We expect full transparency. We are withholding, as we always do, the final tranche of our payment this year, but we have not suspended our payments to UNRWA.

**Senator FARUQI:** So there is no review at the moment of the funding?

**Dr King:** Not as such, no.

**Senator FARUQI:** And have there been periodic reviews of the overall aid investment plan in Palestine?

**Dr King:** I could call on my colleague Jamie Isbister to speak to that. But, to the best of my knowledge, they're regularly reviewed, yes.

**Senator FARUQI:** How often are these reviews conducted?

**Dr King:** I'll defer to Mr Isbister, with your permission.

**Mr Isbister:** As my colleague said, the aid investment plans are regularly reviewed. The Palestine program, I understand, was reviewed in the last 12 months to review its ongoing effectiveness.

**Senator FARUQI:** How many reviews have happened in the last three years?

**Mr Isbister:** The exact number in the last three years I'd have to take on notice.

**Senator FARUQI:** That would be great.

**Mr Isbister:** But the overall program has been reviewed, and the AMENCA program. The AMENCA NGO program was reviewed in the last six months.

**Senator FARUQI:** Are the recommendations of the reviews made public at all? Are the reviews and the recommendations made public?

**Mr Isbister:** When they are completed, the evaluation reviews are made public and a management response is attached.

**Senator FARUQI:** So the ones in the last three years would be on some website?

**Mr Isbister:** Yes. I'd have to take on notice whether the AMENCA 1 has been finalised in terms of the final report and the management response. But once it is, yes, it would be.

**CHAIR:** Thank you. I'm going to try to get around the world not in 80 days but in 20 minutes. I will have very brief questions in relation to Bangladesh, the Rohingya and then Armenia and Azerbaijan in that order, and then a bracket on China, Israel and a few other issues. Whilst the officials are coming to the table, Minister, I was wondering if I could ask you what the government's view is in relation to the Magnitsky Act and whether it has application to Australia, or whether we already have sufficient protocols and other legislation in place which covers those things that are usually understood as the Magnitsky Act?

**Senator Payne:** In the broad—and I will ask Mr Larsen to add to this—we have a system of sanctions application available to us which enables us to apply sanctions broadly both on
human rights issues and others. We have, for example, specified named sanctions available to us which we have applied in Myanmar to specific individuals.

You mentioned Bangladesh, I presume with a link to that matter. We have country sanctions we're able to apply to Syria and Russia, for example. There has been, as you know—and you are part of that conversation—some discussion around whether we should introduce a Magnitsky-style approach to sanctions. I think that is a conversation worth having. I'm certainly open-minded about the discussion and look forward to the chance to hear and participate as appropriate. But I'll ask Mr Larsen to talk about more of the detail on our capacity currently. Obviously, this is a matter which we have turned our minds to and continue to do so regularly, given the circumstances that arise from time to time.

**CHAIR:** Much as I would like to hear from you, Mr Larsen—

**Senator Payne:** He's very good.

**CHAIR:** would you be so kind as to put that on notice for me, please, given the time constraints?

**Senator KITCHING:** Could I ask the chair's indulgence?

**CHAIR:** Do I have a choice?

**Senator Payne:** I think you do, Chair. You're the Chair.

**Senator KITCHING:** If you are putting that on notice, will that come back to all committee members?

**CHAIR:** Yes, of course it will.

**Senator KITCHING:** I have a draft bill, as you're aware. We may well have some discussions about how that goes forward.

**CHAIR:** In recent times, as in 3 October, I received correspondence, as Chair of the Foreign Affairs, Defence and Trade Legislation Committee, from the Bangladesh Community Council Incorporated. The committee agreed that I should ask the odd question about this. There was concern about the struggle for democracy and human rights in Bangladesh. Without giving me a full history lesson, which I undoubtedly need, and given the time constraints, do we accept that it is not a democracy and that there are human rights issues in Bangladesh?

**Dr Strahan:** Without going into the full historical background, I would say that Bangladesh has had a very troubled and complex political history in recent decades.

**CHAIR:** Currently, how would you describe it?

**Dr Strahan:** That has led to what I would say is a democracy with flaws and restrictions.

**CHAIR:** They're all with flaws and restrictions, even our great democracy. So can we use some stronger language or not?

**Dr Strahan:** What we have done is raise with the Bangladesh government the fact that the restrictions on the opposition, on the press and on human rights defenders are excessive. We have done this in the Human Rights Council in some of our formal comments. I myself have discussed these issues in Dhaka with senior government officials, including in the Prime Minister's office. Our point has been to urge Bangladesh to do everything it can to make sure that democracy can function as freely as possible.
CHAIR: As most people would understand democracy, yes.

Dr Strahan: I have said that some of the restrictions go beyond the bounds of what would be in line with our expectations of a democracy, including in the behaviour at times of the security forces, who can be quite heavy-handed.

CHAIR: In re-reading the Hansard, should you wish to add anything else to that very helpful answer, I would be appreciative. I will then be able to respond to this organisation. Thank you very much.

Dr Strahan: We also reach out to these groups and talk to them. We make ourselves available here and in Dhaka.

CHAIR: Good, thank you. If, potentially, in your answer you could provide a contact officer or whoever for that community organisation, that would be very helpful. I could then provide that to the organisation as well.

Senator Payne: I might note that in September I was the first Australian foreign minister to visit Bangladesh since 1988. That is an important step in enabling us to have a dialogue on these key issues.

CHAIR: Thank you very much, Minister. It's helpful that that is on the Hansard as well. I will turn to the Rohingya people. Where do we start on this one? Do we think that the world's reaction to the grievances of the Rohingya Muslims who have been subjected to ethnic, religious and political persecution is sufficient? Once again, without a full and detailed history lesson, of which clearly I am in need, are we able to provide a succinct answer? Do we think it's sufficient? Should the world community be doing more? Could it be doing more?

Dr Strahan: Perhaps I could offer an overview. From our point of view, Australia has been very firm in pursuing four lines of effort on the Rohingya. One is to—

CHAIR: Sorry, four lines?

Dr Strahan: Lines of effort of work.

CHAIR: Yes. Which are?

Dr Strahan: One is on accountability. We have done that in different venues, including the Human Rights Council. The second is to engage in an ongoing discussion about the possibility of achieving safe, voluntary and dignified returns of Rohingya to their homelands. Thirdly, it's on the humanitarian effort, which is split between Bangladesh, which I'm responsible for, and Myanmar, which Julie is responsible for. Fourthly are the long-term development needs of the Rohingya. Again, that falls between the two of us. In my case, we look at the needs of the 800,000 to 900,000 Rohingya in Bangladesh.

CHAIR: Thank you for that. That's a very helpful answer. I was given this question: how do you think this crisis can be solved? I dare say that if you knew how it could be solved, you would be the Secretary-General, plus of the United Nations. Is there any understood pathway in relation to this, or is it more realistically that we're monitoring the situation and providing assistance in those four areas that you suggested, Dr Strahan?

Senator Payne: I would say that it's much more than a monitoring brief. It's a proactive engagement by Australia with regional counterparts, particularly within ASEAN—bearing in mind that Myanmar is a member of ASEAN—and then more broadly in the region and further internationally. The most significant challenge to the resolution of the return of the Rohingya
to Myanmar, which is overwhelmingly their desire, is around sustainable, durable and safe circumstances of return. That is a matter which we have taken up directly with the government of Myanmar, including in my own meetings there in December last year—

CHAIR: Well done.

Senator Payne: with state councillor Aung San Suu Kyi. I have taken it up in the context of our work within the Human Rights Council and the UN itself, with our counterparts in the United States and, indeed, with China, who are very important in the conversation around the capacity to work with Myanmar to achieve a degree of safety and security for returnees. I emphasise that that return must be voluntary.

For the humanitarian agencies with which Mr Isbister works, particularly the UNHCR and the World Health Organisation, ensuring that identity is reaffirmed for the displaced Rohingya to enable them to go back to their community of origin is important. We also support and engage on that.

CHAIR: Thank you very much for that, Minister. Do we believe that the Rohingya face genocide by staying within Myanmar?

Senator Payne: I will hand to Dr Strahan to add to this. Let me say that the fact-finding mission, which reported in February 2018, certainly raised concerns around genocide and war crimes. As Dr Strahan referred to, there is a great deal of work being done on accountability for the crimes perpetrated against the Rohingya in that context.

CHAIR: Thank you for that. Is there any international agreement in relation to the safe return of the Rohingya people?

Senator Payne: When you say international agreement, what do you mean?

CHAIR: Which guarantee their safe return?

Senator Payne: I wouldn't characterise any arrangement in that way, no.

CHAIR: That is what I thought. How are we dealing with Myanmar? Do we believe sanctions might be appropriate? Is that a step too far? That's not language we're using?

Senator Payne: We have sanctions in existence against named persons in relation to acts which were carried out against the Rohingya. We can provide further detail to you on notice about that.

CHAIR: That would be very helpful, thanks. The prosecutor of the International Criminal Court, I understand, has requested the court's judges to authorise an investigation into alleged crimes against the Rohingya people. Is that correct?

Dr Strahan: Yes, it is.

CHAIR: Do we have any view or expectation as to the timetable of that investigation? Once again, because my time allocation is short, I would like a short answer, please.

Mr Larsen: I will be very short. I don't have a particular indication. These things can take quite some time.

Senator Payne: We'll provide further information, if we have any, to you on notice.

CHAIR: Thank you for that. I turn to Azerbaijan and Armenia for a quick bracket of questions. It's about the 'Azerbaijani laundromat', as it's called. My bracket of questions asks whether the department, since the last estimates, has investigated the Azerbaijani laundromat.
Can it say with confidence that no money was transferred into Australia, as is suggested by the Organized Crime and Corruption Reporting Project?

Ms Raper: As we are unaware of any money being transferred to Australia under this so-called Azerbaijani laundromat issue, we have not taken the issue any further.

CHAIR: Are you aware of the OCCRP's report on this?

Ms Raper: I will have to take that on notice.

CHAIR: If you could look into it. The suggestion is that $200,000 has found its way into Australia. That's US dollars. They found their way into Australia between 2012 and 2014. Supposedly a lot more than that has found its way into New Zealand.

In relation to the conflict between Armenia and Azerbaijan and a disputed territory in between—I won't even try to pronounce its name; I think there are different versions of it—I understand that, as a department, our official line is that all parties to the conflict need to come together. So the question is: are the people in the middle also considered to be a party to the conflict, not just Armenia and Azerbaijan?

Ms Raper: As you allude to, our longstanding policy has been to support the territorial integrity of Azerbaijan, so we do not recognise Nagorno-Karabakh as an independent state.

CHAIR: You said it with such ease. I'm jealous.

Senator Payne: That's a diplomat for you.

Ms Raper: Our position is to support the efforts of the OSCE Minsk group. We don't seek to intervene in the issue.

CHAIR: So we don't recognise the grouping to which you referred as a party to the conflict?

Ms Raper: No. I said we don't recognise Nagorno-Karabakh as an independent state.

CHAIR: But is it a party to the conflict when we say that all parties should be gathering around to resolve the conflict? Do we consider these people to be a party for that purpose?

Ms Raper: Yes.

CHAIR: Thank you very much. Given time, I think I had better put some questions on notice. I understand that Senator Faruqi may have asked some questions about Kashmir. Is that correct? Can somebody confirm that?

Senator Payne: She asked a number of questions.

CHAIR: In that case, chances are that I have the same questions. I will read the Hansard and, if need be, put questions on notice.

I will now turn to China. An author who rejoices in the name of Gordon G Chan, the author of *The Coming Collapse of China*, has written about the social credit scheme. He refers to the *Global Times*, the tabloid that belongs to the Communist Party-owned *People's Daily*. He reported that, as at the end of April 2018, authorities had blocked individuals from taking 11.14 million flights and 4.25 million high-speed rail trips under this social credit policy. Are we able to confirm that, or do we have any indication that that might be right?

Ms Lawson: I don't believe we have those statistics, but we can check for you.
CHAIR: The chances are that if a Communist Party-owned newspaper reports that, one could assume that might be right. If that is the case—and this follows on from some of the questions earlier from Senator Sheldon and me—have we made any representations to the Chinese regime about that, or do we treat that as an internal matter for them to deal with?

Ms Lawson: We make broad representations about things like restrictions on freedom of movement. I would need to check if we specifically raised the social credit system. Generally, we would treat it as an internal matter. But we do raise broader concerns about the kinds of human rights expectations you would expect us to raise.

CHAIR: The initiative is to, and I quote:

Allow the trustworthy to roam everywhere under heaven, while making it hard for the discredited to take a single step.

Ms Lawson: I will certainly take a good look at those comments and come back to you.

CHAIR: All very concerning. Are we concerned as to Beijing's involvement in Venezuela? I understand Beijing has extended a lifeline to what I would assert is the corrupt and incompetent Maduro regime in Venezuela.

Senator Payne: I think it's worse than corrupt and incompetent. Yes, I take your point.

CHAIR: Thank you, Minister. Good to hear some strong language being used in foreign affairs. Usually it's couched in very diplomatic language. But that is very good.

Senator Payne: I'm on the record in relation to Venezuela.

CHAIR: That is very welcome, thank you for that. The Chinese regime has pledged $5 billion. I'm just wondering whether we have made any representations about that.

Ms Lawson: I'm not aware of any representations having been made.

Senator Payne: China's bilateral engagements are a matter for China. That would be my observation. However, the government's—

CHAIR: Propoting up repressive regimes.

Senator Payne: concerns about the state of the regime in Venezuela are on the record.

CHAIR: Yes. I understand the United Nations now has a report about Venezuela with the number of deaths in recent times. Is that right? Take that on notice.

Ms Raper: Certainly.

CHAIR: If you could give me the figures on that, that would be helpful. I turn to the issue of organ harvesting and whether the department is aware of the China Tribunal, as it was called. Was it Geoffrey Nice QC who undertook an inquiry into this?

Ms Lawson: We are aware that the China Tribunal, initiated by the International Coalition to End Transplant Abuse in China, has issued a report on organ harvesting in China.

CHAIR: Do we think that's a robust report, one that's worthy of being treated seriously?

Ms Lawson: We treat all reports on this issue very seriously. We are currently digesting the report.

CHAIR: You're currently digesting it?
Ms Lawson: We're looking at it at the moment. We take such reports very seriously. We take the allegations very seriously. We're strongly opposed to organ trafficking. We have raised our concerns with the Chinese government on many occasions about this matter.

CHAIR: Thank you for that. I suppose there are reports and reports. But when you've got somebody like Sir Geoffrey Nice, QC providing his time free of charge; who is not part, as I am advised at least, of Falun Gong; and who comes down with these findings, it makes compelling reading. How long do you think it will take for the department to work its way through that report?

Ms Lawson: We have people looking at the report at the moment.

CHAIR: Could you take on notice then, please, what the department's determination is in relation to its robustness, validity and whether it is a worthy report for quoting, or whether you think there are certain 'issues', to use a diplomatic term?

Ms Lawson: We can certainly come back about the report.

CHAIR: That would be good. Have other countries responded to this report?

Ms Lawson: I'm not sure.

CHAIR: Could you look at that for me, please? I understand they have. I understand also that they have accepted the report. But I will await Australia's response. Is the government—I would imagine it would be foreign affairs—investigating cooperation between Australian medical university hospitals and Chinese hospitals known to be involved in organ transplant in China? Is that something that has come across the radar of the Department of Foreign Affairs and Trade?

Ms Lawson: No. Australian medical establishments and Chinese establishments?

CHAIR: Yes. Being in cooperation with organ transplanting. On the face of it, it's a very good, honourable thing to be pursuing until you realise from where the organs are being 'donated'. That is the issue here. It is a scientific endeavour; if it's all voluntary, that's great. But if we have these concerns about what is happening in China, hopefully that cooperation between our two countries in this area of very worthy endeavour in principle should be ringing some alarm bells, if the organs that are the subject of this scientific endeavour are harvested in the manner asserted by the China Tribunal.

Ms Adamson: DFAT doesn't and can't speak for Australian universities. I'm sure if any of them were here represented, they would talk about their ethical procedures and protocols around these things. I appreciate that it may not point to us—

CHAIR: But they may not necessarily know.

Ms Adamson: No, exactly.

CHAIR: That's why I'm wondering if the department potentially liaises with these people to say: 'Look, be careful. You're treading into territory that you might find is completely unacceptable.'

Ms Adamson: We can certainly draw the report to the attention of Universities Australia.

CHAIR: I want to go to Israel. I assume that nobody seeks to defend the UN lunacy that saw a vote of 40 to two that Israel is the only nation that violates women's rights? Is it true
that that vote occurred with the support of countries such as Saudi Arabia, Iran, Pakistan and Yemen?

Dr Lee: Thank you for that quote. I will just have to take that particular date.

CHAIR: It's 23 July.

Dr Lee: I will take it on notice.

CHAIR: In 2019. The UN's 54-nation Economic and Social Council voted 40 to two, with nine abstentions, to single out Israel as the only state in the world branded as a violator of women's rights. Countries like Saudi Arabia and others, and Pakistan, voted. What do we say to these bodies in the United Nations?

Dr Lee: As you know, we've been very strong advocates for Israel. We're very strong advocates against an anti-Israeli bias. We take that forward in a range of UN organisations where they come up. We've pursued that very strongly in the UN Human Rights Council where it has been a feature of our membership under item 7, of course. We voted against the resolutions there. It is similar within the General Assembly. I don't doubt what you've said there, but I don't have the specifics of that particular resolution.

CHAIR: Take it on notice.

Dr Lee: I will confirm that one and reaffirm our commitment to pushing back an anti-Israeli bias.

CHAIR: Thank you. In relation to Iran—if others asked these questions in my absence, let me know—the Prime Minister gave a speech to the Sydney Institute in recent times. He said: I understand that we are keeping the option of additional autonomous sanctions under active review in relation to Iran.

What are those options? Have options been developed at this stage? Without going into all the detail, have some options been developed yet?

Dr King: I would defer further discussion to my legal colleagues. All I can say is that at the moment we maintain UN mandated and autonomous sanctions and export controls in relation to Iran. We list particular persons and entities for targeted financial sanctions.

CHAIR: I'm aware of that. The Prime Minister gave a speech. I am wondering what options Australia may or may not be considering.

Dr King: To the best of my knowledge, we're currently not actively—

CHAIR: So the Prime Minister just flagged the possibility?

Dr King: That is my understanding.

CHAIR: But it is not under active consideration at the moment?

Dr King: Yes.

Senator Payne: We always retain that across our sanctions program. We always retain the discretion to review.

CHAIR: We continue to support the JCPOA?

Senator Payne: Correct.
CHAIR: Thank you. Are we thinking of taking any actions in relation to, or further activities to encourage, Iran to stop developing nuclear weapons? Is that also part of your previous answer?

Dr King: As the minister just said, we continue to support the JCPOA. As the Prime Minister said, it's not ideal but it's the best agreement we have. It continues to meet non-proliferation objectives. We're not a party to that arrangement, so we look to the parties to enforce it.

CHAIR: And the targeting of oil facilities in Saudi Arabia recently has undoubtedly heightened our concern but has not changed our official attitude at this stage?

Dr King: No.

CHAIR: Would that be a fair summary?

Dr King: That's correct.

CHAIR: I understand that we joined the International Holocaust Remembrance Alliance in June this year.

Senator Payne: We did.

CHAIR: Take on notice what actions the government is intending to take to promote holocaust remembrance in Australia. Do we intend to adopt the IHRA definition of anti-Semitism? Just take that on notice.

Dr Lee: Okay.

CHAIR: There are a lot of questions on overseas aid and development for the Palestinian territories, which is a matter of genuine concern. I understand a number of countries have stopped their aid, including, if I recall correctly, Switzerland and the Netherlands. I'm wondering what our situation is. Are we continuing to provide funds to UNRWA?

Dr King: I answered briefly Senator Faruqi on this matter before. It is a good question. We have a four-year program for $80 million which expires next year. We've expended $76 million of that, and $4 million is outstanding. That last $4 million, as per usual, is kept in reserves pending performance. Several countries suspended their aid after the report I talked about to Senator Faruqi. We're waiting for the outcome of that report.

CHAIR: Thank you. Do we accept that religious persecution in the world is increasing as a general statement?

Dr Lee: It certainly is concerning ongoing harassment or persecution. There have been some reports recently. There has been the Pew Centre report, which I think said that Christians face harassment of one form or another in 144 countries globally. Muslims face similar in 142 countries. Similarly, the Bishop of Truro also made a report. The recommendations of those reports are that we need to focus on freedom of religion and belief generally and support all religions. That is certainly something that Australia has been very active on. Again, it's a priority of our Human Rights Council membership. It's something that we pursue at bilateral and multilateral levels. It is an issue of concern. It is something that we are pursuing.

CHAIR: Thank you. I understand that foreign office minister Sir Alan Duncan has told the House of Commons that his government has decided to accept every recommendation in
full of the report of the independent review into foreign and Commonwealth office support for persecuted Christians. You are aware of that report?

Dr Lee: I'm assuming that is the Bishop of Truro report. There is a report prepared for the United Kingdom government.

CHAIR: Yes, it was. On 20 July, the government responded. That is the UK government, just for clarity. There was also a report commissioned by the foreign secretary. It also points to evidence that Christians constitute by far the most widely persecuted religion. Do we have a view on that?

Dr Lee: As I said, I think all religions face harassment. As the Pew Centre report—

CHAIR: We know that. Sometimes one religion faces more persecution than others. This is a report from the Foreign & Commonwealth Office by Lord Ahmad of Wimbledon and the Right Honourable Jeremy Hunt MP.

Dr Lee: And the source of many of these reports is the Pew Centre report, which, as I mentioned, reports harassment in 144 countries.

CHAIR: Is there any reason to doubt their findings?

Dr Lee: No. I don't think there is.

CHAIR: Well, if there is no reason to doubt the finding, we would be willing to say that this report points to evidence that Christians constitute by far the most widely persecuted religion.

Senator Payne: I think Dr Lee said in his earlier remarks to you that the evidence shows that persecution of Christians. Dr Lee, did you say it was in over 140 countries?

Dr Lee: It is 144 countries for Christians and 142 for Muslims. But the reports only refer to the number of countries, not the number of adherents of a religion in a particular country. So it's difficult to determine in absolute numbers who is most harassed or most persecuted. But certainly it's an important issue for all religions that it be recognised.

Senator Payne: And it is something that we are acutely focused on both through the Human Rights Council and our participation in the Ministerial to Advance Religious Freedom, which was held in Washington in July this year, where I believe our deputy head of mission, Katrina Cooper attended. They are important gatherings to reaffirm Australia's belief—

CHAIR: Which one was that again?

Senator Payne: The second Ministerial to Advance Religious Freedom in the United States, to reaffirm Australia's belief on freedom of religion and freedom of belief.

CHAIR: The President of the United States, I think on 24 September, convened a meeting at the United Nations on religious freedom as he started the UN General Assembly's annual session with a global call to protect religious freedom. I am wondering whether Australia was at that.

Senator Payne: Yes.

CHAIR: We were?

Senator Payne: Yes.

CHAIR: Thank you. I thank the committee for its indulgence.
Senator FAWCETT: This is a follow-up question. Senator Abetz raised the issue before about the treatment of women and the resolution that was passed. I note that you've got the dual role of Minister for Foreign Affairs and Minister for Women. Have you sought to leverage that dual hat in your foreign affairs role?

Senator Payne: I certainly have. I actually don't need to seek it proactively, if you like, because it has natural synergies and natural intersections, particularly in the Pacific, which have been very powerful. In all of the work that we are doing, a focus on gender equality and a focus on women's economic security and leadership and women's and family safety is a real opportunity to bring together the two portfolio responsibilities that I hold domestically, regionally and internationally.

Ms Adamson: From the department's point of view, in addition to the synergies that the minister sees and works at, we work very closely—we have for many reasons, obviously—with the Office for Women. We are now doing that even more actively and proactively. Our overseas posts, I think it's fair to say, are rising to the challenge the minister has set us when it comes to bringing these two portfolio responsibilities that she has together. It's a natural thing for us to do. It's giving us, I think, additional opportunities. We are grasping them with both hands.

Senator FAWCETT: So UN resolution 1325 would stand in stark contrast to perhaps the one Senator Abetz was discussing earlier?

Senator Payne: Indeed. We have an opportunity next year to refresh on women affairs and security on UNSC 1325 as it comes to its anniversary and the advance of new agreements. I think that, in all that we do, we are able to use that as a template in many ways. An example is in the development of Blackrock in Fiji itself. Colonel Seruiratu, the wife of the Fijian minister for foreign affairs and minister for defence, is the only woman to have attained colonel rank in the Royal Fijian Military Force. She attended with the Prime Minister, me and Mr Hawke at our most recent visit to Blackrock. We had the opportunity to speak with a number of deploying members of the Royal Fijian Military Force to Iraq, who were there on the day we visited a couple of weeks ago. The Prime Minister took the opportunity particularly to focus on the importance of women's engagement in WPS and all military's engagement in WPS, then diplomatic and so on, across the board. That is a very powerful conversation.

Senator WONG: Before the break, I think I asked Mr Green about activities within Vietnam's EEZ that Vietnam had expressed concern about and you were checking.

Mr Green: As I think you alluded to, tensions between Vietnam and China in the South China Sea have been rising this year and were particularly pronounced in July and August. Vietnam commenced a drilling operation at a block near Vanguard Bank in May. Following this, China deployed a survey vessel with coast guard escorts to the area in early July. Media reported that the Chinese coast guard vessels conducted patrols in close proximity to Vietnam's drilling operations and 'in a threatening manner'. The Chinese vessel moved to another location in early October, and the Vietnamese drilling rig has now left the site. The breaking news, not yet confirmed, as of the last 24 hours is that the Chinese survey vessel has also left the area.
Senator WONG: Did Australia share any of Vietnam's concerns about the activities within Vietnam's EEZ?

Mr Green: Australia has had concerns about the incident. We are certainly concerned at reports of disruptive activities in relation to longstanding oil and gas projects in the South China Sea. As we customarily do, we are encouraging all parties to exercise restraint and refrain from actions that are provocative, destabilising or potentially dangerous.

Senator WONG: Have any representations been made to China about any of these activities?

Mr Green: I would have to check.

Senator WONG: Has Vietnam requested any representations?

Mr Green: Vietnam has certainly been in touch with us. The Chinese authorities have also been in touch with us.

Senator WONG: In the last trilateral strategic dialogue joint ministerial statement, the ministers expressed concerns about credible reports of the disruptive activities in relation to longstanding oil and gas projects in the South China Sea. Do the activities you describe fall within such a category?

Mr Green: Yes.

Senator WONG: I have some questions in relation to our role at the UN and multilateral policy.

Mr Green: Since I'm at the table, would I be able to answer the question you asked earlier about the number of meetings? You asked about the number of meetings between the DFAT officials managing the US inquiry process and Mr Barr and/or Mr Durham. The answer to that question is that there have been six such meetings.

Senator WONG: Are they inclusive of the meeting about which we had evidence this morning?

Mr Green: Yes.

Senator WONG: So it's four plus two more?

Mr Green: Yes.

Senator WONG: Can I ask who the further two were? Which Australian officials?

Mr Green: I'd prefer not to go into greater detail.

Senator WONG: There is a lot of preference and I'm being quite reasonable. But officials from DFAT or another agency?

Mr Green: Officials from DFAT.

Senator WONG: I have some basic questions about the UN. How are major UN conventions and agreements decided or multilateral conventions and agreements decided?

Dr Lee: You asked the question how multilateral agreements are decided?

Senator WONG: Yes. Nation states agree them; correct? How do you want to do this? Do I ask you an open question? Do I ask you a closed question? Can we just get through this?

Dr Lee: That's right. They are subject to the negotiation processes of member states of the United Nations or the parties that choose to participate.
Senator WONG: Thank you. How are UN policy positions arrived at?
Dr Lee: Again, similarly, through our member state participation.
Senator WONG: Can you confirm that there is an election process for the UN Secretary-General?
Dr Lee: That's correct.
Senator WONG: Are there any officials at the United Nations in respect of whom Australia has asserted unaccountability or inappropriate behaviour?
Dr Lee: Sorry?
Senator WONG: Any UN officials in respect of whom Australia has asserted that they are unaccountable or have behaved inappropriately towards Australia?
Dr Lee: Not that I'm aware of.
Senator WONG: Does the majority of our contact with the United Nations occur through the permanent missions?
Dr Lee: My apologies again. I didn't quite hear the end of that question.
Senator WONG: I am reading. Does the majority of our engagement with the UN occur through the permanent missions?
Dr Lee: Yes. That's correct.
Senator WONG: Do you agree with the statement that global rules and norms have rightly been shaped over many decades to reflect what the international community, Australia included, has judged will deliver the best outcomes for everyone?
Dr Lee: Yes.
Senator WONG: Has Australia's ambassador to the UN ever reported being 'lectured to' by the UN?
Dr Lee: I couldn't comment on the history of Australian ambassadors.
Senator WONG: To your knowledge?
Dr Lee: In the two years that I have been in this job, I can't recall that our permanent representative in New York has raised that.
Senator WONG: Any cables which complain of being 'lectured to'?
Dr Lee: I'm sure you would appreciate that a number of conversations would occur in the United Nations and by our missions. Many of those conversations would be private. We hope that those conversations would be reported by cables. It's difficult to know across the board how ambassadors at posts in particularly New York and Geneva might characterise all of the discussions that they've had.
Senator WONG: Can you explain to me what you understand the phrase 'demand conformity' to mean?
Dr Lee: I am thinking you are referring to the Lowy speech?
Senator WONG: Just want to know what you understand. I have forgotten your position, Mr Lee.
Dr Lee: First assistant secretary, multilateral policy.
Senator WONG: FAS in something important and big, yes.

Dr Lee: I think the issue that has been discussed recently is an issue around the balance of the member state agency continuing to be at the heart of, as you said, the way international agreements and international negotiations are conducted and formed.

Senator WONG: Sure. But we are a sovereign nation, aren't we?

Dr Lee: Yes.

Senator WONG: As you have agreed, the decision-making process through the UN means that we make decisions about what we agree to and what we don't. Correct?

Dr Lee: Yes.

Senator WONG: In fact, the very nature of the system means conformity can't be demanded of a sovereign nation because we can choose not to agree or we can choose not to respond. Correct?

Dr Lee: But there are formal negotiations which occur. But there are also comments that can be made, including by institutions or individuals within institutions.

Senator WONG: So which of the institutions and individuals you say have made—

Dr Lee: I'm not saying that they have.

Senator WONG: You brought it up, Mr Lee.

Dr Lee: But hypothetically—

Senator WONG: You brought it up.

Dr Lee: They could.

Senator WONG: You brought up in that answer. You give me an example of the institutions and individuals making commentary that you think is referenced by the demand and conformity point the Prime Minister has made. I am not prepared to accept justification in the abstract. You tell me what has been said.

Dr Lee: I think that the comments that the Prime Minister made in his speech—

Senator WONG: I am asking about your evidence. You've given evidence about institutions and institutions. Which ones and whom?

Dr Lee: The Prime Minister—and I think this has been further clarified in question time—referred—

Senator WONG: Mr Lee, please don't. That's for the minister. You are a public servant. You raised the issue of institutions and individuals making comments. Please give me examples.

Dr Lee: I was talking hypothetically.

Senator WONG: Thank you.

Dr Lee: No comments could be made—

Senator WONG: You were talking about hypothetically. Have you got any evidence of such—

CHAIR: Allow Dr Lee to answer.
Dr Lee: That comments could be made both in formal negotiations and comments could be made outside of formal negotiations?

Senator WONG: Could you please provide evidence or examples of any such comments?

Dr Lee: Where?

Senator WONG: Such as you are referring to in your hypothetical.

Dr Lee: If you look at a range of officials from a range of institutions, it's quite common for officials, including from international agencies, to make comments outside of formal negotiations.

Senator WONG: Okay. Is it your evidence that you understand the phrase 'demand conformity' to reference officials making these hypothetical comments that you can't identify? Is that your evidence?

Dr Lee: Officials could make comments.

Senator WONG: Could.

Dr Lee: Could make comments.

Senator WONG: Have.

Dr Lee: And may ask—

Senator WONG: Why are we in the hypothetical world? You're here to give evidence. If you want a political response about the Prime Minister's position, I'll ask the minister. I am asking you. You have given evidence now about these hypothetical comments as being the examples of demand and conformity. I would like to know what they are.

Dr Lee: I didn't say that these comments necessarily were demand and conformity.

Senator WONG: But there are comments that officials can make.

Senator WONG: Maybe you should stop there.

CHAIR: Let him finish.

Senator WONG: Well, he's getting a little political, frankly.

CHAIR: Coming from you, Senator Wong—

Senator WONG: I'm a politician. I'm meant to be political.

CHAIR: You are indeed.

Senator WONG: Unashamedly so.

CHAIR: You are indeed and you always are.

Senator Payne: I disagree with your characterisation of Dr Lee's evidence.

Senator WONG: Perhaps we can get out of hypothetical examples. Secretary, I will ask you. Is there any global organisation that can demand conformity of Australia as a sovereign nation, or do we have to agree?

Ms Adamson: You are absolutely correct that treaties are entered into freely, of course. We negotiate typically multilaterally, as you know, including from your own experience. Any negotiation inevitably involves compromises. But ultimately when it comes to treaty signature, ratification and entry into force, those elements are undertaken freely.
Senator WONG: Thank you. When did the department first become aware of the government's new policy against 'negative globalism'?

Ms Adamson: You are referring to the Prime Minister's Lowy speech. That was the first time I had heard that phrase used. I want to make sure that I'm on the ground you expect officials to be on. I think when we heard those words, we had some sense of understanding about what the Prime Minister was talking about. When I read the text of the speech—I was overseas at the time and unable to be there in person—I did not have the sense that that derogated in any way from Australia's commitment to elements of the multilateral system which we believe in very strongly, including the elements that go to the issues around a rules based order that were set out in the foreign policy white paper. There is a lot in that, of course, in the wide range of institutions to which we contribute and the wide range of ways to which we contribute regionally and multilaterally. I saw that as defining an area but not at the expense of our broader support in all the areas where Australia has traditionally engaged and I'm confident we will continue to.

Senator WONG: I think your evidence was that this was the first time you'd heard this phrase?

Ms Adamson: It was.

Senator WONG: Is it used anywhere? Have you seen it in any other government document prior to this speech?

Ms Adamson: I had not. But that's not to say it hasn't been used somewhere by someone. These things are difficult to prove. But it was the first time I had heard it characterised in that way.

Senator WONG: Can I confirm that the minister, prior to the Prime Minister using this, has never used such a phrase in an official speech or release, as far as I can see?

Senator Payne: No. It's not a phrase I had used. But that is—

Senator WONG: To your credit, Minister. Does anybody understand what positive globalism is? What do you understand it to mean?

CHAIR: The natural meaning.

Ms Adamson: That's all I can say. Positive, negative—we all have a sense of what they mean. There's plenty on the positive side of the ledger. I can understand why the Prime Minister would have referred to elements that can be on the negative side.

Senator WONG: I will infer, and give you the opportunity to tell me if I am wrong, that you've never heard the phrase 'negative globalism' prior to the Lowy speech by the Prime Minister. The department didn't provide advice in respect of negative globalism prior to the development of the Lowy speech?

Ms Adamson: Strictly speaking, in the terms in which you ask, that is correct. More broadly, of course, we provide ongoing advice to the Department of Prime Minister and Cabinet. We share perspectives on a range of things. In preparation for a prime ministerial speech, we may be asked to provide views on language on broad subject topics, not explicitly on negative globalism.

Senator WONG: Did you get a draft of the speech before it was given?

Ms Adamson: No.
Senator WONG: Did you, Minister?
Senator Payne: I saw it before it was given, yes.
Senator WONG: Are you the author of the negative and positive globalism?
Senator Payne: I'm not the author of the speech.
Senator WONG: Can I confirm that Ms Bishop also never used the phrase 'negative globalism'?
Ms Adamson: Not to my knowledge.
Senator WONG: Have you ever provided advice, can you give advice—let's not get into an argument, Dr Lee, with more hypotheticals—or can you provide any examples of multilateral or international institutions demanding conformity?
Dr Lee: I haven't provided advice on that, no.
Senator WONG: Can you confirm that there is no reference to negative globalism in the white paper, which was completed under Ms Bishop's leadership two years ago?
Ms Adamson: Yes. In 2017, it was launched. It is coming up to the anniversary next month on 27 November.
Senator WONG: Excellent. Fighting fires while we're having fun. There is nothing in it about that. In fact, the white paper is consistent with many decades of bipartisan foreign policy. It speaks, I think, quite coherently about the benefits and importance of multilateral agreements, at least to a country of Australia's size and openness. Correct?
Ms Adamson: Correct.
Senator WONG: How is that consistent with negative globalism and railing against international institutions which demand conformity?
Ms Adamson: As I said when you first asked me for my evidence of this, I think the Prime Minister sought to define and express a view in language which is his own language. I think when people heard it, they understood it to mean a part of the overall system that touches on elements that Australia, to be honest, doesn't particularly like. But that, to me, does not detract, as I said before, from our engagement with the multilateral system in the national interest and our contribution over many decades now and no doubt in future to its maintenance and its evolution. We have to do that as a country of our size and standing in the region and given the capability that we have. But I'm sure you've read a number of UN reports in which Australia has been taken to task for failing to do certain things.
Senator Payne: In the eyes of the UN.
Ms Adamson: In the eyes of the UN. My own view, on reading the speech, is that that is what the Prime Minister was referring to. It happens in the Human Rights Council on the part of countries whose own human rights records we would feel are, frankly, not—
Senator WONG: Yet there are times we are criticised. Governments of both political persuasions have been criticised. This government is criticised because it doesn't tell the truth about the emissions.
CHAIR: Come on, come on.
Senator WONG: The Paris agreement emissions target is, how shall I say it, fudged?
Senator FAWCETT: Yet. That's right.

Senator WONG: So, as I understand the evidence from the table, the best way officials can explain the Prime Minister's speech is when he talks about the UN. He says:

Negative globalism that coercively seeks to impose a mandate from an ill-defined, borderless global community.

And when he talks about international institutions demanding conformity, what you think he is referencing is criticism from various UN entities about Australian government policy in respect of particular issues. Is that a reasonable summary?

Ms Adamson: Well, I think partly. I have obviously given it some thought, as you would expect me to.

Senator WONG: Well, I'm sure you've given it a fair bit of thought, lying in bed at night wondering, "What is this negative globalism?"

Ms Adamson: Not in that way, Senator.

Senator Payne: Positive globalism, also referred to in the speech—I'm sure you'll come to the discussion about positive globalism—

Senator WONG: I already have referenced it.

Senator Payne: where the Prime Minister refers to—

Senator WONG: To be honest, Minister, it read like something Senator Roberts from One Nation would have been happy with. In fact, he was delighted with it.

Senator Payne: Well, I reject that characterisation, Senator.

Senator Payne: I am not rejecting your characterisation of Senator Roberts. That is a matter for you and him, frankly, and it's a beautiful thing. I am rejecting your characterisation of the speech in that way. The Prime Minister talks about positive and practical globalism and what Australia does and should always seek to do—have a responsible and participative approach. Being an international agency addressing global issues is important. That is the balance in the speech.

Senator WONG: Well, I disagree.

CHAIR: Let's have a question.

Senator WONG: I'm not going to—

Senator Payne: There is no question of that. Would you disagree?

Senator WONG: Well, no. I don't think a reasonable observer reading the speech would say that your assertion is correct. One reads the CEDR speech that you gave. People can read that and read the Prime Minister's speech and they are not the same policy position.

Senator Payne: I'm happy to put it on the record again.

Senator WONG: They are not the same policy position.

Senator Payne: My CEDR speech, which I'm very glad you put out—

Senator WONG: You talk about—

CHAIR: Can we try to get back to questions?
Senator WONG: I am happy to get back to questions.

Senator Payne: I was just about to read some remarks from my CEDR speech into the record. You don't want to hear those?

CHAIR: We would be relatively pleased. We would move an extension of time for you to do so, I'm sure.

Senator WONG: Thank you. I've read it.

Senator Payne: Disappointing from your own side.

CHAIR: Even a spill-over day.

Senator Payne: Excellent.

CHAIR: Back to questions. Whilst we aren't on questions, I seek a clarification for the record. Secretary, could you, to avoid any ambiguity or misunderstanding, please confirm that all questions relating to the expenses incurred by Mr Downer which have not been answered have been taken on notice?

Senator WONG: Does that mean there is or there isn't a PII claim pending?

CHAIR: At this stage none, because they've all been taken on notice.

Ms Adamson: I can confirm, Chair, that we had taken one question explicitly on notice. I now confirm that that applies to any other explicit or implied questions that go to that matter.

CHAIR: Thank you. Senator Wong, you've got the call.

Senator WONG: Thank you, Chair. Are there any organisations that we no longer support based on the Prime Minister's speech? They are organisations we are currently members of or have conventions with that we have signed.

Dr Lee: The Prime Minister emphasised some important areas of ongoing international engagement. He mentioned peace and stability, open and free trade and said that he would ask the department of foreign affairs to conduct an audit. In particular, he mentioned standard setting organisations. So the department is currently working on the terms of reference of that audit. It's something clearly that we all need to engage at a whole-of-government level on. On those standard setting organisations which the Prime Minister referred to, there's a number of UN specialised agencies that are very important to Australia. In obviously looking at the audit, we'll need to finalise the terms of reference. One task will be to make sure that they are fit for purpose and that they are reflecting current realities and emerging issues. I think a very important part of the speech was to focus on those sorts of specialised bodies.

Senator WONG: Oh, do you?

Dr Lee: It was an audit that we have been asked to undertake.

Senator Payne: I think the point to make—

Senator WONG: I just find it interesting that this official is happy to give me opinions about some things but not others. Anyway, that is a personal issue between him and me. I am sure we'll manage it over the coming term. When did the department first become aware—

Senator Payne: I was just about to say something and I lost my train of thought. If you ask your question, I will come back to what I was going to say.
Senator WONG: When did the department become aware that you were going to be tasked with an audit?

Ms Adamson: We became aware on the afternoon of 2 October. I was traveling at the time. One of my deputies was acting secretary. He was contacted on 2 October.

Senator WONG: I apologise, Secretary. I was distracted. Could you say that again? Was it 2 October?

Ms Adamson: It was 2 October, yes.

Senator WONG: When was the speech given—the 3rd?

Ms Adamson: That's correct.

Senator WONG: How did you become aware?

Ms Adamson: We became aware through a telephone contact between the Department of Prime Minister and Cabinet and the acting secretary of the department. As I said, I was overseas at the time.

Senator WONG: I think I've asked this and I'm not sure I got an answer. Can you tell me which organisations, if any, the government no longer supports based on the Prime Minister's comments about negative globalism and ill-defined, unaccountable internationalist bureaucracies?

Senator Payne: I don't think it is a question of organisations that the government no longer supports. I think it is clear from the Prime Minister's speech and from a number of remarks that have been made over time, including to a degree, if I may say, your own remarks pointing to the need for reform in a number of these international issues, that this is not an immutable environment. It's not one that is cast in stone. It's not one that will never bear review or change. I address this in the context that the Prime Minister has and other members of the government with his references in his remarks. Of course, as to the suggestion of looking at global institutions in which Australia is involved, we know that DFAT will do that in consultation with PM&C, as the secretary has just said. These are relevant and timely approaches for a government to take in what is a very dynamic international and strategic environment.

Senator WONG: But the speech is not about reform. I will take that. There is a difference between saying we need to ensure the WTO is fit for purpose or we need to reform the Human Rights Council et cetera. We are a founding member. Under governments of both persuasions—I would argue probably more so under Labor, but I think it is an Australian tradition—we have been multilateralists of capacity and ability. We have advocated and prosecuted Australia's interests through those forums. Frankly, it is a strawperson argument to suggest that somehow any questions about these are anti-reform; it's not that. The language used is a very different type of language than that which Ms Bishop used or Mr Downer used or you use. It channels, frankly, the sort of stuff you see on the Internet around right-wing conspiracy theories and global government.

Senator Payne: I want to take up a point with you about your observation. The committee doesn't want me to quote my own speech, so I might quote the Prime Minister's.

Senator WONG: You'll be happy about that.

Senator Payne: It does actually talk about—
CHAIR: We were just so embarrassed to say how much we would like you to.

Senator Payne: I know. It does actually state:
The rules and institutions that support global cooperation must reflect the modern world. It can’t be set and forget.
That is about reform. It continues:
We are working to revitalise and modernise the global trading system. To ensure it matches the speed of change in E-commerce and embraces the opportunities of the digital economy.
Revitalisation and modernisation is all about reform of the global trading system, just as one example from the Prime Minister's speech. I understand that you don't like the language. I'm not sure the Prime Minister was speaking to ensure you did like the language.

Senator WONG: Come on. Can we just behave? It's not about that. I think the Prime Minister of the country—and I think a lot of people think that, and probably sitting behind you too, frankly—

CHAIR: I am not sure this is not editorialising.

Senator WONG: Starting to talk about a negative globalism that coercively seeks to impose a mandate from an ill-defined, borderless community is not really the sort of language that people expect of a Prime Minister.

CHAIR: I am sure this is not editorialising and there is a question.

Senator WONG: Yes, there will be. Do I understand from your evidence that, despite this language about ill-defined, borderless global communities and unaccountable internationalist bureaucracies, negative globalism and demanding of conformity, there are, in fact, no multilateral institutions that the government is actually walking away from?

Senator Payne: There is no suggestion that the government is walking away from multilateral institutions.

Senator WONG: Thank you. And there are no institutions that the government no longer supports, based on these comments?

Senator Payne: I refer you to Prime Minister's speech to the UN General Assembly, which I'm sure you're also very familiar with. He has also taken the opportunity to talk about the importance of the work of the UN historically and in a contemporary sense. He said:
...the prime custodian of the rules-based order. It is also the custodian of mechanisms for dialogue and adjudication which buttress them.
There are a number of other remarks in that speech. He observes that it does need reform and it does need evolution to respond effectively to the challenge of the 21st century. I don't think that that is a controversial statement. In fact, I think the Secretary-General acknowledges the need to reform the organisation.

Senator WONG: I think we all know that the words used were quite different to those which have been used by Prime Ministers of both political persuasions for many years.

Senator Payne: I was just quoting the Prime Minister then, Senator Wong.

Senator WONG: Let's just move on. I want to come back to the audit. You said, in relation to the audit, that you were tasked on 2 October. We were informed, I think earlier this
week, that work is underway. When did work begin? Can you tell me what the scope, terms, timeline and process is and who is leading it, please?

Dr Lee: The Department of Foreign Affairs and Trade is taking forward at present terms of reference for the audit. We have commenced that. We will need to consult with other departments.

Senator Wong: You have commenced work on the terms of reference?

Dr Lee: On the terms of reference.

Senator Wong: So the audit itself hasn't actually commenced?

Dr Lee: That's correct.

Senator Wong: Time line?

Dr Lee: At present, we will need to work that out as well. We don't have a formal timeline for finishing the audit. We will need to look at the scope. It has been mentioned that it's comprehensive. Obviously, the number of organisations that are within it will determine the amount of time that it needs to take. But that will be also decided with the timeline and the terms of reference.

Senator Wong: So there is a discussion about which entities are in and out within the scope of the audit. Correct?

Dr Lee: Correct.

Senator Wong: What is the question being asked?

Dr Lee: I think some guidance is being provided, again, within the Prime Minister's speech around where the priorities are. As I mentioned earlier, it's particularly looking at standard setting organisations and UN specialised agencies—whether they are fit for purpose and what options there may be for reform. I don't want to pre-empt. We will have to have a broad whole-of-government consultation on finalising the terms of reference. I imagine that would be at the heart of the terms of reference.

Senator Wong: Will DFAT continue to lead it? What is the intention in terms of who is handling it? Who is engaged on it?

Dr Lee: DFAT, at a logistical level, certainly in collecting the information and coordinating at present, will lead. Others will be probably co-leading with us. That is probably Prime Minister and Cabinet and the Treasury. Specialised agencies include the ICAO and the ITU, the International Telecommunications Union. These are all the policy responsibility of other Australian government agencies, so we will need to have consultation really across government.

Senator Payne: We have just achieved significant reform in the postal union, if I remember correctly, Dr Lee.

Dr Lee: If I may, the Universal Postal Union is an excellent example.

Senator Wong: I didn't ask the question. Can I get on with mine, with all due respect? I've read that. I know that president. Thank you.

Chair: Let's keep moving.

Senator Wong: Thank you.
Senator Payne: Just citing it as a good example.

Senator Wong: Perhaps instead of playing that, why don't you take up a bit of multilateralism? How about that?

Senator Payne: Are you going to give me some advice?

Senator Wong: I am sure you don't take advice.

Senator Payne: Oh, really?

Senator Wong: I had some questions in relation to the PM's trip to the US in September 2019. Can you tell me what role DFAT played in planning that visit?

Senator Payne: The most recent state visit, Senator?

Senator Wong: Yes.

Ms Adamson: The one line answer is that limited state visits involving the Prime Minister are normally led from the Department of Prime Minister and Cabinet. We plug into that a bit at this end. Of course, the embassy is more engaged. But the lead is very much the Department of Prime Minister and Cabinet and the Prime Minister's office even more so.

Senator Wong: Even more so. Did any DFAT officers travel to the US in connection with the Prime Minister's visit in September 2019?

Ms Adamson: In connection with, on, for?

Senator Wong: In connection with, before, with.

Ms Adamson: Well, I travelled with the Prime Minister.

Senator Wong: When did DFAT become first aware the White House was contemplating a state dinner?

Mr Green: On 10 July.

Senator Wong: And how did DFAT become aware?

Mr Green: The embassy forwarded me advice from the State Department's chief of protocol to Ambassador Hockey that a state visit was on offer.

Senator Wong: So State Department to Ambassador Hockey?

Mr Green: Correct.

Senator Wong: Who then advised DFAT Canberra?

Mr Green: Yes.

Senator Wong: Did DFAT have any involvement in the preparation for Australia's participation in that dinner?

Mr Green: No.

Senator Wong: Was there any consultation between the Prime Minister's office or the Prime Minister and Cabinet and DFAT regarding the potential attendee list for the state dinner?

Mr Green: Not to my knowledge.

Senator Wong: Was the minister or her office involved in the potential attendee list for the state dinner?

Senator Payne: No.
Senator WONG: Did the department help put together a potential attendee list in consultation with PM&C or any other department?

Mr Green: No.

Senator WONG: Who coordinated the potential attendee list provided to the US?

Mr Green: I don't know the answer, but the natural points of contact there would have been the Department of Prime Minister and Cabinet and the embassy.

Senator WONG: Did any DFAT officer see a potential attendee list prior to it being finalised?

Mr Green: I saw an indicative and partial list, which was forwarded to me by the embassy, which they had received from the White House on 4 September.

Senator WONG: Was Pastor Brian Houston on that list?

Mr Green: No.

Senator WONG: Did you ever see any list of potential attendees which included his name?

Mr Green: No.

Senator WONG: Secretary, that was a 'you' to the whole department?

Ms Adamson: That includes us, me, together.

Senator WONG: I have finished that bracket. Are you happy for me to keep going?

CHAIR: Yes. Until 3.30 pm—that is, unless one of your colleagues objects. We have only Labor colleagues here so it's up to you guys. They are wanting to ask questions. I understand there are no questions from this side. We are very happy with the way the government is handling this portfolio.

Senator SHELDON: I have a brief question regarding Cambodia. I think the questions that were covered about Myanmar and West Papua covered the questions that Labor wanted to ask. I want to ask a question about Cambodia at this point. It is a straightforward question. Does the Australian government engage any efforts to promote human rights and support civil society in Cambodia? Would you mind outlining those activities?

Ms Heckscher: Yes, certainly. First of all, we make our concerns quite well known to the Cambodian government at the highest levels, publicly and privately. I think over the course of the last couple of years, I have certainly been asked at just about every single Senate estimates to talk about Cambodia and the various representations we've made. We have answered questions on notice about all of them. I don't propose to go through all of that other than to say that the foreign minister has raised these issues with Cambodia directly.

I also was part of a delegation meeting with Cambodian senior officials recently in Canberra. Again, I travelled to Sydney to see a senior official there. We certainly have had quite robust discussions with Cambodia about the human rights situation there. So we have very much direct conversations. We also, as you're probably aware, make our comments, views and concerns quite well known publicly at a multilateral level—for example, at multiple Human Rights Council sessions over the last couple of years as well. We will continue to do that.
Through our development assistance program, we also support human rights in Cambodia and have done for a long period of type. For example, we support non-government organisations. We support the Cambodian Center for Human Rights, for example, directly, providing practical training, mentorship et cetera to young Cambodian law students. We have a new program which supports non-government organisations to advocate for things such as gender equality and social inclusion. We have a program which assists Cambodian think-tanks to promote more inclusive policy making. We also invest in efforts to combat violence against women and to implement the UN Convention on the Rights of Persons with Disabilities. We have recently begun a new initiative aimed at enhancing public spending on women affected by gender based violence. There are various things we have done that are disability specific and gender specific. We separately have provided longstanding support to the extraordinary chambers and courts of Cambodia. Whilst that is, of course, focused on serious international crimes committed during the Khmer Rouge regime, it has also been a very important part of showing both accountability and capability building for the judicial system in Cambodia. They are just some of the things that we do regularly and consistently with Cambodia.

**Senator SHELDON:** This is a specific question. With the NGOs and the work with civil society, specifically what projects are we involved in with labour organisations or labour representative organisations in Cambodia?

**Ms Heckscher:** Do you mean trade unions specifically? I'll just have to check whether I have that specific information. If you have another question whilst I'm looking, I'm happy to deal with that.

**Senator SHELDON:** That is the question.

**Ms Heckscher:** Let me quickly do a small search.

**Senator SHELDON:** I'm happy for you to take it on notice.

**Ms Heckscher:** I will probably be able to come back to you within this session to talk about it.

**Senator SHELDON:** That will be fine. Thank you.

**Senator WONG:** What has happened with the Soft Power Review? I think your website says that you've extended the consultation. Is that right?

**Mr Miller:** No. The consultation program of the Soft Power Review has finished, but the review is ongoing.

**Senator WONG:** I misread the note on the website. It was actually last year you extended it?

**Mr Miller:** That's right.

**Senator WONG:** So you extended on 12 October 2018 from something prior to that?

**Mr Miller:** From 28 September to 12 October.

**Senator WONG:** So you finished then. And you're still doing it a year later?

**Mr Miller:** We are. That's correct.

**Senator WONG:** Wow. Is this going to finish at some point?

**Mr Miller:** Yes. It's a complex piece of work. It's an important piece of work.
Senator WONG: It's just that a whole range of policy decisions are getting made without the benefit of that review. Getting DFAT's perspective and, hopefully, the portfolio's perspective into the public arena, or at least within government, might be useful as various decisions are made.

Mr Miller: We've consulted very widely.

Senator WONG: It's been quite comprehensive, I understand.

Mr Miller: It has spoken to 500 plus people and formally received over 100 submissions. We are continuing to discuss it within government and within the department.

Senator WONG: Has the minister indicated any timeline on this to the department? Has the minister or her office said, 'Please get this done by X date?'

Mr Miller: No. We're continuing to work on it until it's finished.

Senator WONG: Well, when is it going to be finished? What is the plan?

Mr Miller: We're not entirely sure. We're continuing to work on the draft. There's a very intensive drafting process we're going through. We've spoken to a number of people across Australia. But we're not quite—

Senator WONG: Secretary, is there a plan about when this finishes?

Ms Adamson: I think the plan is that it finishes as soon as it can. I know that that is not necessarily terribly satisfactory for your purposes. But we're focusing on it and we're very keen on it. The minister is very keen on it too. I think it would be fair to say—Mr Miller won't say this himself—that because it was such a wide-ranging exercise and because those who participated did so enthusiastically with lots of ideas, we're very conscious that we've raised expectations. We are working hard now to ensure that the review product and the policy work that flows from it meets those expectations.

Senator WONG: Minister, do you have a timeline around this, or is it just whenever it's finished?

Senator Payne: I had a discussion briefly with Mr Miller about this last week. It will be as he has said—when it's finished.

CHAIR: That was the last question.

Senator WONG: One more? I notice the minister was taken aside by Senator Roberts. Was it in relation to negative globalism?

Senator Payne: No. It was in relation to disenfranchised black coalminers in the Hunter Valley, as both Senator Sheldon and Senator Ayres heard in the discussions in industrial relations estimates last night.

Senator WONG: He just appeared; that's all. Thank you.

CHAIR: All right. It being 3.30 pm, we will suspend for 15 minutes and resume at 3.45 with Senator Fierravanti-Wells in the chair. For my part, I thank everybody for their cooperation and participation, including the secretariat, Hansard and officials, staff, ministers and colleagues.

Senator WONG: Chair, I want to place on record that the opposition is very appreciative of the way in which you chair these hearings.

CHAIR: This will ensure that I lose my endorsement!
Senator WONG: And that is why we always do what he says.

Proceedings suspended from 15:31 to 15:46

CHAIR (Senator Fierravanti-Wells): We will reconvene. I think Ms Heckscher has some answers for us.

Ms Heckscher: That's correct. There were three questions asked about South-East Asia earlier today. The most recent one was from Senator Sheldon in relation to Cambodia and funding of trade unions in Cambodia. I can confirm that Cambodia benefits from three DFAT programs, not bilateral programs, that partner with trade unions. The first is a project to raise awareness about the health implications of exposure to asbestos, implemented by the Australian People for Health, Education and Development Abroad with some funding from the department. The second is Enhancing Women's Voice to STOP Sexual Harassment, the STOP project to address sexual harassment in the garment industry, which is implemented by CARE Australia with Gender Action Platform funding. The third is the Better Work program, a joint International Labour Organization and International Finance Corporation initiative to improve working conditions and reduce gender discrimination in garment factories. That is the Cambodian question.

Earlier today we had a question about maritime security cooperation in Timor Leste. The specific question was about the funding source of the maritime security package announced by the Prime Minister during his visit there in August. The answer is that there was no ODA involved with this program. The funding source for the maritime security package is the Defence budget. Specifically, it involved a wharf upgrade at Timor Leste's Hera Naval Base near Dili to ensure that it's ready to receive two Guardian class patrol boats. There was also an offer to assist with design work for Timor Leste's broader master plan. We are providing a training system, which is an essential interim step towards preparing for the Guardian class patrol boat.

The third question asked by Senator Abetz was in relation to the sanctions regime in Myanmar. The question was about the specifics of the sanctions. Basically, five persons were designated and declared by the foreign minister and are now subject to targeted financial sanctions and travel bans. The five individuals on whom sanctions were imposed are Lieutenant-General Aung Kyaw Zaww, Major-General Maung Maung Soe, Brigadier-General Aung Aung, Brigadier-General Than Oo and Brigadier-General Khin Maung Soe. That is the end of the answers to questions previously requested.

CHAIR: Thank you very much. Mr Todd, you have answers as well?

Mr Todd: Thank you, Chair. I have two answers for Senator Patrick in relation to Mr Assange. One question was: when did consular officers from the high commission attend Mr Assange's court hearings? I can confirm that a consular officer of the high commission attended hearings on 11 April, 2 May, 14 June and 21 October. The second part of the questions from Senator Patrick related to an explanation of the UK extradition process. I wish to table with your agreement, Chair, a UK government facts sheet on the Julian Assange extradition process. It is outlined in pretty clear, plain English what that process is. I wish to table that. Copies have been provided.

CHAIR: Thank you, Mr Todd.
Senator GREEN: I have some questions about the Pacific Labour Scheme. How many workers have come to Australia to date under the Pacific Labour Scheme?

Ms Klugman: It is over 300, but I would like to give you the exact number, which I will do now. The number at the moment under the Pacific Labour Scheme is 386 workers.

Senator GREEN: And that is to date?

Ms Klugman: That is as at, I think, 18 October.

Senator GREEN: I have an answer to a question on notice with regard to the numbers. It says that in 2018-19, 203 Pacific Labour Scheme workers came to Australia. Does that mean that there has been an additional 183 in three months?

Ms Heinecke: It started on 1 July 2018. In the first year, up to 30 June 2019, we had 203 workers come. Since that date, we've had an additional 173—to make it 386.

Senator GREEN: How many employers have been approved to participate in the scheme to date?

Ms Heinecke: We have had 65 employers approved to participate to date. I have another 14 under review at the moment that have applied to the scheme.

Senator GREEN: What industries are the Pacific Labour Scheme workers who are currently in Australia employed in?

Ms Heinecke: The industries at the moment that have workers in Australia are aged care, fisheries, hospitality and tourism, forestry, agriculture, horticulture and meat processing as well as a variety of others, which includes things like beekeeping.

Senator GREEN: I refer to the Treasurer's response to House question on notice No. 123. The Treasurer said that budget estimates for the Pacific Labour Scheme were based on an expected intake of 2,000 participants in 2018-19. So it's clear that—

Senator Payne: That's not correct, Senator.

Senator GREEN: It's not correct that that is what the Treasurer—

Senator Payne: Two thousand is not an expected number of workers. It was originally a cap. The cap has been removed.

Senator GREEN: I will take you to—

Senator WONG: I don't understand.

Senator Payne: It's demand driven.

Senator WONG: Precisely. So the cap of 2,000 was removed.

Senator Payne: That was not a target; it was a cap.

Senator WONG: Presumably, that was on the basis that you might get more than the 2,000 cap. You made it a demand driven scheme. Correct?

Senator Payne: Effectively.

Senator WONG: Effectively?

Senator Payne: Yes.

Senator GREEN: Thank you. I want to confirm that that was based on an initial assumed intake of around 2,000 participants. Isn't it clear that the scheme has fallen a great deal short of its expected intake in 2018-19?
Ms Klugman: No; I wouldn't say that at all. The start-up phase and the first phase of the Pacific Labour Scheme have grown very well and in line with our expectations. As the minister said, the 2,000 wasn't a target. Neither was it a cap. It was the maximum projected expectation for the purposes of MYEFO. The growth of PLS has been very steady in its first year. You would appreciate that we're talking about Pacific citizens coming into Australia. There's a lot of due diligence that needs to be done to make sure that the circumstances they are coming into are appropriate, that employers are ready to receive the workers and, for the sending states—we now have 10 arrangements in place with all of the countries we'd like to open Pacific Labour Scheme to—we have arrangements in place with those governments. We have done that in a way that is based on real, solid, careful consultation with those governments to make sure that the memorandum of understanding in the domestic arrangements in the sending countries balances the various factors that those governments want to balance when they look at taking up the opportunities of Pacific labour. The scheme itself has grown faster in this phase than the Seasonal Workers Program, for example. But it is, as you might imagine, a more complex and a more ambitious scheme than the Seasonal Workers Program, given that it is for employment in semiskilled as well as unskilled areas.

Senator GREEN: I understand that.

Ms Klugman: It is based on strong local labour market testing. It's for longer periods of time than the Seasonal Workers Program, which is, as its name suggests, seasonal.

Senator WONG: I want to ask a follow-up to that answer. At the outset of that very comprehensive answer, you referred to expectations. What are those expectations? Are you able to provide Senator Green and the committee with your projected expected numbers under this program?

Ms Klugman: I can certainly take that on notice.

Senator WONG: What was the dataset you were referencing in that part of your answer?

Ms Klugman: The dataset I was referencing was the original estimates made in October-November 2017. They were published in the 2017-18 MYEFO.

Senator WONG: Remind me what they are, please.

Ms Klugman: What the numbers were?

Senator WONG: Yes.

Ms Klugman: They were based on estimated maximum intakes under the Pacific Labour Scheme with planned caps each year. As you know, now it is uncapped. Those maximum estimates were 2,000 participants, I think as Senator Green said, in 2018-19 and then, for 2019-20, 4,500 participants and then beyond. Do you want me to give the last year?

Senator WONG: You answered Senator Green about an assertion she made which, frankly, on the public figures, was a pretty sensible assertion—that it was below expectations or wasn't performing to what you anticipated. You said, 'No. It's according to expectation.' What was the expectation? I asked what you were referencing. There must be a dataset or a set of numbers you are referencing if you are making the assertion to an estimates committee that it is performing according to expectations. It can't be the 2,000, or is it the 2,000?

Ms Klugman: As you know, the Pacific Labour Scheme is a demand driven program. I don't think I have much to add to that. The scheme being uncapped is less important.
Senator WONG: You said 'expectations'.

Ms Klugman: I did.

Senator WONG: What were those expectations if they were not the budget figures?

Ms Klugman: They were the expectations at the time, the expected maximum flow of individuals under the Pacific Labour Scheme.

Senator WONG: I will let Senator Green follow up.

Ms Klugman: Which is different from a target. That is the point I was trying to make.

Senator GREEN: The program is still well below those expectations, though, isn't it?

Ms Klugman: The program is growing well.

Senator GREEN: But the figures that you told me at the beginning are dramatically lower than what was expected.

Ms Klugman: The figures that we have are lower than the MYEFO 2017-18 original estimates of the estimated maximum intake under the Pacific Labour Scheme.

Senator GREEN: I have some expectation figures here for 2020-21. Are you going to revise the figures based on the performance of the scheme so far?

Ms Klugman: The figures that we are required to submit will reflect our expectations at the time.

Senator GREEN: So you are not planning on meeting the expected 6,500 participants by 2020-21?

Ms Klugman: We will look at that. At the moment, I would—

Senator GREEN: It seems unrealistic.

Ms Klugman: That figure refers to an expected maximum.

Senator GREEN: I want to ask you about the pay rates and conditions of these workers. How are those rates set and against what criteria are the rates set and monitored?

Ms Klugman: They reflect exactly the same terms and conditions and settings as apply to Australian workers.

Senator GREEN: And how do you double-check that that is actually occurring?

Ms Klugman: The protections applying to workers coming to Australia under the Seasonal Workers Program and under the Pacific Labour Scheme. Workers have right of access to all of the protections that adhere in the Australian workplace system—the Fair Work Ombudsman and other processes. In addition to that, as I said earlier, there is a process through which prospective employers are registered. There is some due diligence processes that go alongside that.

Senator GREEN: What sort of due diligence?

Ms Klugman: Perhaps my colleague can help me. Otherwise I will refer you to the Fair Work Ombudsman.

Ms Heinecke: The first thing that we do is an employer check. Before an employer can come on board, we do a number of things. We do an interview. We do a site visit. When I say 'we', I'm talking about the Pacific Labour Facility. We look at how they are implementing WHS laws. We look at their solvency and their cash flow. We look at whether employees are
being paid on time. We do a reputational check through Google and the public forum. We also look at the Fair Work Ombudsman compliance history. We do a home affairs adverse information check. That is before the employer is signed on as an approved employer. After that, once they are working, there are regular checks by the Fair Work Ombudsman, who is funded to support and monitor their program. The welfare team that we have based in Brisbane provides ongoing support to workers. We do regular site visits to employers.

**Senator GREEN:** I am going to ask you a question about that, if you don't mind. Sorry to stop you, but I do have a question about the welfare support services provided. What are the names of the organisations that provide welfare support services under the Pacific Labour Scheme, or is it just the officers based in Brisbane?

**Ms Heinecke:** We have 12 officers based in Brisbane that provide support through the life cycle, including a 24-hour hotline. We also support Pacific workers through connecting them with local civil society organisations, be it churches, sports organisations and other kinds of mechanisms based at the local level in their relevant communities.

**Senator GREEN:** Are there any organisations that provide that welfare support?

**Ms Heinecke:** There are no specific organisations. We do it directly with each group of employees that are location based.

**Senator GREEN:** Do you have a list of the names of those organisations?

**Ms Heinecke:** There are not organisations. There is not like one, for example, that covers the whole country or locally. We would go into each community and work out what kinds of organisations support that area. We would be in touch with them. For example, in the Mildura area, the Sunrayssia ethnic communities council supports migrants of all sorts there, including seasonal workers in that area. It would really depend on the area we are in as to which organisation supports all foreign workers or specifically seasonal workers.

**Senator GREEN:** So is it ad hoc depending on the location where the workers are based?

**Ms Heinecke:** Yes.

**Senator GREEN:** What are the ways that Australian trade unions and organised labour are involved in supporting these workers to understand and exercise their rights in Australia?

**Ms Heinecke:** In designing the Pacific Labour Facility, we worked with a number of unions. We consulted them on the design of the program. When workers arrive in Australia, we provide information to them about how Australian labour law works, including that they can access unions to represent them. We welcome unions to come into that if they would like to. At this stage, there isn't a culture of unions in the Pacific in most sectors so it is quite new for them. Not many have taken up the opportunity, as far as I understand.

**Senator GREEN:** Is that information provided in English?

**Ms Heinecke:** It is provided as a general information sheet in English, yes, not in their particular language.

**Senator GREEN:** For a lot of these workers, English is their second language. I am thinking specifically about workers that might come from PNG, only because that is the personal experience that I've had. You give them a sheet in English to explain their labour rights, and that is what they are able to go off?
Ms Heinecke: There are two things to mention there. The Pacific Labour Scheme actually has a pretty high language requirement because they are going into semiskilled jobs. It is quite different to the Seasonal Worker Program, where the level of English is less. The Fair Work Ombudsman, which we supported them to do, has translated Australian labour law and their rights into their various languages so they are available to workers in their own language. But that is not specifically around unions. It is more generally around worker rights in Australia.

Ms Klugman: There are pre-departure briefs for the cohorts before they leave the sending country, which makes it much easier to make sure that language concerns are covered off.

Senator GREEN: In terms of locations where the employers are that you approve, do you take into consideration unemployment rates in the locations that those employers are located?

Ms Heinecke: Yes. We are required to market test. So we do that in two ways. One is through the jobactive network. In addition, we require local advertising for two weeks before home affairs will approve the visa for that job.

Senator GREEN: I want to take you back to the welfare support. You have 12 officers in Brisbane. They are available on a phone line. Correct me if I am wrong, but quite a few of the workers are in regional and remote areas of Australia. So the support that they have is by phone to a person in Brisbane?

Ms Heinecke: Yes. But the team do a lot of traveling around Australia. When a new cohort arrives—and they are typically arriving in cohorts—the team will meet them in their location. For example, on Monday this week, a group of Samoans arrived in Melbourne. We meet them in location. We take them to their location. The briefing happens in situ. As I mentioned before, that welfare team regularly travels back to the same location to check on their welfare.

Senator GREEN: But in between visits, they are on their own?

Ms Heinecke: That is where, as I mentioned before, we attempt to set them up in the community. As you would appreciate, they are spread around Australia in a number of remote and rural communities. We need to take into account the sustainability of the scheme. As much as we can, we connect them into local communities as well as provide on-the-job mentoring as well as connections with their own diaspora here in Australia, which is a really important part of the community networks in many of the locations we are in.

Senator GREEN: Some other senators might have follow-up questions in this area.

Ms Klugman: I will make one comment. The detail that I and my colleague have set out, I guess, reinforces the point that there is a lot of work to do to make this the very high quality, sustainable program that it needs to be to serve its purpose. That takes a lot of work and a lot of time. I think the growth of the Pacific Labour Scheme, given that work that goes around it in the period that it has been on foot, is something that Australia can be proud of.

Senator GREEN: I think the scheme is a good idea. In terms of expectations, though, it has fallen quite short, has it not, in numbers?

Senator Payne: No, it hasn't. I think the important thing to understand is that this was not about a target number. This is a start-up program much like the Seasonal Worker Program, which had 56 workers in its first year in 2008-09. It now has 12,000 workers 10 years later. So a program has to start somewhere. It has to start with the development of the relationships...
between the government and employers, between employers, the government and the sending countries, the labour facility itself and the labour departments in the sending countries. There are countless layers to putting this process together.

What I do think is very powerful, when you talk to workers who have had the opportunity to participate, is the experience that they take from it and return to country with. There is the opportunity, of course, to make the financial contributions that they make to their own families. I think it's better to think of it as a start-up which has an estimated maximum intake; I understand that there is a semantic issue around that terminology. That is the estimated maximum intake. It is not a target. The cap on that was removed. What we are able to do is work with the sending countries also on pastoral care, which is immensely powerful. We are engaging across church to church relationships and in a number of other areas to ensure that the support that perhaps you are referring to—I'm not sure—in the regions in which the workers are located is available for them. We're doing a pilot on that with Vanuatu, actually.

CHAIR: I want to add one thing. There is another important factor in this, Senator Green, and that is the willingness of those communities to actually participate, given the family structures that exist in the Pacific. I think that has been one of the most important things.

Senator GREEN: This is the last thing I am going to ask. Is it the case that you misunderstood or underestimated the complexities of the scheme when you made those assumptions about the numbers that would be in the intake?

Senator Payne: They are not assumptions about numbers.

Senator WONG: Well, that's not right. It's a budget figure in MYEFO. You might have removed the cap, but you provided costings to Finance which assumed 2,000, 4,500 and 6½ thousand. We have 386. I am sorry, but aside from a lot of the semantics in the table saying that wasn't the target, that is the figure you assume for the purpose of your budget bit as part of the new policy proposal. So Senator Green is entirely right to say you did not meet the expectations as you yourself developed for the purposes of the new policy proposal.

Senator Payne: My comments stand.

Senator WONG: But they are not an explanation for why your department and this portfolio assumed 2,000 and got 386. Access to the labour market is a very important initiative in the Pacific.

Senator Payne: It is.

Senator WONG: But to try and pretend that you're not well short, and to not discuss with us why you are well short by pretending that those numbers are somehow irrelevant, is not logical. It really isn't. They are figures that were in the government's budget. They must have been as a consequence of an NPP coming forward from the department on which you did put 2,000 participants in 2018-19 and 4,500 in 2019-20 and you then uncapped it. The disparity between the assumed or expected numbers—whatever language you might use—and the actual numbers is obvious.

CHAIR: I think we are going to Senator Wong.

Senator WONG: I think Senator Sheldon had a couple of follow-ups on the labour facility.
Senator SHELDON: They are on the Seasonal Worker Program, the Pacific Labour Facility and the Pacific Labour Scheme. I understand Palladium has received a contract after tender for $77 million.

Ms Klugman: That is correct.

Senator SHELDON: We have figures on the performance of the scheme and expectations. Was Palladium—

Ms Klugman: Sorry, $70 million.

Senator SHELDON: Thank you. We have just gone through the figures on the desired—that is the nicest way we can say it—figure that you wanted and the less than 20 per cent figure you got. Is Palladium paid on performance or non-performance?

Ms Heinecke: There is an element of performance like we have in all DFAT contracts that Palladium is required to comply to. One of those performance indicators isn't the targets, as mentioned in terms of numbers. We have a number of other things. One of the reasons we haven't used targets is, as my colleague has said, that we need to make sure we get the right kinds of employers involved. We don't want to have the wrong incentives in place with our contractor to scale up at all costs without taking into account worker welfare, decent work and all those other important aspects of this scheme.

Senator SHELDON: So they are not performing and they are still getting paid for some of the work that is non-performance that they have some engagement in?

Ms Heinecke: Their performance indicators in that contract are not based on target.

Senator SHELDON: Performance?

Ms Heinecke: They are based on performance, but they are not based on targets of the number of workers coming in.

Senator SHELDON: Isn't the critical thing here to get people from the Pacific islands working in Australia? You are saying the fact they've got less than 20 per cent is not a reason that they have not hit the performance target?

Ms Heinecke: The performance target of 2,000 that has been mentioned before, which was a maximum cap, is not part of the Palladium contract. That is not the target that is in their contract. The types of things that they are required to perform on include a range of issues like gender, how well they are servicing the welfare function and the number of times they are going out and doing sessions with employers who are interested in joining the scheme.

Senator SHELDON: Let's go to that. I have correspondence from the department, which I can make available through the chair.

Senator Payne: Is it an answer to a question on notice?

Senator SHELDON: It is a question.

Senator Payne: Can you tell us what number?

Senator SHELDON: The document is dated 19 October 2019. It was received by my office this morning by the secretary.

CHAIR: Perhaps, Senator Sheldon, we could get a copy of it and distribute it.

Senator SHELDON: I can.
Senator Payne: I'm not sure whether it's a QN.

CHAIR: Is it a QN, a question on notice?

Senator SHELDON: Yes, it was. It was a question on notice.

CHAIR: Well, just tell us the number, Senator Sheldon. That would be good.

Senator Payne: This is a letter to the Joint Standing Committee on Foreign Affairs, Defence and Trade, not to this committee.

Senator SHELDON: That's correct. Apologies, yes.

Senator Payne: So we do need to be clear about it.

Senator SHELDON: I am very happy to be clear about it.

Senator Payne: You're right. I was thinking it was a question on notice, therefore my confusion.

CHAIR: Senator, do you have a copy of it?

Senator Payne: Yes. Thank you, Chair.

Senator SHELDON: At page 2 of that correspondence from the secretary of the department, it says the Pacific Labour Facility implemented by Palladium International supports DFAT to administer the PLS, including the provision of pastoral care and support services to workers. That is correct. Then we have a number of occasions when, in the case of agri-labour, there have been substantial underpayments recouped for workers from Vanuatu. We have circumstances where the Australian Catholic Religious Against Trafficking in Humans was able to achieve for 22 men substantial recompense that involved many tens of thousands of dollars. What does Palladium get paid on performance if they offer pastoral care and support services to workers and we have two examples of worker exploitation in two different states? I also note that they are not involved in either of these activities or named in the activities in recuperating any of these moneys. So they don't get paid for, or are required to be responsible for, the fact that the scheme has only 20 per cent. They are responsible for pastoral care and support services, but people are having hundreds of thousands of dollars stolen from them left, right and centre.

Ms Heinecke: My understanding is that the case you are referring to in Vanuatu relates to the Seasonal Worker Program, which is managed by the Department of Employment. We are aware of that case. We have seen some of the correspondence on that issue. The Pacific Labour Facility isn't directly involved in that case.

Senator SHELDON: So what pastoral care and support services is Palladium actually delivering? I appreciate you said this before. This is an industry that has widespread exploitation. Workers in very similar circumstances are losing substantial amounts of money, yet I am still not clear what Palladium's actual targets are. Pastoral care delivering what? What are their actual performance targets?

Ms Heinecke: On welfare, the Pacific Labour Facility managed by Palladium provides direct support to the Pacific Labour Scheme workers who come here. It does provide briefings on arrival. As I mentioned before, it has case workers that go out and solve particular problems. As to the Seasonal Workers Program itself, the Department of Employment has the responsibility for providing the pastoral care role primarily to seasonal workers, which includes the Vanuatu workers you are talking about. It does provide back-up telephone...
support hotline information to those workers after hours if the Department of Employment isn’t able to take the calls. That is where the Pacific Labour Scheme provides extra support to the seasonal workers. As you are aware, there are two programs—the Seasonal Worker Program and the Pacific Labour Scheme. Palladium’s role is primarily around the Pacific Labour Scheme workers who come to Australia. It is part of their performance contract that they provide that role on an ongoing basis.

Senator SHELDON: There will be a series of other questions on notice on this matter unless somebody else wishes to ask some questions.

Senator WONG: Thank you. I will stay on the Pacific before we move from this issue. Can someone explain to me when the NPP and the MYEFO numbers we had been discussing were prepared? Were there particular policy assumptions around, for example, other visa classes that have changed which might weigh on the numbers in the PLS?

Ms Klugman: No. Not that I am aware of.

Senator WONG: There have been changes—I haven't followed all of this—to the working holiday maker visa program. Correct?

Ms Klugman: That is a program that has had, I think, over the last few years some additional participants and additional sending countries coming into it.

Senator WONG: Has there been an effect on employer demand for PLS visa holders as a consequence of the changes to the working holiday maker program?

Ms Klugman: I have seen no evidence to that end.

Senator WONG: I do recall—maybe the secretary can assist—there were differences of views put by Ms Bishop and a National Party person about the various visa classes. Has DFAT provided any advice about whether or not changes to the working holiday maker visa program would have an effect on demand for this visa category?

Ms Klugman: As the Prime Minister made clear, I think, including at the time you are referring to of some media speculation, that for us, when it comes to foreign sources of workers for Australian business and industry, the Pacific is very much the priority of the government. I have seen nothing in the development of any other existing visa category that suggests to me that there has been an impact on demand for Pacific workers as a result of action in other visa categories.

Senator WONG: Remind me of the interaction between this and SWP, the Seasonal Workers Program.

Ms Klugman: Between the two schemes?

Senator WONG: Yes.

Ms Klugman: The Seasonal Workers Program and the Pacific Labour Scheme are companion schemes. One is for short-term, unskilled work up to nine months. Is that what you are asking?

Senator WONG: Yes. I am trying to recall how they are connected.

Ms Klugman: The key differences are—

Senator WONG: Timeframes?
Ms Klugman: The timeframes, skills level and industry. Unlike the Seasonal Workers Program, there is no upfront restriction. There are no industries ruled in or ruled out when it comes to the Pacific Labour Scheme. It is simply for work in regional and rural Australia.

Senator WONG: I want to go to the Pacific Islands Forum communique in Tuvalu in August. Did you attend, Ms Klugman?

Ms Klugman: I did.

Senator WONG: The communique is at Kainaki. Australia agreed to that communique?

Ms Klugman: We did indeed.

Senator WONG: Did Australia make any reservations or exceptions to any parts of the communique?

Ms Klugman: We did not.

Senator WONG: None?

Ms Klugman: None.

Senator WONG: Does the Australian government agree that climate change is the single greatest threat to the livelihood, security and wellbeing of the peoples of the Pacific, as the communique states?

Ms Klugman: Yes.

Senator WONG: The communique refers to the Pacific facing a climate crisis. Does the Australian government agree that the Pacific is facing a climate change crisis?

Ms Klugman: Australia signed up to that declaration. We associate ourselves with all parts of it, including that part.

Senator WONG: Thank you. Paragraph 7 of the declaration states:

...the shared prosperity and security of our Blue Pacific can only safely exist if the international community pursue efforts to limit global warming to 1.5°C above pre-industrial levels—

Does your previous answer stand in respect of that objective too, Ms Klugman—that Australia has signed up also to that declaration?

Ms Klugman: All elements of the Kainaki agreement that we signed up to we signed up to.

Senator WONG: Paragraph 5 of the declaration refers to the IPCC findings that limiting warming to 1.5 degrees requires reaching net zero emissions by mid century. Does your previous answer also apply in that the Australian government agrees that emissions need to be reduced to net zero by 2050 in order to achieve the goals adopted in the PIF declaration?

Ms Klugman: Australia associates itself with the language as it is written.

Senator WONG: Including net zero emissions by 2050?

Ms Klugman: I will have to refresh my memory, if you will just give me a second, of the Kainaki Declaration. I have it here.

Ms Walsh: I will add to the comments of my colleague. The reference to the net zero by 2050 is an aspiration by some countries. It's not an aspiration that the Australian government has signed up in terms of its domestic application.
**Senator WONG:** But we have associated ourselves with that objective internationally. We have not reflected that in our domestic policy. Is that a reasonable articulation of the government's position?

**Ms Walsh:** The declaration my colleague was speaking about in relation to the Pacific recognises the importance of this issue to the Pacific and recognises the 2050 net zero as a commonly referenced target. But it isn't one that Australia has signed up to domestically, no.

**Senator WONG:** Paragraph 19 of the declaration states:

> We, the Leaders of the Pacific Islands Forum, call for...all parties to the Paris Agreement to meet or exceed their Nationally Determined Contributions (NDCs) in order to pursue global efforts to limit global warming to 1.5°C above pre-industrial levels—

Is that the Australian government's position? We signed up to this, didn't we, in the declaration?

**Ms Walsh:** That's right. The Australian government, as you know, has ratified the Paris agreement. We have committed, through our own nationally determined contributions, to a target for the 2021-30 period. It is currently working towards achieving the current targets to 2020. The government has made clear that these are ambitious targets and has domestic policies in place to reach those targets.

**Senator WONG:** We only meet them because of an accounting shift. But let's not get into that discussion. I am actually trying to understand. We agreed to the declaration. Correct?

**Ms Klugman:** We did.

**Senator WONG:** So is it Australia's position under this government that we are calling on all parties to the Paris agreement to meet or exceed their nationally determined contributions under the Paris agreement in order to pursue global efforts to limit global warming to 1.5 degrees above pre-industrial levels?

**Ms Klugman:** We called on all parties to the Paris agreement to meet or exceed their NDCs et cetera.

**Senator WONG:** Given that, and given that our targets are not consistent with the 1.5 degrees objective, is there any intention from the government to change or increase the ambition of its Paris targets?

**Senator Payne:** The government has been very clear about that. They are the policies that we took to the election. We are consistently addressing those policies and those Paris ambitions.

**Senator WONG:** So the answer is no?

**Senator Payne:** There is no change to the government's policy.

**Senator WONG:** So we go along to PIF and tell them we think 1.5 is important but we're not prepared to put targets on the table that are anywhere near consistent with it. So we're clear about what we're doing?

**Senator Payne:** Senator, you can put it in those terms. But in both the Prime Minister's speech to the United Nations and in countless remarks he has made, I have made and other ministers, including Minister Taylor, have made, that is our very clear position. These are the policies the government is pursuing in the ambition of our Paris Agreement commitments. They actually are a consistent policy.
Senator WONG: I refer you to some public remarks made at the ACFID conference yesterday by Mr Sopoaga, where he said, as PIF chairman:

As the PIF chairman I was stunned by the un-Pacific tenor and manner of the Australian prime minister to water down the wording of the communique and to limit the concerns about climate change, much against the concerns and the tears that were shed by the Pacific Island leaders.

Minister, does it concern you that this is the perception of Australia and the Prime Minister's behaviour by the PIF chairman?

Senator Payne: I can't speak for opposition leader Sopoaga. I have seen his remarks, obviously. I have seen all his remarks, indeed, where he goes on to describe the Prime Minister as a friend. I was not at the PIF this year. Of course, the Prime Minister took with him on this occasion Mr Hawke, Minister for International Development and the Pacific. It is the case that we committed and signed up to the same Kainaki 2 declaration as all the other members of the forum in Tuvalu. We are working very hard, including with the additional commitment of our $500 million over the next five years, to continue to build regional climate and disaster resilience and to stay on track to meet our billion-dollar climate finance commitment over five years. That is practical and meaningful support. We have an infrastructure financing facility which supports high priority climate resilient projects identified by our partners across the Pacific in telecommunications, energy, transport and water. We are very focused on oceans issues, as you know, including, particularly, the management of plastics and IUU fishing, which is a matter of great concern across the Pacific and has a massive economic impact as well. We work to mainstream climate change through our development program. All of those things contribute to our engagement across the Pacific.

Senator WONG: That may well be, but some months on we've got—I could take us through a whole range of public reporting about the Prime Minister's behaviour at the PIF—comments made by Pacific leaders or a Pacific leader which, frankly, reflect previous comments by other leaders about the Prime Minister's conduct at the PIF. Do you have no concerns about this continuing perception amongst the Pacific family of the Prime Minister's arrogance and behaviour at the PIF?

Senator Payne: Well, I completely reject that. I have been with the Prime Minister in the Pacific on more than one occasion since, including most recently in Fiji. I have seen and worked with leaders across the Pacific since that time, including Prime Minister Tuilaepa in his visit to Australia at the time of the Wallabies, with Manu Samoa, in the rugby union friendly. Those engagements reaffirm for me the importance of Australia's work in our neighbourhood with the Pacific. There will be differences. I don't think anybody pretends that we are clones of each other and that we have the same position on everything. Of course we do not. There will be differences, but we manage them in a way that enables us to get on with the rest of the job as I've described.

Senator WONG: The assertion that has been made publicly, including yesterday, is that Mr Morrison sought, and I quote:

...to water down the wording of the communique and to limit the concerns about climate change—

Is that correct?
Senator Payne: I wasn't part of those discussions, but I do recall you speaking to perhaps Patricia Karvelas on Insiders in relation to some of the propositions about the use of coal. You acknowledged at that time that that would not be a policy your party would take forward. It was not a policy the government was prepared to accept either.

Senator Wong: I should be flattered, I suppose, that you were actually watching me. But it wasn't my question.

Senator Payne: I didn't watch you; I looked it up.

Senator Wong: I won't be flattered. But I actually wasn't asking about what I said. I can probably work that out.

Senator Payne: I was saying—

Senator Wong: A Pacific leader—

Senator Payne: I was saying, if I may, that you extended that comment. I was saying that there were propositions in the negotiating material which were not propositions Australia could accept. They were not accepted by the government. They were negotiated and discussed. In some cases, they were propositions you yourself would not have been able to accept.

Senator Wong: So you do agree that it is accurate that the Prime Minister sought to water down the wording of the communique and the concerns about climate change?

Senator Payne: No. I do not agree.

Senator Wong: Well, that is what Mr Sopoaga said.

Senator Payne: To be very clear, I do not agree.

Senator Wong: Were you there, Ms Klugman? Can you tell me which bits we tried to—

Ms Klugman: It's not a public meeting. It's a meeting of leaders.

Senator Wong: Well, I'm just asking. If she doesn't want to tell me, she can do what they do.

Ms Klugman: I'm telling you it is not a public meeting.

Senator Wong: She can obfuscate. She can divert. She can just say, 'I'm taking it on notice.'

Ms Klugman: I will do none of those things.

Senator Payne: Excellent.

Ms Klugman: I will answer the question. It is that the Pacific Islands Forum meetings, the retreat discussions, are in retreat format. What happens in those retreats, quite deliberately, are private matters for the participants.

Senator Wong: That isn't actually answering the question. But it was a good lead-in.

Ms Klugman: That was my punchline.

Senator Wong: That was your punchline. Since the PIF, have Pacific countries continued to raise concerns with Australian diplomats, missions or here in Canberra about the Australian government's stance on climate change?
Ms Klugman: I am just trying to answer your question accurately. I can't think of any further instances of that taking place. It might help if I quote a statement from Prime Minister Bainimarama to his own parliament, Fiji's parliament, where he said—

Senator WONG: We could get into a lot of Bainimarama quotes.

Ms Klugman: Quotations.

Senator WONG: Yes. Some of them would serve my argument very well and some may well serve yours. But what I am trying to understand is the extent to which there has been diplomatic communications about our position on climate change between the PIF and now.

Senator Payne: For detail, we can take that on notice. I can respond by saying that I have been in a number of engagements since the holding of the Pacific Islands Forum. I may not get my calendar in completely the right order. They would include with Vanuatu, Papua New Guinea, Samoa and Fiji. In those bilateral engagements, we have discussed the broad bilateral relationship and not discussed the sorts of matters you are referring to.

Senator WONG: Surely you would accept that this is an issue in the relationship with the Pacific. You can't possibly dismiss the extent of public comments and public discussion from Pacific island leaders about their concern regarding climate change and their concern about Australia's position. You are right to say that there are times we have different views, but you can't possibly suggest that this is not an issue that does cause concern amongst many Pacific island nations, given that climate change for them is a present and existential crisis.

Senator Payne: Which Australia has recognised. In fact, the Prime Minister has used very similar words. I have used similar words. Mr Hawke has used similar words—

Senator WONG: Your policies don't reflect that.

Senator Payne: in acknowledging that.

Senator WONG: You say things and they know that.

Senator Payne: Our policies are focused on achieving our commitments in relation to the Paris Agreement.

Senator WONG: They know that your policies don't reflect your words.

Senator Payne: The Prime Minister has been very clear that our policies will be focused on achieving our commitments under the Paris Agreement.

Senator WONG: Pacific island leaders and communities know that your government policies do not reflect the words you speak about this issue. That fundamentally goes to the problem.

Senator Payne: If you are comfortable to continue this—

Senator WONG: Don't do another straw man, Senator Payne.

Senator Payne: conversation.

Senator WONG: Please.

Senator Payne: I beg your pardon?

Senator WONG: Let's not do another straw-man argument. I'd rather just move to the next topic.

Senator Payne: I was only going to ask you about Joel Fitzgibbon's views on climate.
Senator WONG: Congratulations. I actually think this matters.

Senator Payne: So do I, Senator.

Senator WONG: Yes, we lost the election.

Senator Payne: So I think having a coherent policy on this does matter.

Senator WONG: Yes, we have to deal with these issues.

Senator Payne: We have one. You do not.

Senator WONG: But this is about Australia's national interest. These are nations who look to us. Of course, there are occasions where we will have policy differences. But surely as the foreign minister you can see that our standing in the Pacific and our relationship with the Pacific is impinged upon by the fact that we do not do what we say.

Senator Payne: We do what we say. We have said that we will meet our commitments under the Paris Agreement. That is what we are doing. We have also said that we will significantly step up our engagement in the Pacific across a whole range of areas which I am very, very happy to take you through line by line, detail by detail if you wish.

Senator WONG: No, thank you.

Senator Payne: I didn't think so.

Senator WONG: I have read quite a lot on the step-up, but I'd rather ask questions. I would like to ask them rather than listen to you read out pamphlets, please.

Senator Payne: Well, actually—

Senator WONG: I would like to ask you a question about the Green Climate Fund. I think the government has a position of not making further contributions to that. There is a reference in the declaration to $100 billion in global finance commitments. I want to confirm that there is no reversal of the previous budget decision not to make further contributions to the GCF?

Senator Payne: There is no change in the government's position.

Senator WONG: I turn now to the Deputy Prime Minister's remarks in relation to Pacific islanders, where he stated that they don't need to worry about losing their countries to climate change because they can come to Australia to pick fruit. Minister, do you agree with the Deputy Prime Minister's comments?

Senator Payne: There was much reporting of the entire discussion that the Deputy Prime Minister was involved in. I think, as the member for Riverina in particular, he absolutely recognises what the contribution to the sorts of work done in his region and elsewhere makes to Australia for his constituents and for so many of us across the region.

Senator WONG: What he said was:

I...get a little bit annoyed when we have people in those sorts of countries pointing the finger at Australia—

et cetera. Then he ends with:

They’ll continue to survive because many of their workers come here and pick our fruit—

Minister, as foreign minister, do you think those comments are helpful to our relationship with Pacific neighbours and to our objectives in the Pacific Step-up?
**Senator Payne:** I think our objectives in the Pacific Step-up are absolutely clear. Those objectives are—

**Senator WONG:** That wasn't the question. I'm asking if you think his comments are helpful.

**Senator Payne:** I want to finish what I was saying.

**Senator WONG:** Sure.

**Senator Payne:** I think our objectives in the Pacific Step-up are absolutely clear. You've said you don't want me to take you through them. But if there was any concern caused by the Deputy Prime Minister's comments, as you know, he has sincerely apologised for any offence caused by those comments.

**Senator WONG:** Minister, did you receive any representation from Pacific governments about the Deputy Prime Minister's comments?

**Senator Payne:** Not that I specifically recall.

**Senator WONG:** Did the department? To be clear, I got into this discussion before with the secretary about representations. We ended up in proper nouns et cetera. I am using this in the broad, not as official representations.

**Senator Payne:** It was a term of art.

**Senator WONG:** I just want to know whether anyone raised it with you.

**Ms Klugman:** My recollection is that it was raised only publicly. There were no points made to us additional to the comments made at the time.

**Senator WONG:** Minister, did you express concern to the Deputy Prime Minister?

**Senator Payne:** I'm not going to speak about my private conversations with cabinet colleagues.

**Senator WONG:** Chair, I think Senator Ayres has a few questions following up on this.

**Senator AYRES:** Secretary, is it the case that the department's climate change strategy still hasn't been released?

**Ms Adamson:** That is correct.

**Ms Walsh:** That's correct.

**Senator AYRES:** My notes show at least that this has been the subject of discussion at several estimates rounds now. The time line that I have been given is that, in July 2016, DFAT's development policy committee endorsed the development of a framework and implementation plan for climate change in development. Is that right?

**Ms Adamson:** I think that's correct.

**Ms Walsh:** That's correct.

**Senator AYRES:** In July 2017, the former minister agreed to develop a climate change strategy. That's correct. In June 2018 estimates, the department said that it was still working on it and it would be published by the end of 2018.

**Ms Walsh:** I will just check that. I think it might have been October. But, yes, it was certainly last year.

**Senator AYRES:** Thank you.

**Senator WONG:** Sorry?
Ms Walsh: Certainly I said that last year. I was checking whether it was June or October.

Senator Wong: We've had a lot of conversations about this.

Senator Ayres: In July 2018, I'm told that it went through the department's internal governance board.

Ms Walsh: That's correct.

Senator Ayres: Last year, in October 2018 estimates, I think we were told: The next step is to consult with key external stakeholders. But I think the date you were given previously towards the end of this year is probably still a realistic timeframe.

Ms Walsh: That was the testimony that I was speaking about before. In October last year, yes, I said that.

Senator Ayres: There is some detail here. In February this year in estimates, you said: The draft is currently with the minister. The strategy came to my office 10 days or so ago and in the context of travel I'll consider it as soon as I possibly can.

Is that last comment yours or the minister's?

Senator Payne: Mine, I think, Senator Ayres.

Senator Ayres: Minister, have you had a chance to consider the strategy yet?

Senator Payne: I have. It is being reviewed, as I told the chamber, in July this year to better reflect a number of things. First of all, and to refer to the Hansard from that time, it is to better reflect our international climate change engagement prior to the Paris Agreement coming into effect in 2020. It is also being reviewed to ensure that it has a stronger focus on social inclusion around gender and indigenous peoples. It also now will reflect, when it is released, recent government announcements such as the $500 million for climate and disaster resilience action in the Pacific, which I referred to in my discussion with Senator Wong. It will also reflect the Australian Private Sector Mobilisation Climate Fund. We will update the climate finance data and we'll ensure that we've updated data all of the references and the case studies so that it is contemporary.

Senator Ayres: The process is a bit long in the tooth, though, isn't it?

Senator Payne: Well, it is an internal departmental strategy. My view is that it should be contemporary and reflect current policy and policy initiatives, such as those being pursued through the step up. That includes the one announced in the Prime Minister's visit to Tuvalu for the Pacific Islands Forum in terms of the $500 million funding and the $140 million Australian Private Sector Mobilisation Climate Fund.

Senator Ayres: The government is spending $300 million from the aid budget on Pacific climate change over four years to 2020. How do you take those decisions if you can't finalise the climate change strategy?

Senator Payne: Well, those decisions are taken regularly. We are already integrating climate change across our aid programs and policies. It is, in fact, a standard business as usual approach from the department. I went through our commitments, including our billion-dollar commitment over five years, through the aid program to support countries in our region to build resilience and reduce emissions. We've already spent $766 million of that in the first three years of the five-year commitment period. You've referred to the $300 million commitment. That work is continuing. In fact, although I noticed a disinclination from
Senator Wong, I could go through a number of those initiatives with you, particularly in relation to climate.

Senator AYRES: I think it has been a pretty long day already. This is the problem with this sort of process. If you can't get it out of the door, events keep overtaking it, don't they?

Senator Payne: No, I don't agree with you. I think that the work that the department is focused on is continuing. I am very happy, of course, for the secretary or deputy secretary to add to this at any time. That includes particularly initiatives with a number of our partners, the AIFFP and others, such as our Pacific Blue Carbon Initiative and the work that we are doing through the secretariat of the Pacific community on maritime boundaries and a whole range of others. Everything that we do, particularly in this area, embeds this approach.

Senator AYRES: But a strategy provides clarity and organisational purpose. What you've described is a series of—

Senator Payne: A strategy has to be contemporary.

Senator AYRES: Yes.

Senator Payne: A strategy has to be contemporary. So this government took a number of policies to the election—

Senator AYRES: Which means you can never get it out the door. You're never going to have a strategy.

Senator Payne: which have to be reviewed. We've made a major announcement, which also has to be included.

Senator AYRES: That can be announced. Is the real problem, though, that you just don't want to confront the climate sceptics and the hard right in your caucus room? Is that the real problem?

Senator Payne: I am not sure what flight of fancy has produced that statement for you, given the amount of work that is actually being done by the Australian government with our partners in the Pacific on these issues. If you do wish to pursue that approach, I will actually read about 20 programs into the Hansard for you.

Senator WONG: Do you think that's the best political defence—that you've sat on a climate strategy? Please. Really. Do you really think reading programs in is the best defence of the fact that your office and this government have sat on a climate strategy for how many years?

Senator Payne: Well, I do think it is very important because you selectively quote.

Senator WONG: How many ministers are there going to be?


Senator WONG: No.

Senator Payne: You selectively cite.

Senator WONG: I have been asking about this since 2016.

Senator Payne: You haven't got a climate policy of your own, frankly.

Senator WONG: I've been asking about this. We're not the government, as you have pointed out.
Senator Payne: Well, you tried to be.

Senator WONG: We are not the government. Well, of course we did. And we didn't win. Move on. Since 2016, I've been asking about this for years and we still don't have a climate strategy from you.

Senator Payne: And I have said that I will ensure that the climate strategy is launched or released—whatever word is appropriate—when I believe it is ready.

Senator WONG: Along with the Soft Power Review that is going to be finished, when that's ready too. So we're just going to keep reviewing and talking about it but not actually get things out that matter.

Ms Walsh: I want to offer some additional points to what the minister has just said. The strategy that we're talking about is a departmental strategy. It's intended to provide strategic guidance to managers of our aid program. What I wanted to really make the point about is that it is not as though our staff who are managing the aid program are without guidance in the way they apply climate change in the aid program and to all of the initiatives that the minister has just referenced. For example, we do have climate change integrated into some of the existing strategies that we have. So if our colleagues, for example, are looking at humanitarian expenditure, climate change is referenced in our humanitarian strategy. In terms of other guidance documents throughout the department, our eight quality and reporting systems make provisions for climate change considerations. They have a very stringent methodology for tracking our climate finance expenditure so we can be confident that what we're claiming is appropriately claimed as climate change expenditure. We have technical guidance and technical tools for our staff. It's incorporated in our mandated safeguards policy, as an example. A recent evaluation done by the Office of Development Effectiveness provides further guidance to our staff.

Senator AYRES: So is it necessary or not necessary to have a climate change strategy document?

Ms Walsh: The two things that I've described—the strategy and all the guidance tools—do actually work well together, yes.

Senator AYRES: They will work together if you get it out the door, really. When can we expect this?

Senator Payne: When I release it.

Senator AYRES: That is a series of commitments given over the course of the last three or four years. Now we're down to, 'Well, we'll release it when I release it.' Is that the level of accountability that we can expect on this issue?

Senator Payne: Well, I'm not sure what you mean by that. The points that both Ms Walsh and I have made, which go to the approach that is taken both by the government and within the department, indicate that the work is proceeding as it should. In relation to the strategy, I don't intend to resile from the fact that I think it should represent the most recent commitments by government and the most recent policy approaches.

Senator AYRES: I take you back to 2015. Former Prime Minister Turnbull committed to providing $1 billion to developing countries over the five years to 2020 to address climate challenges. How much of the billion dollars has been spent each year from 2015?
Senator Payne: So $766 million in the first three years of the five-year period. I'm very happy for Ms Walsh to add to that.

Ms Walsh: That's the correct figure.

Senator AYRES: So $760 million?

Ms Walsh: It is $766 million.

Senator Payne: It is $766 million.

Ms Walsh: To 2018.

Senator AYRES: Could you provide on notice a schedule of how much has been spent for each of those years and where?

Ms Walsh: Yes, we can.

Senator Payne: I think we already have on notice. I would have to check the QONs for that. I am happy to repeat it, if required.

Senator AYRES: It would assist me if you could repeat that.

Senator Payne: Sure.

Senator AYRES: The Orange Book at page 8 confirms that Australia's final payment to the Green Climate Fund was in December 2018 and that the government will no longer be contributing to the fund. I think Labor established that in previous estimate rounds and questions on notice this. I think it said:

DFAT secretary Frances Adamson and DFAT deputy secretary Clare Walsh became aware of the government's decision to not provide further contributions to the Green Climate Fund when it was announced on 8 October.

Prior to that announcement, had the department undertaken any evaluation or assessment of the fund?

Ms Goulding: The department had undertaken some assessments of the work that the Green Climate Fund was doing and had reported that in our regular cable reporting after the conclusion of board meetings.

Senator AYRES: Was the department aware of any concerns or criticisms of the fund?

Ms Goulding: Yes. The department was aware of criticisms of the fund.

Senator AYRES: Including around efficiency and implementation. Can you describe them for me?

Ms Goulding: Yes. The department was aware of inefficiencies in the fund. The Green Climate Fund itself has an independent evaluation unit, which has released its own independent evaluation of the performance of the Green Climate Fund in its initial period of operation. It does identify that, as a fund that was becoming established, there were inefficiencies in how it was being operationalised.

Senator AYRES: Is that report something that you've released previously, or is that a public document?

Ms Goulding: That is a public document that has been released by the Green Climate Fund. It is the independent evaluation unit.
Senator AYRES: Do you have any concerns about the message that the effective closure of contributions to the climate fund sends to our Pacific neighbours?

Senator Payne: Senator, that's your view, I think. I don't think you could expect the officials to express their opinion on that. Let me say that, of course, the Green Climate Fund contributions are voluntary. What the government is doing, based on the sorts of concerns that have been identified in the operation of the Green Climate Fund, is to ensure that our climate finance is effectively and directly targeted to and for our regional partners in the Pacific. We think we can deliver more effective results for our region by working directly with those countries. The Pacific is our key focus in that regard. So this flows into a number of the other commitments the government has made, particularly the commitment the Prime Minister announced at the PIF leaders meeting in August, which I referred to earlier.

Senator AYRES: I ask in the context of a tweet from the President of the Marshall Islands from earlier this year. Dr Heine said:

Deeply disappointing that Australia is set to stop contributing to the Green Climate Fund. The Pacific is particularly vulnerable to climate change impacts and the challenges we face are only set to increase. We look to our regional partners for leadership and solidarity, not this.

Senator Payne: The only point on which I would disagree with Dr Heine in those comments is the need for it to be via a contribution to the Green Climate Fund. We believe that we can do a more effective job and be more responsive to the needs of our partners and neighbours in the Pacific by directing our climate finance in a very targeted and effective way. In fact, I have sat in a number of meetings with our partners and neighbours in the Pacific to hear their infinite frustration with the operation of the Green Climate Fund, so much so that the concerns they have expressed, that have been repeated by Ms Walsh and Ms Goulding here today, reflect those views. Our view is that we can more effectively achieve the outcomes around those key climate challenges that Dr Heine addresses by doing it directly.

Senator AYRES: So you're entirely unconcerned by that tweet?

Senator Payne: Well, Senator, I'm not sure what you mean by that.

Senator AYRES: Have you discussed those matters with the Marshall Islands since?

Senator Payne: I haven't personally had a bilateral conversation with the Marshall Islands since that tweet. I saw Dr Heine briefly in New York recently. But we have discussed with our partners in the region our climate commitments, such as the $500 million commitment that the Prime Minister announced at the Pacific Islands Forum, the private sector mobilisation commitment and all of the other programs that we are engaged on.

Senator AYRES: I understand the argument you are making. But is that really the way it works? A senior leader in one of the Pacific islands tweets something like that—I understand Twitter is more of a thing in international relations these days than it was—expressing deep frustration within the Australian government's position and our response is, 'Who this?', like, nothing?

Senator Payne: No. That's not our response.

Senator AYRES: We don't—

Senator Payne: No. That's not our response at all.
Senator AYRES: We don't pick up the phone? We don't send a letter?

Senator Payne: That is not our response. In fact, our response is to ensure that by 2022, if I'm not mistaken—I am happy to be corrected by Ms Klugman—we will have, for example, diplomatic representation in every member country of the Pacific Islands Forum. Our response is to engage in the Pacific step up every single day. Our response is to establish the office of the Pacific to ensure we have a joined up whole-of-government approach to our engagement in the Pacific. Our response is to make the sorts of commitments that the Prime Minister made at the Pacific Islands Forum, including a $500 million commitment over five years to support renewable energy investment, climate and disaster resilience in the Pacific. Our response is to launch the Australian Infrastructure Financing Facility for the Pacific on 1 July this year so that we can sit down and talk with the government of Fiji about the Nadi River project, which is absolutely pivotal for their own climate and disaster resilience. It is to make sure that we can invest in that constructively with the ADB, Japan and other international partners. Our response is to make sure that we have a solid school scholarship program to make sure that we are developing relationships people to people in schools, sport, churches and through labour schemes with the Seasonal Worker Program.

Senator AYRES: I think the question was quite precise. I am grateful for the outline on the whole policy proposition.

Senator Payne: That is our response.

Senator AYRES: But the question is—

Senator Payne: Well, you can dismiss it, Senator, but this government thinks it is important.

Senator AYRES: We all think it's important. I think it's extraordinary that nobody picked up the phone after that expression of frustration.

Senator Payne: Of course there are bilateral conversations and there are official-to-official conversations. Of course there are between all of our countries, be it the Marshall islands, the Cook Islands, Fiji, Vanuatu, Tuvalu or Samoa.

Senator AYRES: Chair, I think I'm done.

Senator Payne: It's getting invidious now because I will leave someone out. But those conversations occur all the time.

CHAIR: We've just had a bit of a discussion in an attempt to shorten matters if we can so that we're not here until 11 this evening. The proposition is that we will continue with non-trade DFAT until 6 pm. After that, we will have a half an hour dinner break and then do trade and the rest of the program. I have an undertaking that we will finish early.

Ms Adamson: We shook on it.

CHAIR: We shook on it. We will finish at least at 10.30 pm, if not earlier.

Senator WONG: Absent lengthy lectures and answers from the other side of the table, of course.

CHAIR: I want to say that so that Hansard and everyone is aware of that. At this point, are there any areas that you may not want to ask questions on in terms of letting people go?

Senator WONG: It is only 55 minutes.
CHAIR: We might do it with trade, though. So to those people with questions for trade, let's maybe think about it in anticipation.

Senator WONG: The minister helpfully mentioned the AIFFP, the Australian Infrastructure Financing Facility for the Pacific.

Senator Payne: They are the words I couldn't get in order before.

Senator WONG: Senator Fierravanti-Wells, who is the former minister for international development in the Pacific, has been quite critical publicly of this fund. She told the Senate I think last month:

I was unfairly hung out to dry in January 2016, especially by the then foreign minister and defence minister when I made comments about debt levels in the Pacific. My comments have been fully vindicated. Debt trap diplomacy has now entered the international parlance and the lexicon. Every time this issue is raised, it vindicates the stance I took.

She then went on to say that she feared the use of these AIFFP funds to provide loans as it is only going to exacerbate an already heavy debt burden on our Pacific neighbours. I would like you, Minister, to respond to these comments.

Senator Payne: Thank you very much, Senator Wong. I have, of course, seen Senator Fierravanti-Wells's comments. In fact, we have discussed it previously. With respect, I do not agree with Senator Fierravanti-Wells.

Senator WONG: You don't agree. Can you tell me why? It would be useful to engage with the content of the criticism if the content of the criticism is that utilising increasing debt levels as a means of providing development assistance is a problem. She identifies it as a risk for other reasons—strategic reasons, I suppose. But it is also criticism of this as a mode of development delivery for Australia to use. Given that it is such an important part of your policy, I ask that you respond to the content of the criticism.

Senator Payne: Well, I think we recognise, with the establishment of the Australian Infrastructure Financing Facility for the Pacific, that we have very significant infrastructure demands across our region. We know that the Asian Development Bank estimates those to be in the vicinity of $US48 billion in terms of the cost between now and 2030 to address. Our decision to establish the Australian Infrastructure Financing Facility for the Pacific is one which has generated a lot of interest. We've been consulting comprehensively across the region with the private sector and Pacific business councils on potential projects. What I can say, and what I do want to assure, is that we are very conscious of debt vulnerability issues. The Australian Infrastructure Financing Facility will not be lending to governments assessed to have high levels of debt. That is something we have been very clear about since its inception. It's currently assessing a very substantial pipeline of potential projects. They are in the energy, transport, water and telecommunications sectors. It is a very complex consultation process. But we are very clear—let me repeat that—that debt vulnerability issues are first and foremost for us. We won't be lending to governments in this context who are assessed as having high levels of debt. We have certainly recruited investment specialists externally who have significant infrastructure financing expertise. We are drawing on the lending experience of Export Finance Australia, EFIC, and they are also important initiatives to ensure that we run this facility appropriately.
Senator WONG: With respect, Minister, do you not think it is concerning that even your own colleagues are not convinced by your arguments?

Senator Payne: Well, I have heard Senator Fierravanti-Wells's comments and I don't agree with them.

Ms Adamson: Can I also add that there is a very strong demand from our Pacific partners for the kind of assistance that we will be able to offer through the AIFFP.

Senator WONG: Sure.

Ms Adamson: Part of the strategic level rationale for it, as you know, was to create a voice and to do things well to invest in the productive capacity of economies. Of course, there are different kinds of debt, as you know.

Senator WONG: But I'm not the person making the criticism.

Senator Payne: But you're the person asking the questions.

Senator WONG: I am asking the questions.

CHAIR: When was the decision made to establish what I've referred to as DFAT bank?

Ms Adamson: I read that. Again, I have to say to you that this is a financing facility. It cannot be considered a bank in any form. Obviously, the department will never refer to it in those terms because I believe that to be misleading.

CHAIR: When was the decision made to establish it? It certainly wasn't made when I was minister.

Ms Klugman: The decision was announced in November last year.

CHAIR: With debt to GDP ratios of up to 90 per cent for some countries in the Pacific, which countries are we going to be able to lend to and at the same time satisfy the requirements of our normal accounting procedures in terms of risk levels?

Ms Adamson: Senator, you were very active in visiting the Pacific in your previous ministerial role. You know that there are parts of the Pacific where a bridge between islands enables people on the bridged island, if I can put it that way, to gain employment, to be able to pay taxes and, therefore, the nature—

CHAIR: Ms Adamson, I did go on six trips to the Pacific. I'm fully aware.

Ms Adamson: That's why I'm acknowledging that you know this.

CHAIR: A lot of my work led to the step up that is now being rolled out. My question is basically this: I'm also aware that a lot of countries cannot sustain further debt. Why are we engaging in lending more money when we know very well what the priorities are, including the priorities of the Pacific Islands Forum? That is where my criticism is directed. Are we going to lend and encourage more debt in the Pacific? That's what I am concerned about and that is where my criticism has been.

Ms Adamson: Senator, I don't know if you've had an opportunity—I haven't yet read it in detail because it has only been published this week—the Lowy research findings. I think they shed useful light on this in terms of precise metrics around debt levels and the kinds of things that we need to be attentive to going forward. We certainly are attentive to the deeper points that you make. But we believe nevertheless that there is a role for Australia in terms of principled infrastructure financing done at the request of governments in the region to meet a
demonstrated need with a high degree of transparency and with everything done as well as it can possibly be done to increase productive capacity. That is what we are focused on. That's what we'll continue to focus on as we implement this and ultimately scale it up. But, as the minister says, there is a pipeline of projects. There are high bars to us being able to fund those for all the reasons she set out. If you are interested, Ms Klugman can go into the detail.

**Senator Payne:** So we're not oblivious to the points that you and others have raised, as Ms Adamson has said. Our work with our partners, including the IMF, the World Bank and our partners in the region is not about adding debt or adding unsustainable debt. As I've said, we'll determine appropriate forms of financing and we will advance on that basis.

**CHAIR:** I have one last question. What is the known debt level in the Pacific now? About two years ago, it was about $5.5 billion. How much is it now?

**Ms Klugman:** I don't have the accumulated number, but I will get it for you.

**CHAIR:** Can you take that on notice?

**Ms Klugman:** Certainly will.

**CHAIR:** I have one last question about the Pacific resilience fund. Where are we at with that? Is there any intention of contributing to that fund?

**Ms Klugman:** I'm very happy to take that. The Pacific resilience facility that is being developed by the Pacific Islands Forum secretariat was endorsed to continue its development by Pacific Islands Forum economic ministers two months ago. The plan now is to develop its further detail and look towards future pledging conferences. But we're not at that point yet.

**Senator WONG:** I have quite a lot of questions about the AIFFP, but it might be best to put them on notice because we're going to end up in a long discussion about it. I want to turn now to the ODA budget.

**Ms Adamson:** Let me introduce DFAT's new chief finance officer, Murali Venugopal.

**Senator WONG:** You have very large shoes to fill, just to put a bit of pressure on.

**Ms Adamson:** He is very well aware of that, Senator. He is filling them nicely, from my point of view.

**Mr Venugopal:** No pressure. I'm well aware of them.

**Senator WONG:** I have previously asked for some aid budget tables. I wonder if to facilitate or expedite matters, we could just have those tabled.

**Mr Venugopal:** I have it. I will just hand it over.

**Senator WONG:** Thank you very much. I think there are two types.

**Mr Venugopal:** Just one type. This table gives you—

**Senator WONG:** I know what this table does. There were two different data sets. There are two different tables I usually got. Sometimes I had to go and ask for another one.

**Mr Venugopal:** I am hoping that this covers both, but please tell me if it doesn't.

**Senator WONG:** Do you have the 2018-19 actuals?

**Mr Venugopal:** Not yet, Senator. We don't yet have the 2018-19 actuals. It should come by December.
Senator WONG: These are the current disaggregated ODA estimates for each of those nations and areas which underpin or underlie the budget estimate. Is that a reasonable way of describing it?

Mr Venugopal: That is correct.

Senator WONG: And you've differentiated between approved and committed?

Mr Venugopal: Yes. Of course, just to clarify, this picks up the regional and country allocations, which is one component of the whole ODA.

Senator WONG: What did Mr Wood do in two tables that you've done in one? I'm a bit confused.

Mr Venugopal: I'm beginning to fill some shoes, as you can see.

Senator WONG: Cheeky. That's early.

Senator Payne: Fasten your seatbelt, Senator.

Senator WONG: It is a multicultural caucus taking over.

Ms Adamson: Pardon?

Senator WONG: He and I. Have you got—I am happy to do it later—an easy comparison between this and the table I got in the supplementary budget estimates in terms of what programs have changed?

Mr Venugopal: Can you please repeat the last bit of that question? Which is the comparative table? I might have it here.

Senator WONG: In the supplementary budget estimates I got a similar table.

Mr Venugopal: This is from 9 April, just to clarify. That would be budget estimates, of course.

Senator WONG: This is supplementary.

Mr Venugopal: So February 2019, yes.

Senator WONG: I am just trying to work out where you've taken money from. Let's put it bluntly.

Mr Venugopal: At a high level, the tables that you got in February 2019 would have shown you the 2018-19 estimates, 2019-20, 2020-21 and 2021-22. The key change between the 2018-19 estimates and the 2019-20 estimates is a change in the overall value from $4.161 billion to $4.044 billion. The table that you have covers the—

Senator WONG: Four point?

Mr Venugopal: Bear with me. I'll give you the exact—

Senator WONG: It is $4.161 billion and $4.074 billion, was it? I couldn't hear the figure at the end.

Mr Venugopal: So $4.161 billion to $4.044 billion.

Senator WONG: Why is there that reduction?

Mr Venugopal: There is a movement of one hundred and something million dollars over one year. The $4.044 billion represents, and it's consistent with, the government's announced commitment that it will keep the ODA at $4 billion.
Senator WONG: People would have asked you to ensure you reminded us of that. What is the movement a consequence of? So $117 million has moved.

Mr Venugopal: That's right.

Senator WONG: Into where?

Mr Venugopal: A few multilateral payments were brought forward into the 2018-19 financial year.

Senator WONG: To protect the 2019-20 budget figure. Can the department confirm that cumulative cuts announced to ODA funding since this government came to office are now $11.816 billion?

Mr Venugopal: That would be correct.

Senator WONG: What is the level of ODA as a share of GNI for 2018-19?

Mr Venugopal: I have that number. I will give you the exact figure. Please bear with me while I find the right page.

Senator WONG: I will ask what it is anticipated to be in 2019-20.

Mr Venugopal: I should have that. So the ODA as a proportion of GNI in 2018-19 was 0.23 per cent. In 2019-20—

Senator WONG: It was 0.23 per cent?

Mr Venugopal: That's correct. In 2019-20, it was 0.21 per cent. Over the forward estimates, of course, based on Treasury assumptions of what GNI would be—the denominator—in 2020-21, it will be 0.2 per cent. In 2021-22, it will be 0.19 per cent. In 2022-23, it will be 0.18 per cent based on existing estimates.

Senator WONG: Secretary, when was the last time Australian ODA, as a share of GNI, was as low as those figures?

Ms Adamson: I think it would be quite some time ago. I have all the previous figures in front of me. I will see if I can check them. I imagine that Mr Venugopal will have them.

Mr Venugopal: I do. I have them on a table here going back to 1984-85. I think this is the lowest.

Senator WONG: I think your evidence is that it is the lowest that you can ascertain with records going back to 1984. Is that correct?

Mr Venugopal: That's correct. That is all I have.

Senator WONG: The analysis by the ANU—it's not mine—says that, in fact, this is the lowest level as a share of GNI since the government began publishing data in 1961. That is the Development Policy Centre at the ANU. I presume you will need to take it on notice, Secretary and/or Minister. I'm putting to you that our official development assistance is at the lowest level on record.

Ms Adamson: We will take that on notice.

Senator WONG: Thank you. Therefore, Australian ODA is lower as a share of national income than under Menzies, Holt, Gorton, McMahon, Fraser and Howard. You are taking that on notice too, Secretary?

Ms Adamson: Well, the two are linked.
Senator WONG: I know that.

Ms Adamson: That is correct. The second bit is correct.

Senator WONG: Correct. I thought it would be useful to remind people of the Liberal Prime Ministers who actually gave more of a share of national income. You anticipated my question in relation to GNI figures. In the 2018-19 budget papers, the government indicated it would resume indexation of the ODA from 2022-23 at CPI levels; that is my recollection, but I could be wrong.

Mr Venugopal: That's correct.

Senator WONG: Is that still the government's commitment?

Mr Venugopal: Yes. That is still the government's commitment. You will see the shift in the numbers. If you examine the PBS, it does go up in 2022-23.

Senator WONG: Do the GNI figures you gave me include that year?

Mr Venugopal: Yes, it does.

Senator WONG: So you are saying that the 0.18 per cent includes an indexation increase?

Mr Venugopal: It does, yes.

Senator WONG: It will go down as a proportion of GNI notwithstanding the CPI indexation?

Mr Venugopal: That's correct. Of course, I should again just underline that these are estimates based on information available at this point in time.

Senator WONG: I remember Ms Bishop, when she first became foreign minister, justifying the changes to the coalition's position in relation to ODA and saying that she had stabilised the budget at $5 billion per annum and that it would increase with inflation and would increase by CPI. It is now down to $4 billion and won't be indexed for a number of years. Foreign Minister, do you think from the portfolio perspective that policy is in Australia's national interest?

Senator Payne: We have been, I think, clear over a number of years now that our commitment is to an affordable, targeted and effective aid program that gives us the most impact we can. I note that we are making in 2019-20 a record contribution in the Pacific of $1.4 billion. That is a reflection of our very strong commitment to the promotion of both stability and prosperity in our neighbourhood. We have spent some time since our election looking after some of the budget challenges that we were left with. We are delivering a responsible budget to fix those challenges we inherited. We are focusing very tightly on what matters the most to Australia. We think it is a responsible and a proportionate investment and it is reflective and complements our investments at home, which are focused on jobs, growth and security. I understand that we will come from different perspectives on this, but that's the government's position.

Senator WONG: Well, it's not just my perspective, Minister.

Senator Payne: No. But you and I are the people having the conversation.
Senator WONG: It is a perspective of the Pacific islands nations. It is a perspective that other countries have raised. It's a perspective that the community has raised. It is a perspective that is inconsistent with that of your predecessor.

Senator Payne: You did reference the Pacific. Both through the Pacific step up and in terms of our broader commitments, our commitment to the Pacific in the financial year 2019-20 will be $1.4 billion, which is a record contribution in the region.

Senator AYRES: Is that precipitous fall in the proportion of national income in the ODA budget what the Prime Minister means by positive globalism?

Senator Payne: I don't think the Prime Minister linked those two things, no.

Senator AYRES: Probably not.

Senator WONG: We discussed the $1.4 billion to the Pacific. I particularly want to focus on the $500 million Pacific climate announcement. I would like to understand how that is being funded in the context of a declining ODA budget. Can people tell me where that is coming from? Ms Klugman, we're trying to get through this quickly. Can you tell me what you are cutting to fund the $500 million? There is no increase; it is from within existing resources.

Mr Venugopal: Yes.

Senator WONG: Have you decided where you're taking the money from to fund it?

Ms Klugman: No. As you know, it's a funding commitment that begins from 2020. It is the successor to; it will take up from the $300 million pledge that ends in 2020 and falls off. The $300 million was for four years. The $500 million is for five years. The final figures are not in. When it comes to the first two years of confirmed spending under the $300 million, we have spent around about $100 million a year.

Senator WONG: I'm not going to hold up the black folder and have the secretary laugh at me again because I am holding up a black folder. But it doesn't appear to me from either the Orange Book or these figures that you budgeted for the sort of quantum—

Ms Klugman: Sorry, go ahead.

Senator WONG: Do you want to answer my question before I ask it? That would be good.

Ms Klugman: Sorry. I was assuming that you were rephrasing the gist of the question you had already asked. I was going to have another go at answering it.

Senator WONG: Just because I like you.

Ms Klugman: The $500 million from 2020 will include a mix. It's not quite settled yet. There needs to be further consultation with partners in the Pacific, primarily. It will be a mix, I expect, of a continuation of some of the programs we have been running already in the current pledge period. I expect some of the projects we undertake under the AIFFP will be relevant in this area. Some of the projects we undertake under the broad banner of disaster risk reduction will also be relevant. But I cannot give you a definitive accounting ahead of time of precisely what it will be spent on.

Senator WONG: I am more interested at this stage in where it is coming from. What are you not funding in order to fund this?
Ms Klugman: My understanding is that there will be room in the forwards, including for the reasons I just set out. It is in part a continuation of the reasonably high level of spending we have undertaken over the last three years on climate related and resilience work in the Pacific. That is one. Secondly, we already have the additional spending that we will be doing through the Australian Infrastructure Financing Facility for the Pacific. I am very—

Senator WONG: Finish that.

Ms Klugman: I am very confident that this is a commitment that the government will meet.

Senator WONG: We can always move a commitment by moving money around from other projects. I'm just trying to understand. There was no new money. You have a diminishing aid budget. You've had to previously cut programs, including to Indonesia, in order to fund programs for the Pacific. I'm assuming you are going to have to rearrange aspects of your ODA budget in order to find the $500 million over five years. Correct?

Mr Venugopal: Perhaps I could answer that. Partly, yes. I think it will be inevitable that some elements of it may need to be rearranged. I think what Ms Klugman is also saying is historically we have spent in the order of $240 million to $250 million every year. That is in the current estimates of 2015-16, 2016-17, 2017-18 and so on and so forth.

Senator WONG: So is it the government's assertion that we usually spend $250 million so $500 million includes the existing spend? Is that the position?

Mr Venugopal: Roughly the $250 million that I talked about has been part of the $1 billion that ends, I think, in this financial year. In terms of a funding mechanism, all I'm saying is that there exists capacity in the forward estimates to be able to accommodate the new commitment. In the absence of such a commitment, that money would have gone to something else.

Senator WONG: I will place some questions on notice given the time. I did also want to get some details on notice of what the $300 million was spent on in each of the 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 years in terms of projects, activities in countries, amounts and outcomes achieved.

Ms Klugman: That is for the Pacific, Senator?

Senator WONG: Yes.

Ms Klugman: We are very happy to give that out.

Senator WONG: It was $300 million. As I understand your evidence, it is $300 million to the end of 2019-20 and then 2020-21 onwards is the $500 million. Is that correct?

Mr Venugopal: That's correct.

Ms Klugman: Yes.

Senator WONG: Is the $500 million all ODA?

Mr Venugopal: Yes.

Ms Klugman: Yes.

Senator WONG: I am sorry that I can't remember what term you ended up using. Will it include whatever financing arrangements from the AIFFP, which are non-commercial and therefore impact the budget?
Ms Klugman: Where they are spending, which is classified as climate and resilience related, which we're expecting a great deal of the work we're doing through the AIFFP to be.

Senator WONG: So how much of the $500 million is debt?

Ms Klugman: None of the $500 million is debt.

Senator WONG: But how much of the $500 million is—

Ms Klugman: The $1.5 billion is non-concessional lending, so therefore not ODA.

Senator WONG: Is any of the $500 million concessional lending?

Mr Venugopal: Let me play it this way. There are two $500 million numbers. I think that is conflicting.

Senator WONG: Okay.

Mr Venugopal: So the AIFFP is made of two components. It's got a $500 million grant component, which has nothing to do with financing, and $1.5 billion of loan financing. This is also $500 million, of which at least $250 million, like I said, comes from existing capacity within the forward estimates. Like Ms Klugman said, it is quite likely out of the $500 million grant component of the AIFFP there will be some flows coming into the overall $500 million climate commitment.

Senator WONG: The AIFFP grant or stream. What shall we call it? Stream? What do you want to call it?

Ms Klugman: It is a mix. There is $2 billion in total.

Senator WONG: I got that. I am trying to get how you want me to refer to it.

Senator Payne: Stream will be fine.

Senator WONG: Stream. All of that would be ODA eligible?

Mr Venugopal: That's correct.

Senator WONG: But none of that, you say, is in the $500 million that was part of the $500 million ODA announcement for the Pacific?

Mr Venugopal: What I am saying is the $500 million climate change announcement—

Senator WONG: There are three different announcements and I think you have explained them very well. You have the AIFFP announcement. Was it a billion dollars in—

Ms Klugman: It is $1.5 billion.

Senator WONG: It is $4.5 billion in essentially financing capacity—so debt. Then you have $500 million, which is grant. I have a question about the $1.5 billion and whether there is any concessional loan in that. Let's come back to that. Then you have a $500 million climate announcement?

Mr Venugopal: Yes.

Senator WONG: Nothing in the $500 million climate announcement is about debt or debt financing?

Mr Venugopal: That's correct.

Senator WONG: What about the AIFFP grant component of $500 million? Is any of that concessional loans?
Mr Venugopal: No.

Senator WONG: Of the $1.5 billion, is there an indication of the mix between concessional and non-concessional financing?

Mr Venugopal: I understand that they are entirely non-concessional.

Senator WONG: Entirely non?

Mr Venugopal: Non-concessional.

Ms Klugman: So the $500 million will be used where it is required to concessionalise a loan.

Senator WONG: I get it.

Ms Klugman: Or it will be used as grant finance for AIFFP projects in places—this refers back to Senator Fierravanti-Wells's earlier discussion—where we do not want to lend because of the debt exposure of the partner.

Senator WONG: In that context, there's a discussion in the RGP released under freedom of information about new financial instruments for delivering development assistance. The brief refers to Australia experimenting with the use of non-grant financial instruments. These instruments can increase the footprint of ODA with a smaller budgetary impact than grants. In terms of the discussion we've had, are any of those the type of non-grant financial instruments referred to in the incoming government brief? It is page 77.

Ms Goulding: The development of the AIFFP was informed by early work done on a non-grant financing feasibility study, which was undertaken by the department.

Senator WONG: I'm not quite sure that is an answer to my question. The DFAT RGP uses that phrase when it says:

Australia has begun experimenting with the use of non-grant finance instruments, such as loans, equity and guarantees.

It then explains, obviously, that that extends your ODA impact without having a budgetary impact. I'm trying to understand where the government is experimenting with such instruments. I infer from your answer you are saying that the AIFFP is one such experiment; I'm not trying to use that word pejoratively. I'm just trying to pick up the word in the RGP. Is that correct?

Ms Goulding: Yes. That is correct.

Senator WONG: Thank you. Are there others?

Ms Goulding: The department has undertaken some other work looking at innovative financing, including grants, equity, loans and insurance. At the moment, the department is not implementing that work on its own. It is only through the AIFFP that it is implementing that directly. An example I can give is that it is implementing the use of innovative financing through international institutions like the World Bank or the Asian Development Bank, where they have that capability established or partnerships with other international organisations.

Senator WONG: So it is a reasonably, I hope, risk-averse approach which recognises that developing that kind of expertise within DFAT is pretty difficult. We have the AIFFP, which has this board et cetera. I will have questions on notice about that. We also provide money to

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE
multilateral institutions which have, we hope, some technical expertise around these sorts of instruments. Is that a summary?

Ms Goulding: Indeed.

Senator WONG: Thank you. I want to ask whether or not there has been any change to the budget treatment. Has there been any change to the budget treatment of these instruments in recent years?

Mr Venugopal: The $1.5 billion—

Senator WONG: Perhaps I'll do it this way.

Mr Venugopal: I may be misunderstanding your question.

Senator WONG: It assumed historic knowledge. Can you explain to me how you understand the budget treatment of these instruments? Firstly, let's use the AIFFP as the example. I assume the $500 million hits the budget bottom line?

Mr Venugopal: It does.

Senator WONG: And $1.5 billion would hit gross and net debt?

Mr Venugopal: Correct.

Senator WONG: But not the UCP?

Mr Venugopal: Correct.

Senator WONG: Do you have a policy clarity about the types of instruments which might fall into either category? For example, I think Ms Goulding talked about loans equity assurances, which I assume means guarantees. Can you give me an indication of how you understand the budget treatment of each of those categories?

Mr Venugopal: I don't yet have a full understanding, frankly, of each of those. The reason for that—

Senator WONG: Yes. Fair enough.

Mr Venugopal: Is simply because it depends on the design of each one of these. It is one thing about the terminology and the name you give something. It's quite something else, as you well know, about how you treat it in the UCP and fiscal balance context. So it depends. As the costings develop, I will have a better idea to be able to comment on that.

Senator WONG: What I find difficult to understand—I understand the fiscal treatment—is whether the $1.5 billion is ODA eligible?

Ms Klugman: No.

Mr Venugopal: No.

Senator WONG: My understanding has always been that essentially if it doesn't hit the UCP, if it doesn't hit the budget bottom line, so we can't count it as being ODA eligible. Is that correct?

Mr Venugopal: That is my understanding.

Senator WONG: There has been no change to that position by the government?

Ms Klugman: No change.

Senator WONG: Other than the budgetary impact, is there any evidence that you can point me to that shows that non-grant instruments are more effective in promoting
development as compared to grant instruments? You have a diminishing ODA budget at a
time where the demands, particularly for infrastructure in the region, are increasing for
various reasons. I understand the logic behind trying to get more bang for buck, as it were. Is
there any policy evidence that shows that there is any change or any difference in terms of
development outcomes as between grants in ODA and debt or financial instruments of the sort
we’re describing?

Ms Goulding: Yes, there is a body of evidence available that talks to the effectiveness of
that form of finance. Obviously, it's been well established with the multinational institutions
that I spoke of before. It relates in particular to the nature of the problem, if you like, that
you're trying to solve. One example I can give you is a partnership that the department entered
into with the former United States Development Credit Authority. It was a way to try and deal
with the access to finance and capital gap that exists with women-led small and medium
enterprises in South-East Asia. It was an initiative of the United States Development Credit
Authority. Australia provided some co-financing. It was able to leverage in its first bond issue
a total, I believe, of $US8 million of capital to invest in the companies that were part of the
bond. It has now issued a second bond and is seeking to raise $US100 million to invest in
those companies that will provide goods and services that benefit and promote gender
equality.

Senator WONG: Are you able on notice perhaps to provide us with some reference to
some of the studies—I think you referenced a couple of them—or any others that demonstrate
or go to the point of development policy impact as opposed to a

Ms Goulding: Absolutely.

Senator WONG: Thank you, Ms Goulding. I appreciate that. I will quickly go through
this. I am sorry to jump around, but I did have a question about Israel and Palestine and the
result of the Israeli election. I wonder if you could give us an update on
the status of the
election result and the likely possibility of the shape of the Israeli government.

Dr King: I will give you a very short summary, but not, I'm afraid, a picture of the likely
shape of the government because it's too early. As you know, Mr Netanyahu has said that he
will tell the President he cannot form a government. That task has now been given to Mr
Benny Gantz. He has 28 days. If that fails, another candidate—I don't know who—will have
21 days. Israeli politics being robust, I would not be one to venture a guess as to what the
shape of the government will be. One thing I can say is—

Senator WONG: Fair enough.

Senator Payne: We're not paying you to venture a guess.

Dr King: One thing I can say is that we will have good relations with whatever
government they choose.

Senator WONG: I want to ask, though, about one of the election policies, announced by
Prime Minister Netanyahu which did get some attention here in Australia, and that was the
annexation of the Jordan Valley. Mr Gantz responded by saying that it was an election policy
that copied his party's vow. Does the Australian government have a position on the potential
annexation of the Jordan Valley?
Dr King: Mr Netanyahu has made similar comments before. Essentially, our view is that these matters are the subject of final status negotiations.

Senator WONG: In other words, we retain our position of support for a two-state solution?

Dr King: We do.

Senator WONG: Would you agree that annexation of the Jordan Valley unilaterally would not be consistent with, nor conducive towards, a two-state solution?

Dr King: I think the Prime Minister has said that settlements and such things are unhelpful. But, as we say, these are matters of final status negotiations.

Senator WONG: Which I think is the parlance of saying, 'This needs to be negotiated.' Is that basically it? Can you tell me whether we've made any representations in relation to these statements, or has Australia taken the view that, given that the government has not yet been formed, we would not do so until that occurred?

Dr King: That would be my guess. But the most recent time we spoke about settlement in this case was on 26 September.

Senator WONG: Who is 'we'?

Dr King: The Australian embassy in Tel Aviv raised our position on settlements.

Senator WONG: With?

Dr King: With the Israeli government.

Senator WONG: In relation to?

Dr King: This is in relation to settlement activity. I think you asked, Senator, about annexation. It was not about that. But our position, just to repeat, is that settlements and borders are final status matters to be resolved through direct negotiation between the parties. We won't prejudge the outcome.

Senator WONG: Thank you very much for that. I have finished on that matter. Thank you. Minister, ABC chair Ita Buttrose was reported in a recent speech at the Lowy Institute as saying:

... at a time when Australia is realising the need to better project its influence in the Pacific, the ABC is a key soft power asset available to the nation.

Do you agree with her?

Senator Payne: Yes.

Senator WONG: In that light—

Senator Payne: I didn't see the speech myself, but I agree with the general proposition.

Senator WONG: So you agree that the ABC is a key soft power asset available to Australia?

Senator Payne: Yes. In many ways.

Senator WONG: Do you know how our broadcasting presence in the Pacific region compares with that of other countries?

Senator Payne: I'm happy to provide you with a detailed response to that on notice.
Senator WONG: There are a lot of reviews. There is the Soft Power review, which we've had a discussion about and which is still in train. I think in answer to questions post the Prime Minister's announcement in November 2018—that is, where the government decided to provide funding to commercial broadcasters—my recollection is you were also looking at that decision and you would complete that review before Christmas 2018. Is that correct, Secretary?

Ms Adamson: The broadcasting review in the Asia-Pacific region?

Senator WONG: Yes. I think that's what it was called. I have here Amplifying Australia's voice in the Pacific.

Ms Adamson: That has been completed.

Senator WONG: Where is that? Is that public yet?

Ms Adamson: Yes.

Senator Payne: The Department of Communications.

Mr Miller: That was released last week.

Senator WONG: Last week?

Mr Miller: That's right. On 17 October.

Senator Payne: By the Department of Communications.

Senator WONG: Yes. I think DCA, or whatever they are called, were the lead.

Mr Miller: Yes. That's right.

Senator WONG: You were engaged on that?

Mr Miller: We were, yes.

Senator WONG: Has DFAT provided advice to the minister in relation to that review?

Mr Miller: No. Not yet.

Senator WONG: I will have a look at that. I haven't had a chance to do that. Can someone tell me what the state of play is with the proposed new Pacific Fusion Centre?

Ms Klugman: The Pacific Fusion Centre has been established. It is up and running in an interim site here in Australia. We welcomed last month the first of our Pacific island country secondees. We have 10 of them in the first batch. We're expecting to have a second batch arrive early next year. They are undertaking quite extensive analytical training at the moment. The other key development is that the recent meeting of the Pacific Islands Forum foreign ministers welcomed the establishment of the Pacific Fusion Centre and agreed that it should report to a new subcommittee, which has been established under the Pacific Islands Forum pursuant to the Boe declaration.

Senator WONG: Correct. I put to you that there was some concern raised within the PIF and associated discussions about a lack of consultation with Pacific island nations regarding the fusion centre.

Ms Klugman: We undertook very extensive consultations on the Pacific Fusion Centre. They happened very often. They happened at ministerial level all the way down to working level across the many agencies who have an interest both here and offshore in the collaborative exchange of information on common security challenges.
Senator WONG: I want to ask this: why Canberra? When this was first envisaged, we talked about this. There was a discussion about it being within a Pacific island nation.

Senator Payne: It will be.

Senator WONG: How long will it be in Canberra? Is it going to be like the Soft Power review?

Senator Payne: It is an interim location. That is part of the commencement process, including bringing officials from PIF members to Australia to engage with counterparts from agencies here. I expect that the government will make a decision on the permanent location in consultation with a Pacific island government before the end of this year. Then we will establish in early 2020.

Senator WONG: This is my final question about the US administration. It has been reported that they are also considering establishing one or more open source intelligence fusion centres to enhance cooperation with Pacific island countries. Are we coordinating with the US? Are you aware of their plans?

Ms Klugman: I am aware of those plans. Yes, we are in discussions with the United States on many things. My understanding of the way the American system works is that that announcement is not yet connected with funding. So we will—

Senator WONG: So the risk of duplication is manageable because it isn't happening yet?

Ms Klugman: I guess that's what I'm saying.

Senator WONG: Thank you very much, Chair. Thank you, Secretary.

Senator FAWCETT: Minister, we had evidence from ASD that they had a very high degree of confidence as to who hacked into Parliament House and the ANU. In their words, they are just the 'techies' and the decision to actually disclose who was behind such an attack rested with your department. Given that we have a cyberambassador who does a lot of work trying to influence global norms and rules around cyber, could you tell the committee the status of rules and norms around that? Have there been any disclosures recently made around such disclosures? Dr Feakin has spoken to this in the past.

Senator Payne: Exhibit A, Dr Tobias Feakin, the cyberambassador.

Dr Feakin: Thank you for your question. Firstly, I will address the attribution question. You would be right in saying that we have been through a process over the last 18 months or so of attributing malicious cyberactivity to a whole range of different nations. We do it for a whole range of reasons, depending on the impact to our national interest both domestically and internationally and its impact on international norms and law, which I can talk about a bit in a moment.

We have an attribution framework policy in place, which was developed in December 2018. That is a jointly owned policy between Defence, ourselves and Home Affairs. The two lead departments would predominantly be ourselves and Home Affairs. The way that that process works is that we would look at a whole range of different equities, impacts and interests that we have relating to that particular incident in making an assessment of whether...
we should attribute or not. The kind of case that we would be building is more in terms of a legal case. You're looking for a set of evidence which brings you to a 'beyond reasonable doubt' kind of assessment. Then there is a whole-of-government process taking all of those equities and all of those interests and bringing them together and creating a set of evidence which then we pass up the food chain for an ultimate decision.

Attributions can be public, but they can also be in private. As I said, we've made seven of those attributions. We've done those jointly on the whole with other nations. We feel there's far more strength in numbers in terms of these kinds of attributions. That is a lesson that I think, as like-minded partners, we've learned through previous experience. It's for a whole range of different activities. In most recent times, just before Christmas last year, the actual attributions that we made was one to Russia and one to China. The number of countries joining those attributions is up to well over 20 different countries. What does that tell us? It tells us that the international community as a whole is now growing tired of levels of malicious cyberactivity that may be targeting our critical national infrastructure, interfering with democracies and resulting in other nefarious acts.

Attribution is one part of that process. We also look at a whole range of different response measures that could be taken. They are looking at the levers of government you have, again, across all the different departments you have at your disposal. It could be diplomatic actions, legal actions or law enforcement actions. The list could go on. We've made a thorough assessment inside government of what those levers look like, for potential use.

At the international level, we're now into a process of two UN discussions. One is an open-ended working group in New York, which is all 193 countries discussing what norms and law look like in cyberspace. Another is a UN group of government experts, which is 25 different countries. We have an Australian expert on that group. Those groups are trying to reaffirm and solidify exactly what international law looks like beneath the level of armed conflict in order that we have better definition around how we respond to these kinds of incidents. There's no doubt that there's whole range of different countries who are exploiting that pretty ruthlessly as it stands.

**Senator KITCHING:** Can I ask one question on that?

**ACTING CHAIR:** Thank you, Dr Feakin. You said that we were breaking at six o'clock.

**Senator KITCHING:** Just one. Yesterday, with ASD, I asked if the policy document or the framework was classified. Is it classified?

**Dr Feakin:** It is classified.

**Senator KITCHING:** They were coming back to me, but you've clarified that. Is there—

**ACTING CHAIR:** That is two.

**Senator KITCHING:** Just one more.

**ACTING CHAIR:** There is always one more, Senator Kitching.

**Senator KITCHING:** So there is an increasing recognition internationally that it's dangerous to be complicit in a cover-up of malign activity. Can we say that?

**Dr Feakin:** Complicit in a cover-up of malign activity?

**Senator KITCHING:** If you don't do the attribution, are you complicit in the covering up of the malign activity?
Dr Feakin: I wouldn't agree with that statement.

Senator KITCHING: You wouldn't agree with that?

Dr Feakin: I wouldn't.

ACTING CHAIR: And I'm sure that if Dr Feakin has any more, he'll answer on notice. That concludes the committee's examination of the department's non-trade programs. I thank the officers for their attendance. The committee will now break for dinner. We will resume at just after 6.30 pm for its examination of the department's trade programs. Thank you.

Proceedings suspended from 18:02 to 18:33

CHAIR: Thank you, I welcome Senator the Hon. Simon Birmingham Minister for Trade, Tourism and Investment and officers from the department with responsibility for trade programs. Minister, do you wish to make an opening statement?

Senator Birmingham: Thank you, Chair, and no, thank you.

CHAIR: I believe, Ms Adamson, that there is an answer to a question on notice—that's Senator Ayres.

Ms Adamson: That's correct, Senator. We would like to table the $1 billion climate finance commitment and you asked for a tabulation. We've given copies, and one should be on your desk in a minute.

Senator AYRES: That's very helpful. Thank you, Ms Adamson.

CHAIR: We now move to questions.

Senator WONG: I'm just looking at this QON answer—this is as distinct from my question about the $300 million?

Ms Adamson: This is Senator Ayres' question.

Senator WONG: Yes, this is the billion.

Ms Adamson: Yes.

Senator WONG: Can I just go to a couple of questions about the WTO and Australia's engagement with the WTO. Our engagement with the WTO is primarily through the Australian Permanent Mission.

Mr Mina: That's correct. Intermittently, there are a range of ministerial engagements as well.

Senator WONG: Does the mission provide advice to the department on trade policy and the status of trade negotiations?

Mr Mina: It's true to say the mission provides a range of advice on developments on the ground. Policy advice, of course, is mostly—

Senator WONG: The other way around.

Mr Mina: Developed in Canberra.

Senator WONG: Tell me the process by which the mission is advised of negotiating mandate, positions and policies and so forth in order for the mission to execute or to give effect to those within the WTO discussions?
Mr Mina: What I would say is that our positions, with respect to particular negotiations, are developed in a manner that's largely commensurate of that with other policy that's taken to—

Senator Wong: That doesn't really help me.

Mr Mina: For instance, if we were engaged in a multi-sector negotiation at the WTO, we would normally take the matter to the relevant portfolios or, indeed, in some cases to cabinet.

Senator Wong: There's a decision-making process within government. The detail of it, perhaps the status of the decision-making on that decision, would depend on the subject matter, and then that is advised to our officials at the Permanent Mission. Is that a reasonable summation? No?

Mr Mina: It's a reasonable summation.

Senator Wong: You were shaking your head but then you said it was.

Mr Mina: That is a reasonable summation. It would, of course, be conveyed in the normal formal way through diplomatic communication.

Senator Birmingham: It's part of Mr Mina's negotiating tactics!

Mr Mina: Exactly!

Senator Wong: Is that why the WTO negotiations have stalled? You shake your head when you mean 'yes'. That's actually why they have failed!

Mr Mina: There are many other causes.

Senator Wong: Have we ever advocated on Australia's behalf within the WTO for the removal of, or the revision of, the special and differential treatment afforded to developing nation states under the WTO. If so, when did we do so?

Mr Mina: It's fair to say that our position on this complex question of special and differential treatment in the WTO is quite multi-layered. Of course, we are big supporters of the general principle of flexibilities that allow developing countries greater time or capacity to integrate into commitments, but, at the same time, yes, there are several instances in which we have sought to tailor and target special and differential treatment.

Senator Wong: If we need to get into a long policy discussion, I'm happy to, but I'm actually just trying to understand if there are instances where we have advocated, via the policy process or the determination process that you and I discussed earlier, and communicated to our Permanent Mission that on these issues we want to advocate for a revision of the special and differential treatment status under the WTO for developing nations.

Mr Mina: That's a very difficult question to answer in the broad, but, as I mentioned earlier, there are many instances in which—

Senator Wong: Why is that so hard to answer in the broad?

Mr Mina: Because it really depends on which negotiations and with which countries—

Senator Wong: You tell me.

Mr Mina: but there are many instances in which we have asked for, advocated for and argued for—you used the term 'revision'—the targeting and limiting of special and differential treatment flexibilities and WTO negotiations—many instances. In fact—I can make this other
point, if I may—one of the key elements of getting rule making back on track at the WTO is to see all countries make a significant contribution—

Senator WONG: I understand that.

Mr Mina: to those efforts, and that means revising the excessive flexibility—

Senator WONG: We can stay here until 11 pm if you want, but I just want to know what we have advocated in terms of revising that treatment. I know you're worried about where this is going, but could you just tell me where we have. In the last year have we done so, and in relation to which negotiations?

Mr Mina: We have done so.

Senator WONG: Okay, in which negotiations and in relation to which matters?

Mr Mina: In the last year, two or three different instances in which Australia has asked for targeted, tailored and tight special and differential treatment flexibilities are fisheries subsidies negotiations and the ecommerce negotiations at the WTO. They're two instances.

Senator WONG: We might have a lexicon problem here.

Senator Birmingham: 'Targeted' of course being some countries not having, and some countries having, various levels.

Senator WONG: I understand that. We might be having an argument about which is the terminology. I get that we will have a discussion about what we say reasonable special and differential treatment might be. You've raised fisheries. What else?

Mr Mina: I'm also raising the electronic commerce negotiations.

Senator WONG: Ecommerce. What else?

Mr Mina: In the last year, they really would be the two major contexts.

Senator WONG: I'm sorry?

Mr Mina: They would be the two major contexts in which we've—

Senator WONG: In relation to fisheries and ecommerce, which nation states were we seeking—I'm sorry, what was the phrase you used: 'tightly targeted'? 

Mr Mina: Tight and targeted provisions.

Senator WONG: Tight and targeted.

Mr Mina: This goes to my earlier point. We are at the stage in both of these negotiations where we are defining the parameters around special and differential treatment for new rules in these areas. There are early discussions in both contexts. The question of who would have access and by how much they would have access to such flexibilities has not yet been determined.

Senator WONG: So government hasn't yet determined that?

Mr Mina: This is a question of negotiations. It's not—

Senator WONG: No, they're two points. I appreciate they are extant negotiations and who gets what treatment pursuant to the special and differential concept is still a matter being negotiated. I'm asking what our position is. Has Australia indicated to particular WTO members that they have a view that special and differential treatment under ecommerce or fisheries should be tight and targeted for those nation states?
Mr Mina: We have been making that point in respect of all nations that would seek to access such flexibility.

Senator WONG: That would include, for example, Indonesia and China?

Mr Mina: That would.

Senator WONG: Minister Birmingham gave a speech—in August I think—where he talked about updating the WTO rule book. You've given me two examples. Are you able to give me any further examples of our efforts to update the rule book and what reforms of the WTO we have been pursuing, and are these publicly documented anywhere? Can I plead with you, because it's been a long day.

Mr Mina: I'll try and be brief.

Senator WONG: We can have lots of words and then I'll have to ask the question again and again.

Mr Mina: I'll try and be brief. The major areas of focus for WTO reform are dispute settlement, rule making and transparency, and, yes, Australia has tabled proposals in each of these areas and has been active in each of these areas.

Senator WONG: Are they public?

Mr Mina: Many of our positions are public, yes, and our negotiating proposals are public. I can table any of those—

Senator WONG: Could you, on notice, provide me with, for the three examples you've indicated, the documents that demonstrate that?

Mr Mina: I can do that.

Senator WONG: Thank you very much. Are there any others?

Mr Mina: These are the major areas of focus in the discussions loosely described as WTO reform.

Senator WONG: Has the permanent mission previously advocated for a provisional removal of China's developing nation status in any forum of the WTO?

Mr Mina: The permanent mission, in line with longstanding Australian policy, has argued for tight and targeted special and differential treatment provisions for China but not for the removal of them across the board. We have been making, however, the consistent point that China and many other self-described developing nations need to make a bigger contribution to rules.

Senator WONG: Sure. I think that's reasonable. I did want to make sure that I understood that the position has been—and, as you point out, it has been a position under successive governments—to take this notion of special and differentiated treatment and have a very clear Australian position about what that manifests as—and I think 'tight and targeted' was the phrase you used—rather than having a taxonomy argument about whether China remains a developing nation. Would that be a reasonable summation?

Mr Mina: That is a summation of our stance historically. We have also been engaged in the last 12 to 24 months in a much more intense dialogue about the future of the WTO, as you well know—you have spoken about this yourself—and also in that context about the future of rule-making and, therefore, the access that certain countries, including those countries that
have benefited most from the global trading system and its rules, have to and seek to take advantage of WTO flexibility. In that context there has been a larger debate about who has access to special and differential treatment.

**Senator WONG:** Right, but have we advocated for China having a different status than developing nation status under the WTO?

**Mr Mina:** What I'm saying in this context is that we've argued for a number of countries to look at their position in the general—

**Senator WONG:** Yes, in the general—

**Mr Mina:** So I won't say specifically—

**Senator WONG:** No. Because the Prime Minister has talked about this I'm trying to understand. Have we put to the WTO that China should have status under those arrangements as a newly developed economy or not?

**Mr Mina:** I think that's a fair summation.

**Senator Birmingham:** Senator Wong, I do think in practical terms that there is a real overlap in that there would be a number of parties to the WTO who are still self-designated as developing but have taken a blanket decision for a period of time to not seek flexibilities under that self-determination.

**Senator WONG:** But that isn't the blanket decision that China has taken, is it, as yet?
Mr Mina: There have been elements of that decision taken by China, as the secretary was just explaining. They have taken less advantage of that flexibility than they could have had under certain agreements.

Senator WONG: Sure. I think, Mr Mina, you agreed that we haven't put to China that they should self-designate differently. That's not been something that has been put at the negotiator level?

Mr Mina: Well, Senator, I was explaining that we have not challenged the practice of self-designation itself—

Senator WONG: No, no—that's a different point.

Mr Mina: And therefore—

Senator WONG: No, but it's a different point, because you can still bilaterally put, or even multilaterally put, 'Yes, this may well be the mechanism, but these nations should consider whether they do it.' I just want to be clear: we haven't yet done so?

Mr Mina: We haven't done it specifically in relation to any country.

Senator WONG: That has not been put by you, Minister, to your counterpart, either, in those terms—that China should not self-designate as a developing country and should self-designate as a developed economy? That's not the position at ministerial level, is it?

Senator Birmingham: No, that's not been put in those terms. We've continued to put, as Mr Mina has outlined and we've discussed, that the utilisation of flexibilities ought be limited, if sought at all.

Senator WONG: Sure. Similarly, I'm assuming, Secretary, in the meeting with—it was the Vice President in Jakarta, wasn't it?

Senator Birmingham: Yes.

Ms Adamson: Yes, it was.

Senator WONG: At which you were present?

Ms Adamson: Yes.

Senator WONG: That was not put to the Vice President by the Prime Minister?

Ms Adamson: There was certainly a discussion that goes to the issues that we're talking about.

Senator WONG: What can you tell me about that discussion?

Ms Adamson: As you know: was this matter raised, in the broad? Yes, it was.

Senator WONG: I do try to be responsible in these hearings.

Ms Adamson: Yes, I know.

Senator WONG: That's why I asked you: 'What can you tell me about the discussion?' What I would have liked to ask—and you can choose—was: was there concern expressed? Well, first, I want you to confirm that Mr Morrison didn't actually ask for China to self-designate as a developed economy, and I want you to tell me whether or not there were any issues raised from the Chinese side about this discussion.

Ms Adamson: I want to be helpful. I want to have you understand, please, without revealing more than one should about these conversations that are held between two sides: the
Prime Minister has been very consistent—let me say this. The Prime Minister has been very consistent in what he has said publicly about these matters and what he says privately to countries which are—potentially, at least, and actually—the subject of what it is that he's talking about. So he has been consistent, and that was the case on Sunday, as it has been on other occasions too.

Senator WONG: But does the consistency extend to urging China? Do you understand the government's position to be that Australia is urging China to self-designate as a developed economy?

Ms Adamson: At the vice-presidential level, a discussion which went to the need for China, as a newly developed economy, in the Prime Minister's words, to take on greater responsibility—that was certainly discussed. As you know yourself, China has a longstanding, consistent view—

Senator WONG: Correct.

Ms Adamson: about its standing as a country, and that is what you would expect them to say in any discussion on that matter.

Senator WONG: Well answered.

CHAIR: Senator Wong, can I just interrupt? Following discussion with Senator Kitching, and to try—

Senator WONG: I'm nearly finished. I've got this, then I'll be done.

CHAIR: I accept that, but I wanted just to mention that Senator Farrell is going to be principally asking questions in relation to Tourism Australia and Austrade, and Senator Kitching has informed me that he is arriving shortly, so what I wanted to do was just to let officials know that, when Senator Farrell arrives, we'll be going to Tourism Australia. We will then go to Austrade. We will finish the rest of trade, and then end with Export Finance Australia. Senator Kitching tells me that, on this basis, we hope to end by about 8.30 or a quarter to nine—

Senator WONG: Depending on whether Senator Birmingham behaves—but he generally does.

Senator Birmingham: I have been very succinct in my responses so far, Senator Wong!

Senator WONG: Yes!

Senator Birmingham: Don't tempt me!

Senator WONG: I think he and I are probably both on the 6 am flight tomorrow!

CHAIR: Senator Wong, please continue, but I just wanted to let the officials know.

Senator Birmingham: We have a breakfast date!

Senator WONG: We have a breakfast date!

CHAIR: Right! I just wanted to let the officials know so they can prepare themselves for this reordering of the program.

Senator WONG: Thank you. In our negotiations in RCEP, would it be correct to say that we're taking the 'tight and targeted' approach, or are we taking an approach that actually seeks to designate China, for example, differently?
Senator Birmingham: Mr Baxter can give a more detailed response, but for us it comprises the text. In the main, we seek to have the text agreed across all 16 parties, although sometimes there will be individual carve-outs or concessions within that text. It then comprises a series of country-to-country market access exchange offers, which are matters between those countries, or they need to meet certain threshold standards. Mr Baxter, do you want to add further whether there is a comparability that can be made to the idea of WTO type flexibilities in the application of RCEP negotiations?

Mr Baxter: As the minister just pointed out, the framework for the RCEP negotiations is quite different from the WTO. There is no mechanism for self-designation as a developing country that applies overall. The only specific status that applies in the RCEP negotiation is of 'least developed countries' and there are three of those.

Senator WONG: So we are not having an argument about 'newly developed economy' in that context?

Mr Baxter: We are not.

Senator WONG: And it wouldn't be applicable, is that what you are saying?

Mr Baxter: Quite right.

Senator WONG: The minister in his speech that I've already referenced on 2 August talked about Australia and the PM acknowledging perceptions the WTO arrangements for developing countries have not kept pace with Chinese economic growth and weight in the world economy. Then in the Chicago speech the following month, the Prime Minister, Mr Morrison, said that China should be recognised as a 'newly developed economy'. I just want to understand when that phrase entered the lexicon for Australia. First, Minister—not that I look at everything you have said—I don't think that is a phrase you have used prior to the Prime Minister using it. Is that correct?

Senator Birmingham: I don't think it's a phrase or a formulation of words that I have used in my speeches to date, no.

Senator Birmingham: Minister, when did you first become aware that the Prime Minister was taking this approach in this speech of 23 September? Did you see a draft beforehand?

Senator Birmingham: I was aware beforehand. I would have to take on notice and check.

Senator WONG: So you got a draft of the speech?

Senator Birmingham: Certainly at least components.

Senator WONG: Did you provide any advice about the decision to go down the tack of arguing this status of 'newly developed economy'?

Senator Birmingham: We obviously responded to in terms of the travelling party and the engagement that occurred between my office and the travelling party.

Senator WONG: Did you agree with it?

Senator Birmingham: I'm not going to go to the nature of my conversations with the PM and his travelling party when he's overseas.

Senator WONG: I had to ask!
Senator Birmingham: But I think the point the Prime Minister made in that speech was broadly consistent with the points that had been made consistently, including the remarks I made in Beijing on 2 August.

Senator Wong: That is actually not quite right. They go a substantial step further because they actually go precisely to the point of how China self-describes, as Secretary Adamson raises. Your speech, I think, is very consistent with the approach Australia is taking and has taken. The Prime Minister's speech goes a step further, quite a significant step further. I'm trying to understand the decision-making process behind that step. Did DFAT see the speech before? Were you aware that Australia would be taking a 'newly developed economy' view about China prior to this speech? I am asking the secretary first.

Ms Adamson: I was not.

Senator Wong: Mr Mina, I assume if the secretary wasn't, you weren't?

Mr Mina: That is correct.

Senator Wong: I would hope that if you knew—

Mr Mina: That is correct.

Senator Wong: Is that language other nations use—'newly developed economy'? Sorry, I haven't been in the trade portfolio for a long time.

Mr Mina: In the WTO, there is a variety of terms used, including 'advanced economy'.

Senator Wong: Or 'least developed countries'.

Mr Mina: I am not aware of this being used in the WTO to technically classify countries.

Senator Wong: But is it used elsewhere? I'm trying to understand if it has come from somewhere else. In other words, is this a politically generated term or does this actually have some reference point in diplomatic parlance or terminology?

Senator Birmingham: I think that is the point. It is not a term of designation; it is a description used in a speech that, in context, is consistent with the approach that we have taken in terms of urging for minimal or no use of flexibilities commensurate with countries that grow to the point that they are clearly closer to a developed economy than a less developed economy.

Senator Wong: This might be a little mischievous but if it is not a designation and we are not actually asking for it to be designation, does it actually have any meaning other than as political maxim?

Senator Birmingham: The Prime Minister wasn't putting a proposition to the World Trade Organisation for a technical reform; the Prime Minister was giving a speech in which he was outlining a range of different issues of which this was one. It was a descriptive used in relation to the growth of China's economy.

Senator Wong: Otherwise, it is literally just a line in a speech. To give effect to that, you then would want to try and advocate for the implementation of that through some process. But as I understand it, there is this disconnect between what the speech is saying and really what we are actually doing within the WTO and bilaterally.
Senator Birmingham: No. A practical way that would give effect to that would be for a
country—in this case China but it could be the others—to take the approach that we discussed
before—

Senator WONG: Of tight and tidy?

Senator Birmingham: No, of indicating that they would not change their self-designation
but cease to seek flexibilities in negotiations.

Senator WONG: Have we asked for that, have we?

Senator Birmingham: As Mr Mina outlined before—

Senator WONG: I assume you are not saying that the Prime Minister's words don't
matter; the Prime Minister's words do matter. He speaks for the country. I am trying to work
out how those words have actually been connected to action or activity, diplomatic or
otherwise.

Senator Birmingham: What we ask for through negotiations is to always get the best
possible outcome and that is where we think flexibilities are not warranted, to minimise those
to the extent possible without derailing negotiations.

Senator WONG: Sure, but that is not an argument for a 'newly developed economy'
status; that is an argument for the same sort of approach that Mr Mina identified and ended up
being described as an historic approach taken by the Australian government. It is not a new
approach.

Mr Mina: If I may, in the last 12 to 24 months, that debate has really required everybody
who cares about the future of rulemaking at the WTO to demand all members who have
benefited most from it to step up. That does include, as the minister has just indicated, where
possible, quite significant self-restraint and, in certain negotiations, particularly those that
concern rules, and not market access, no access to special and differential treatment. There is
another realm of policy. I should probably explain—

Senator WONG: I understand the point you are making but my point is they are
negotiations effectively within the existing structure of the WTO framework; it is not
changing self-designation nor under which category nations can designate. I would have
thought, when you read the PM's speech, what his words suggest is that we want some
different status for China. That's how most people took it.

Mr Mina: If I may, in the last 12 to 24 months, that debate has really required everybody
who cares about the future of rulemaking at the WTO to demand all members who have
benefited most from it to step up. That does include, as the minister has just indicated, where
possible, quite significant self-restraint and, in certain negotiations, particularly those that
concern rules, and not market access, no access to special and differential treatment. There is
another realm of policy. I should probably explain—

Senator WONG: I understand the point you are making but my point is they are
negotiations effectively within the existing structure of the WTO framework; it is not
changing self-designation nor under which category nations can designate. I would have
thought, when you read the PM's speech, what his words suggest is that we want some
different status for China. That's how most people took it.

Mr Mina: If I may, in the last 12 to 24 months, that debate has really required everybody
who cares about the future of rulemaking at the WTO to demand all members who have
benefited most from it to step up. That does include, as the minister has just indicated, where
possible, quite significant self-restraint and, in certain negotiations, particularly those that
concern rules, and not market access, no access to special and differential treatment. There is
another realm of policy. I should probably explain—

Senator WONG: I know that and that is not responsive to what I am putting to you.

Mr Mina: If I could make this one additional point, because you asked how one might
give effect to what is essentially a new imperative that there be greater disciplines at the
WTO. That is in particular relation to China. You made that point.

Senator WONG: Anyway, we're not going to agree on this. You've valiantly responded
and defended the PM. But my point is: this phrase 'newly developed economy'—you're not
using it in your negotiations; the minister might now have to start using it in his speech,
because the Prime Minister said it; and the Secretary wasn't aware of it. It's just a line in a
speech that is not particularly connected, I would assert, to what we're actually doing.
**Senator Birmingham:** As always, I would urge anybody to look at the context around a line in a speech.

**Senator WONG:** Yes, of course.

**Senator Birmingham:** And the context absolutely is consistent with the policy approach that we take.

**Senator WONG:** Does anybody else, any other nation, advocate for this category of 'newly developed economy'? Are there any other nations who use that phrase?

**Senator Birmingham:** As I said before, the Prime Minister wasn't describing a new designation in a technical proposal to the WTO. It was a description in a speech.

**Senator WONG:** Sure, but his words matter.

**Senator Birmingham:** His words matter, absolutely, in matters of policy.

**Senator WONG:** So, I'm asking: is anybody else using the words that matter?

**Ms Adamson:** I think the answer is that they're starting to. What the Prime Minister has done—those words are connected to an idea. That idea is sort of a sign of the times, in many respects. It is a little bit ahead of the discussion in some respects about the technical elements of how you might recognise that. But this sort of thing is being discussed by trade negotiators the world over and actually also by political leaders. What I'm noticing already is that the tenor of the debate is changing, as it sometimes does, with the times.

**Senator WONG:** And there is no doubt that the WTO needs—I think the phrase I used was 'make it fit for purpose'. It might be the phrase Senator Birmingham used as well. Have we received, or did we receive, any response or representations from China subsequent to the Prime Minister's speech?

**Ms Lawson:** To my knowledge we haven't had explicit representations about this particular—

**Senator WONG:** Explicit—we have, or we haven't?

**Ms Lawson:** It has been mentioned in conversations, but in passing—to my knowledge.

**Senator WONG:** And, without going into it, are those representations from Chinese representatives here? Or are they in Beijing—or elsewhere?

**Ms Lawson:** The discussion I'm referring to is one that took place in Canberra. The Chinese embassy, in discussing the Prime Minister's visit to the United States, has focused on other comments he made about China being a comprehensive strategic partner, and it was a very positive discussion.

**Senator WONG:** Secretary, DFAT wasn't consulted on the 'newly developed economy' point. I think your evidence this morning about the phrase 'negative globalism' and how that entered the lexicon would suggest that DFAT wasn't engaged at any substantial level in that decision. Does it concern you that substantial foreign policy decisions are being made without sufficient consultation with the department that is responsible for Australia's foreign policy and in which resides such knowledge and corporate knowledge of our positions?

**Ms Adamson:** The department is deeply engaged in the development of Australian foreign policy through our advice to our own ministers, through advice to the Prime Minister, through PM&C and through our minister's offices. I see a Prime Minister actively engaged in
the development and implementation of foreign policy, and this department is absolutely committed to working very closely with him on that, as you would expect.

Senator WONG: As I would expect. We do have more trade questions, but you want to go to—

CHAIR: Senator Farrell tells me he has a very important official commitment this evening. We're re-organising with the Prime Minister, so, that's why he's going. We're going to do Austrade, because I know Austrade are here. Sorry to muck everybody around. Our Tourism Australia officials will be here in about 10 or 15 minutes. And then we'll move to the rest of Trade. So, if we could get Austrade officials to the table—

Senator WONG: Hang on; I always have difficulty with this. And I want to reiterate what I reiterate at most estimates, which is we do—

CHAIR: I'm just responding to what Senator Kitching asked me—

Senator WONG: Sorry, I'm not trying to undercut her, Chair. There is often confusion, including from me, as to which matters go to Austrade and which matters go to the trade division of DFAT. My request generally for efficiency of the committee has been that they appear together, or at least the Trade people stay, so that we don't get Austrade saying, 'That's a DFAT matter.'

CHAIR: That's a good idea. Bring them to the table.

Senator WONG: So, are we going with Senator Farrell now?

CHAIR: Yes.

Senator WONG: He's actually doing Tourism?

CHAIR: No, he's going to do Austrade. So we're going to bring Austrade people to the table and we're going to do Austrade.

Australian Trade and Investment Commission

[19:11]

CHAIR: Senator Farrell?

Senator FARRELL: Thank you, Chair, and thank you for accommodating me. My first question is to Austrade in relation to Tourism 2030, formerly the Beyond Tourism 2020 strategy. How many workshops or roundtables have you held to date on the Tourism 2030 strategy?

Mr Hazlehurst: In terms of the number of workshops, I might invite my colleague Lynne Ashpole to come to the table to provide the detail of that. We've had around 64 submissions received and we've been undertaking workshops since March, the first one being in Launceston. The workshops are continuing through till mid-November. I might invite my colleague to confirm the number of actual workshops that have been held and the locations, if that's helpful.

Ms Ashpole: I head up Austrade's policy branch. I can confirm that, as well as the workshop that we held in Launceston in association with the tourism ministers meeting before the last one, we've also now held, as part of this current consultation round, workshops in Adelaide on 19 September, Canberra on 20 September, Perth on 26 September, Melbourne on 1 October, Darwin on 3 October, and Devonport earlier this week, on Monday.
Senator FARRELL: Thank you. And how long would those meetings typically last? Is there a program that you go through?

Ms Ashpole: There is, yes. It is the same for all the workshops. They go for 2½ hours.

Senator FARRELL: Were any of them better attended than others or more interesting than others?

Ms Ashpole: The attendance levels have varied, as you'd expect with the different cities. They've ranged from 18 up to 48 so far. The only workshop I've personally attended has been the one in Devonport, which was held on Monday, but it was a very engaging session.

Senator FARRELL: By comparison, how many workshops or roundtables did you hold for Beyond Tourism 2020?

Ms Ashpole: The Beyond Tourism 2020 steering committee was an industry steering committee that was established by Minister Ciobo and had its first meeting in February 2018. It went through a consultation process and invited submissions from industry.

Senator FARRELL: So a different style of consultation?

Ms Ashpole: Correct. That's right.

Senator FARRELL: Do you have a view about which is the better process?

Ms Ashpole: No, I don't have a particular view.

Senator Birmingham: It is a continuum, Senator Farrell, in that the work of the beyond 2020 process and the industry steering committee has then informed, basically, now the government led deliberations to form what is currently being called the 2030 strategy.

Senator FARRELL: So what's happened with the roundtables and the 2030 program really comes out of ideas that were broached at the 2020—

Senator Birmingham: The industry steering committee formed, essentially, the baseline from which the then government led process commenced.

Senator FARRELL: Were there recommendations made to abandon the beyond 2020 program?

Senator Birmingham: Not to my knowledge.

Mr Hazlehurst: No. Having had the process of the industry steering committee complete its deliberations, we provided advice to the minister in terms of what the next steps might be, and that's been the set of steps that have now been undertaken.

Senator FARRELL: So, getting back to the minister's earlier point, this has really been a continuum rather than a replacement. Is that the way to look at it?

Mr Hazlehurst: Indeed.

Senator Birmingham: Yes, it is. The feedback in general that I've had since taking on the role has been that industry and the states and territories and other stakeholders generally viewed the 2020 strategy as having been a valuable piece of work and guide for industry and government policy and interaction over the last near enough decade and that they were looking forward to having a piece to pick up that work and continue it into the next decade, and obviously that is what has been undertaken. It is safe to say that the initial formula of recommendations and thoughts that came from the industry working group and were presented to state and territory ministers—there was a view from states and territories that
they wanted broader consultation and to have a stronger input themselves into the process. That is obviously what we've been undertaking through these roundtables.

**Senator FARRELL:** What have been the themes that have been coming out of the roundtables? Can you give some information to us about those?

**Ms Ashpole:** One of the strongest themes coming out from all of the workshops to date has been around sustainability. Participants have been asked how they would like to see the industry in 2030, and the strongest theme has been sustainability. By that, people have meant economic sustainability, the sustainability of the sector itself and businesses within the sector; community sustainability, community understanding the benefits that tourism brings them; and environmental sustainability, recognising that Australia's natural heritage assets are a very important part of the tourism industry. I should add that the other very important theme that's been emerging has been around regional tourism and regional dispersal.

**Senator FARRELL:** How do you respond to those issues that the groups are raising?

**Mr Hazlehurst:** Many of these themes—and there are other themes, relating to simply continuing to drive demand and create demand for the products that we have in terms of tourism, but also many of the enabling or underpinning priorities relating to things like access in terms of air routes, having an available workforce—are themes that are consistent with those that have been raised also by the industry steering committee. To that extent, they've reinforced those. You could reasonably expect then, in terms of responding, that these will be features of the actual strategy itself.

**Senator FARRELL:** Going back to the places you have visited, you have not gone to North Queensland?

**Ms Ashpole:** We haven't, but we will hold a workshop in Cairns on 1 November.

**Senator FARRELL:** How much more consultation is in the pipeline?

**Ms Ashpole:** We have workshops scheduled for Sydney and the Gold Coast, as well, and we'll also hold a webinar on 31 October for people who haven't physically been able to get to the workshops. The webinar will provide a similar sort of workshop online for people who haven't physically been able to go along to the workshops we've held so far.

**Senator FARRELL:** How will people find out about that?

**Ms Ashpole:** We have been promoting it. We have been sending out direct mail to people. I went to the Australian Regional Tourism Convention in Devonport on Tuesday and promoted it there, for example. So, it's been widely promoted. It's on our website, as you'd expect.

**Senator FARRELL:** Those are all the questions I had on that topic.

**Senator VAN:** The Prime Minister has spoken about the importance of critical minerals to Australia and indeed to the world. What is Austrade doing to assist Australian companies in this respect?

**Senator Birmingham:** Austrade has already been doing quite a bit, in fact. It looks like Mr Beresford is poised to jump there.

**Mr Beresford:** Yes, we have been working in conjunction with our colleagues in the industry department. One of those culminated in a piece of work we did jointly with the industry department and indeed our minister and Minister Canavan launched in March, which
was a strategy around critical minerals, and looking explicitly around the opportunities for trade and investment within critical minerals. In addition to that, we've also launched a prospectus of both trade and investment opportunities, framing the conversation in terms of what those opportunities are in the critical minerals space. Most recently, in the US we have just launched a report on—in the US—the value chain, and the opportunities within the value chain within critical minerals. As you'd know, one of our key roles is to drive the promotion of foreign direct investment into the country. For us to be able to build the capability and capacity to create an industry off the back of our significant endowment of critical minerals, we need technology, people and skills to do that. In order to do that, we work across the world to find and work with investors looking to take advantage of that. One that is in our annual report, which has been released, that is an example of that was with Albemarle, which is a really large US operator out of Houston—over a fair period of time, I'd say almost up to two years, of consultations, discussions, engagement at many levels, both here and in the US. We're very pleased to have Albemarle open up and establish a lithium processing plant in Kemerton in WA, in the Kemerton processing region in WA. Albemarle is exactly the type of foreign direct investment we're looking for in terms of bringing, one, their know-how, and two, the skills and technology to create a robust and very compelling critical minerals industry.

Tourism Australia

[19:24]

CHAIR: While we're waiting for the officials, Senator Birmingham, isn't Tourism Australia doing the new film with Chris Hemsworth? Is that not part of Tourism Australia?

Senator Birmingham: Chris Hemsworth was a big part of the recent US campaign and, indeed, still continues to cooperate in a number of ways.

CHAIR: Right. Okay.

Senator Birmingham: As officials take their seats, I particularly welcome the new Tourism Australia chief executive, Philippa Harrison. Obviously I've had the chance to congratulate Pip before, but, in the committee setting, I congratulate her on her appointment. I'm sure the committee will look forward to working with Ms Harrison.

CHAIR: Ms Harrison, welcome and congratulations on your new appointment.

Senator Birmingham: Sorry, I should pay tribute to John O'Sullivan as well, who I think left without the opportunity of a farewell appearance here. John goes with all of our blessings and thanks for his outstanding work.

CHAIR: Thank you, Senator Birmingham. Likewise, we congratulate and thank him for his attendance and for his service to Tourism Australia. Ms Harrison, do you have an opening remark?

Ms Harrison: I don't.


Senator Farrell: Congratulations, Ms Harrison, on your appointment to the position. I wish you luck in the role. Some of these questions relate to issues that arose before you started in the job, so if you don't feel that you're sufficiently in a position to answer them then
please feel free to take them on notice. Could you please detail the most recent total expenditure by US visitors to Australia?

Ms Harrison: The total expenditure from the US market—is that what you're asking for?

Senator FARRELL: Yes.

Ms Harrison: Numbers from the US are doing well. The US is our third-largest market and second-largest in terms of spend. Over the last 12 months we have seen that numbers from the US have risen by 4.6 per cent, so we are now welcoming 816,000 visitors. But you asked me a question about spend. The spend for that market is up—

Senator FARRELL: Sorry to interrupt you there—you said 816,000 visitors?

Ms Harrison: Arrivals—correct.

Senator FARRELL: That's up close to five per cent from the previous year?

Ms Harrison: That's right—4.6 per cent. Our spend is also going in the right direction. For the 12 months to the end of June 2019, it was $4 billion, and that is an increase of nine per cent.

Senator FARRELL: You said $4 billion?

Ms Harrison: That's right.

Senator FARRELL: How is that tracking in relation to the target set for US visitations on the back of the 2018 campaign?

Ms Harrison: The potential for 2020 is between $4.5 billion and $5.5 billion. We did have a target for the Dundee campaign that was around the $6 billion mark. It was a long-term target.

Senator FARRELL: $6 billion?

Ms Harrison: That's correct.

Senator FARRELL: $4 billion is well short of that.

Ms Harrison: It is.

Senator FARRELL: Are you disappointed with the campaign so far?

Ms Harrison: We had a number of metrics to measure success for the Dundee campaign. For visitation, the period of time from being in a 'consumer choice' set to 'intention to travel within the next couple of years' to 'actually travelling' is sometimes years. We did set some long-term targets, but we also had some short-term targets around the campaign. We had some that were at six months and 12 months, and we've tracked really well against those. We're a platform for industry. In all of the work that we do, we measure our success in terms of how the industry is going. The industry has done really well out of the Dundee campaign, and is reporting great increases. So, we might not—

Senator FARRELL: But clearly not as well as you had hoped?

Ms Harrison: We still have a year to go, you know.

Senator FARRELL: The four billion is to what period of time? The middle of this year, is it?

Ms Harrison: That is to June 2019, so we've got another 18 months to go.

Senator Birmingham: And that is a nine per cent increase so far.
Senator FARRELL: Obviously the value of the dollar has been down so that's an attraction in itself for people to come, and if they come then the money they spend here is worth more. Do you think we'll get to that $6 billion? Are you still of the view that that's a realistic target?

Ms Harrison: Look, I can tell you that we will continue to work very hard towards that target, because it's one that we have set. We continue to put considerable focus on and effort into the US market because it is one of our star markets. We see that it has a lot of growth, and it's got the right sort of growth. There are a lot of high-value travellers in the US market. We are seeing some really great aviation developments coming up between the US and Australia, and there is a strong correlation between aviation growth and visitation.

Senator FARRELL: You're talking about the direct link between New York and Sydney—is that what you're talking about? Or are you talking about extra capacity?

Ms Harrison: No, I'm talking about how Qantas has several routes that are planned, that are coming. They have Brisbane to San Francisco; they have Chicago to Brisbane. Now that the antitrust has been signed, we know that America is looking at other possibilities. United Airlines are looking to develop more routes as well. There is increased capacity coming, and that is always a good sign for increased visitation as well.

Senator FARRELL: Given that we've only got 18 months to go and we're $2 billion short of the target, what do you think are the things we should be doing that ought to get us there to that target, if you still believe we're capable of reaching it?

Senator Birmingham: Senator Farrell, you must appreciate the first phase of the campaign was only in February 2018, so this is, in many ways, still a mid-point of the campaign in that sense.

Senator FARRELL: But is there any evidence that it's ramping up? Are there any indications that the shortfall, I suppose, that we find ourselves in at the moment is in fact going to be ramped up in the next 18 months by things that haven't yet occurred?

Ms Harrison: The interesting thing about the US market is that in the couple months after Dundee we actually saw a decrease from the US market, so that 4.6 I'm talking about is a 12-month number, but we have seen recent spikes. Those spikes are eight and nine per cent. It's looking good. Aviation is looking good. There is high demand for travel to Australia. We have a lot of activity planned in that market. We will work as hard as we can towards that target.

Senator Birmingham: Senator, the latest Home Affairs figures show for the year ending June 2019 that US visitor visa grants were up 10 per cent compared to the previous year. Obviously visas are a lead indicator—

Senator FARRELL: Are these American figures that you're talking about?

Senator Birmingham: These are Australian Home Affairs figures of US visa grants, so grants of visas to US citizens.

Senator FARRELL: Could you repeat those figures for us?

Senator Birmingham: For the year ending June 2019, US visitor visa grants were up 10 per cent compared to the previous year. Obviously, visas are issued in advance of travel.
Senator FARRELL: Sure. I suppose that's consistent with a nine per cent increase, isn't it?

Ms Harrison: We also have a tool that looks at forward bookings, aviation bookings. They are looking at double-digit increases. I'm not going to give you a number now because I'm not sure what it is, but I can take it on notice if you're interested in that too.

Senator FARRELL: I would be interested in that. Where do you get those figures from?

Ms Harrison: It's a system called ForwardKeys. It does a screen scrape of the GDSs. It's not 100 per cent of the bookings, but it gives you a really good indication. I think we get 66 per cent of the flights that are booked between the US and Australia, so it gives us a really good indication of forward bookings.

Senator FARRELL: Looking more broadly, beyond the US market, could you tell us what the biggest barriers are for international visitors coming to Australia?

Ms Harrison: Sure. There are a couple. There's a very rational one, which is around the time, distance and cost that it takes to get to Australia from a lot of areas in the world. That's nothing new; that's something that we've always had to overcome. There are a couple of other barriers that I would point to. One of those is the complexity of Australia as a destination. We're a large land mass—we're the same size as Europe; we're the same size as the US; we have different seasonality—but people see us as one destination and so when people come to book their travel, there is a lot of complexity around where to go, what to see, what to do. Our job is to reduce that complexity.

The other thing we see as a barrier—

Senator FARRELL: Just stop there. How do you think we should address that particular issue?

Ms Harrison: How do we address the complexity issue?

Senator FARRELL: Yes.

Ms Harrison: We have a range of initiatives that we undertake to reduce the complexity. A lot of travel to Australia is still booked through the trade, and that is because we are a long way away and, with multisector holidays, people do tend to book through the trade. We have the Aussie Specialist Program, which we work on in conjunction with the states and territories, and that's an e-learning program that really helps people understand Australia beyond the icons. We have about 34,000 Aussie specialist agents signed up around the world, and we also have 23 trainers based in our offices around the world and their job is to go around and train travel agents and really help them unpack what it is that the Australian tourism offering is.

Senator FARRELL: How many people do you have doing that?

Ms Harrison: Twenty-three.

Senator FARRELL: Okay. There's a document called the World Economic Forum Travel & tourism competitiveness report 2019. I think we're ranked seventh out of 140 countries in the overall areas, but in the area of price competitiveness we're ranked No. 130 out of 140. Do you want to talk about that particular aspect of the issue of tourism and what we might be able to do to improve our position in that regard?
Ms Harrison: For us, the whole price thing is really around creating a value proposition. People will pay for things that they value highly, and you only need to look at the latest iPhone to know that. We can't change the economics of what things cost, but we can create value and get people to value a holiday in Australia by showing them that this is something that they really need to do today—not some day, but today—so that they will invest in that.

We have found that the audience that we target, the high-value travellers—and that's not just high-net-worth individuals; it's people who really value what we have to offer—when they come here they stay longer and they disperse further. The people in that market, for us, are the people we are targeting in terms of trying to show our value proposition for Australia. I guess that was the long way of saying we can't affect price, but what we can do is try and increase the value proposition of Australian tourism.

Senator FARRELL: Have any of the stakeholders raised this particular ranking issue with you, and the fact that we're so low in the rankings in this regard?

Ms Harrison: You're the first one, Senator.

Senator FARRELL: I'm the first one! Okay.

Ms Harrison: We engage with trade globally, and they do talk to us about the pricing in Australia. We're a large landmass but a small country, and we don't want the profitless volume that other destinations are seeing. We want the high-value traveller and the people who are going to come here and really appreciate what we have to offer. I don't see it as necessarily a terrible negative.

Senator FARRELL: Have you raised it with the government, the fact that this ranking is low and whether they can be of any assistance to you in solving the problem?

Ms Harrison: I haven't raised it with the government, because you just told me about it!

Senator FARRELL: It gives you an opportunity then!

Senator Birmingham: Sorry, Senator Farrell: is it a ranking of the affordability of a destination?

Senator FARRELL: We have this measurement, the World Economic Forum's Travel and tourism competitiveness report. Australia ranks reasonably well overall—seventh out of 140 countries. The worst-performing area is in this area of price competitiveness, where Australia is currently ranked 130 out of 140 countries. The pillar shown here measures how costly it is to travel or invest in this country.

Senator Birmingham: We are, obviously, a long-haul destination for most travellers from around the world. We're a country with high wage rates relative to many of our competitors and we have high environmental standards. Ultimately, all those factors contribute to being a higher-cost destination. That's why, as Ms Harrison rightly outlined, our strategy in our marketing is of course to target higher-value travellers because they are the ones who can afford to undertake long-haul travel to First World countries with a higher cost basis, as we have.

Of course we want to be as competitive as we possibly can, and so in that sense all the different areas of government policy settings in terms of red tape reduction and those sorts of things can help industry to be more competitive. Through Austrade, we have a number of senior investment advisers who have been very successful in attracting additional
accommodation stock to Australia. Those new hotels and new accommodation offerings, as well as new economy accommodation offerings, create more competitive accommodation options for potential visitors as well. As you referenced before, the fluctuations in the dollar currently give us a slight advantage relative to where we were in terms of the cost for some currencies against Australia. But that doesn't change the fact that we're still a long-haul destination and a First World country, with relatively high costs compared to others.

Senator FARRELL: Yes. The particular areas which this report identified as impediments, I guess, and among the reasons why we are lowly ranked in this area, are ticket taxes and airport charges. Have those issues been raised with you, Ms Harrison?

Ms Harrison: They come up in the trade from time to time, sure.

Senator FARRELL: Have you raised that with the government and brought that to their attention?

Ms Harrison: If we get feedback from the trade on policy issues, obviously, we feed it back. But we're a marketing organisation and our job is to sell Australia and the experiences that Australia has to offer.

Senator FARRELL: Yes. But when people are specifically identifying problems and they do relate to issues over which the government has some control, it would be appropriate to raise them with the government.

Ms Harrison: And, as appropriate, we do raise them. But about that whole value proposition piece: when people come here we do a lot of research with them before they come and after they've left. People always go away saying they've had a great experience. They think they've had value for money and they get it. I think that's a great litmus test.

The other thing is that I think we're just unashamedly a high-yield destination. That's the market that we've gone after and that was our target in the Tourism 2020 strategy, and it's going to continue beyond that. We're doing well in that area. We rank—

Senator FARRELL: We're not doing that well, with due respect, in the United States market, because we're not getting close to our target.

Ms Harrison: No, I disagree; I think we're doing really well out of the US market. We've seen a real bump in visitation.

Senator FARRELL: We're rising, but we're not meeting what we thought was going to be the target, are we? And in all honesty—

Ms Harrison: Our initial 2020 target was $4.5 billion to $5.4 billion, so we will hit that original 2020 target. We will get there.

Senator FARRELL: Yes, but the $6 billion is looking a long way away, isn't it?

Senator Birmingham: Senator Farrell, we're about halfway through that particular campaign—

Senator FARRELL: A bit more than halfway, Minister.

Senator Birmingham: and nine per cent growth out of the US, a relatively mature market for Australia, is certainly not growth to be sneezed at.
Senator FARRELL: No, I'm not criticising it from that point of view. I'm just saying we had a target and we're still a long way away from that target. In fact, we may not reach that target. I hope we do, like you, but we may not. That completes my questions.

Senator Birmingham: Senator Farrell, I would just add to two points you raised, in terms of taxes and import charges. The government implemented a policy to freeze the passenger movement charge a couple of years ago, and that freeze is still in effect for I think it is another couple of years. We absolutely have heard industry in that regard, and acted in relation to airport regulatory charges. As I'm sure you would be aware, the Productivity Commission has just concluded some work in that regard, which the government will respond to shortly.

Senator FARRELL: Thank you.

CHAIR: I think Senator Van has some questions for Tourism.

Senator VAN: I do indeed. We're all aware that working holiday-makers are crucial to the Australian economy, particularly in our rural and regional areas. How are working holiday-makers contributing to our economy, particularly in those rural and regional areas?

Ms Harrison: Working holiday-makers are a really important category for inbound tourism, tourism into Australia, and there is no doubt that we have seen a decrease in working holiday-makers over the last period of time. We did receive additional funds to try to arrest this decline and move it into growth again. One of the things that I wanted to say, before I get into some of the numbers, is that all of the campaigns we do are very researched and data driven, and so, when we looked at how we were going to approach the working holiday-maker issue, we did some research into it and we found that it was a category issue; it wasn't just an Australian issue. Globally, working holiday-maker numbers were going down in our competitor destinations like Canada, the US and New Zealand. While youth numbers were going up, working holiday-maker numbers were going down, and they were going down because young people were concerned about taking a year out of their life, or two years out of their life, and getting behind their contemporaries on the career ladder. Our latest campaign, called 'Australia Inc.', was around addressing that issue, showing them why 'Australia Inc.' was the best workplace in the world. They can come and spend a year with us and not only have a great time but also get an incredible CV that is ahead of their contemporaries when they go back. That's what we're doing around it.

In terms of the numbers, overall numbers for working holiday-makers for the year ending June were down two per cent. There were 301,300 working holiday-makers. But spend was actually two per cent up. This is a $3.2 billion contributor to the Australian economy, so it's really significant one. And as you said, Senator Van, they do disperse into the regions, so they are really important for regional dispersal as well. But it continues to be something we are working on and it continues to be a category that we need to focus on.

Senator VAN: Thank you. What has been the uptake of the second-year visa over the last couple of years?

Ms Harrison: I'm going to have to take that one on notice, because I don't want to tell you figures that aren't correct. I will take that on notice.

Senator VAN: By all means. Are you able to tell me how the Working Holiday Maker visa program has changed since 1 July? What are the expected benefits of this change?

Ms Harrison: I might just take that on notice as well, thank you.
Senator VAN: By all means.

Ms Harrison: There were some changes in terms of ages in different countries. But I just don't want to quote anything that's not correct, so I'll come back to you.

Senator VAN: On notice is fine, thank you.

Senator Birmingham: There's a third-year offering that is contingent upon the amount of time spent working in designated regional areas and relevant businesses there, which I gather is warmly welcomed by those who are spending a fair bit of time in the regions, as we want from that program. The technicalities of the visa settings and the application of them are, of course, administered by Home Affairs, hence the fact that TA will come back on notice in terms of some of those more technical issues.

Senator VAN: Understood. Thank you, Minister.

CHAIR: Thank you to Tourism Australia. Ms Harrison, we wish you well in your endeavours.

Ms Harrison: Thank you.

CHAIR: Thank you. We'll see you again at estimates.

Ms Harrison: I hope so!

CHAIR: We're going to proceed to the rest of trade.

Senator FAWCETT: Minister, would you like me to wait until we have appropriate officials, or should I throw a question at you?

Senator Birmingham: Why don't you kick off and we'll see how we go.

Senator FAWCETT: It actually links back to a question that I asked you in the Senate regarding geographical indicators. There's been concern and questions from some people in industry about what that actually means, particularly in the dairy industry. I'm just wondering, as we are now partway into the process, whether you have an update for us in terms of where that whole process range, geographical indicators and the ability for people to lodge objections to some of the discussions around that, is up to and what it means for the dairy industry.

Senator Birmingham: Certainly. As you would be aware, the government's published a list of approximately 400 terms that the EU provided as part of the trade negotiations. These are demands the EU make in all of their trade negotiations for the recognition of geographical indicators. We have not agreed to recognise any geographical indications, but what we have done is publish this list of around 400 terms for industry and community feedback. It's essentially an objections process for people to identify what they would be most concerned about, the reasons why and any alternatives that they might suggest in the consideration of that. Slightly more than half of the terms are spirit terms and slightly half are food product terms. The objections process is continuing, and I'm sure that Ms Burrows will be able, in a second, to say when that deadline concludes.

We made the determination to not publish, as part of that process, any wine terms sought by the EU. That's because Australia already has a history in terms of our wine agreement with the EU. These terms were negotiated for protection around a decade ago. Parts of the EU still continue to seek protection of some wine terms, but our position is that they ought to use the provisions in that existing wine agreement to do so rather than conflate, at this stage, with the
FTA process. Once the objections process is complete, government will obviously review the feedback there, and that will then shape the negotiations that we have next year with the EU in terms of whether we are willing to agree to the recognition of GIs. If so, what GIs, and under what terms. But beyond that, Ms Burrows?

**Ms Burrows:** I was just going to add the date. Our objections process closes on 13 November. Stakeholders have until then to put in their concerns and their specific objections about the list of GIs.

**Senator FAWCETT:** Is that information available in terms of how they do that? Is it through their industry associations or directly through your website?

**Ms Burrows:** Through the DFAT website. We have all the information set out, and we've tried to make that the primary source of information so that it's consistent. But we've also reached out to many stakeholders to tell them about the process.

**Senator Birmingham:** The department has been running a series of consultations around the country. I have visited more cheesemakers than is healthy to have done so in—

**Senator FAWCETT:** Blessed are the cheesemakers!

**Senator Birmingham:** Blessed indeed are the cheesemakers! For anybody who would like to be in Adelaide on the weekend, CheeseFest, which I will be paying a visit to as well, is coming up. It's a hardship post, but somebody has to do it!

**Senator FAWCETT:** Udder Delights is the name of the company in Adelaide Hills that you should visit. On the EU FTA, Ms Burrows, is there a current time frame that you are hoping to achieve? We had originally been told the 2020 calendar year, possibly in the first half. Is that still where we are aiming?

**Senator Birmingham:** The government's ambition is to see conclusion by the end of 2020. As soon as we can would be great. Clearly, like all negotiations, it takes two to tango. Whether that is achievable will depend, as we go through the process, on the quality of the offers that are made. In terms of the detail of negotiations, Ms Burrows and her team and her counterpart from the EU have been making great progress around a number of areas—the technical negotiations and formulating the text. Obviously, finalising any agreement depends upon us being able to make the assessment at the end that it is the best agreement we can get, that is in the national interest to proceed with. We'll make that judgement, I hope in a positive way, sometime well into next year.

**Senator FAWCETT:** Whilst there has been talk around Brexit and a possible FTA with the UK, my understanding is that it's still a priority for the government to pursue the EU FTA, and the other one, if and when it comes, down the track.

**Senator Birmingham:** Absolutely. The European Union, whether it's comprised of 28 or 27 nations, is one of our largest trading partners, one of our largest investment partners and a very significant market for potential future growth. Our commitment to the EU FTA will not been moved one way or the other by outcomes in relation to Brexit. Obviously, Brexit outcomes will have an impact on how and when we might proceed with a FTA with the UK. We stand ready and willing to launch those negotiations as soon as the UK is in a position to do so.

**Senator FAWCETT:** Thank you.
Senator KITCHING: I would like to ask some questions about the WTO appellate body breakdown. How many WTO cases is Australia currently involved in?

Mr Mina: Currently, we are a principal party in four cases and a third party in 19 separate cases. Of the four in which we are a principal party, we are the complainant in two; they are against India on their sugar subsidies and against Canada on marketing and distribution arrangements on wine. We have two cases in which we are defending our policy settings; they are in respect of tobacco plain paper packaging and the application of our trade remedies system to a measure relating to Indonesia and copy paper.

Senator KITCHING: Sorry, Indonesia and—

Mr Mina: Copy paper—the exports of paper from Indonesia.

Senator Birmingham: A4 copy paper. I think it is literally that precise, isn't it?

Mr Mina: Precisely.

Senator Birmingham: Not just any paper but the actual size designation.

Senator KITCHING: That's very particular!

How is the action against Canada regarding wine labelling going? Where's it up to?

Mr Mina: It's proceeding well. The panel has already commenced work, and there have also been some negotiations with the Canadian government simultaneous to the dispute which have yielded a very positive result in respect of one province's discriminatory measures; they are the measures in British Columbia. The Canadian government and the Australian government have agreed that Canada will remove British Columbia's discriminatory measures from 1 November this year. As a result, we're not going to go ahead with prosecuting our interests in respect of that province. There are concerns that we have in respect of four provinces, including British Columbia, and at the federal level. We have had one hearing in that case, and we continue to pursue that case. We've got another hearing scheduled in December this year.

Senator KITCHING: And the action in India—that was on sugar, wasn't it?

Mr Mina: Correct. The situation in respect of the case we have taken against India is that we are alleging that certain measures in India's domestic support and export subsidy measures are inconsistent with WTO rules. At an early stage, in respect of that dispute, after quite extensive representations diplomatically and at an officials level—over 40 representations by the government at ministerial level and officials level—we've moved to dispute with a couple of other countries; Brazil and Guatemala are joining us in this action. We are at the panel formation stage. The dispute settlement panel was established just two months ago, and we're now at the stage where we are appointing members to that panel—so it's still very early stages.

Senator KITCHING: Do Brazil and Guatemala have identical grounds?

Mr Mina: They are almost identical grounds. For procedural reasons, the Indian government has sought that they be dealt with separately, but they'll be effectively moving on a consistent track and, ultimately, we expect, possibly merging.

Senator KITCHING: Is the Australian government actively considering initiating any WTO cases?
Mr Mina: We are always reviewing our rights in respect of WTO law, but it is fair to say that we've never had a case load quite as significant as the one we have at the moment. We are very firmly focused on moving through this case load.

Senator KITCHING: In relation to that, have you had any representations from industries or sectors of the economy in relation to the bringing of WTO cases—any that are compelling?

Mr Mina: The most compelling and most recent, of course, was India. There was a very considerable feeling in the Australian industry that we were not going to get policy change, from the kind of interaction we'd had with the Indian government until that time. Nothing has been quite as prominent in industry concerns, but, as I say, we're in constant conversation with a range of industry sectors. But there's no particular case that is compelling that has been brought to the government's attention in quite the same way recently.

Senator KITCHING: Has the department made any representations to the US regarding the WTO appellate body?

Mr Mina: Yes, we have.

Senator KITCHING: What representations have you made?

Mr Mina: We are not alone, but Australia has been a consistent supporter of the WTO dispute settlement system, including its system of appellate review. We believe it is a crucial element of the enforceability of the public international law of trade. We have been concerned, and have expressed our concern on a number of occasions in Geneva and elsewhere, about the blockage of appellate body appointments, which risks seeing the appellate body unable to hear new cases from mid-December this year. We have expressed that concern in a very explicit way. We have also worked very closely with our US partners, in expressing to them our commitment to a reform of the appellate body. They have consistently argued for an appellate body that's more responsive to the membership. That's a cause in which we would join, as would several other members. We have indicated to them our willingness to work closely with them as partners in that reform project. At the same time we've asked them to consider releasing that blockage on appointments to allow the body to function from December this year.

Senator KITCHING: When you talk about responsiveness do you mean in terms of time? So not an undue haste but that the body would become more expeditious.

Mr Mina: These issues become very technical very quickly. But I will summarise by saying time is a factor, as is the general question of judicial activism and overreach, which has been a concern for a number of members, including Australia for a number of years. We've expressed our concerns in the Geneva setting and the so-called dispute settlement understanding review. Those concerns have not led to any change. The US is using unconventional tactics. We are very like minded in respect of the kind of reforms we might like to see to improve that responsiveness, both in respect of time and in respect of the role of the body being tightly defined. But at the same time we've asked the US to reconsider its tactics for forcing this change, as we don't believe that the hold on appointments is the most appropriate way to drive those negotiations forward.
Senator KITCHING: Usually you have to bring people with you. Did the Prime Minister address the WTO appellate body and its functioning during his visit to the US last month, and perhaps Ms Adamson might know any detail around that? Mr Mina, were you on the US—

Mr Mina: I wasn't on the visit. What I can say is of course at various different ministerial interactions we have had with the US we've expressed our concerns on this issue.

Senator Birmingham: Some of his remarks certainly went to WTO reform. The exchange with Senator Wong earlier touched on the fact that that reform is not the one factor that was the focus of the exchange. The reform goes to other areas, which Mr Mina addressed in his response to Senator Wong, around transparency, dispute resolution and—help me, George?

Mr Mina: I think the last one would be this question of rule making, the revival of rule-making.

Senator Birmingham: Yes, rule making. So in that sense the consistent dispute resolution is part of that. I think the Prime Minister addressed the importance of reform to the WTO to ensure its functionality. I'll leave it to Ms Adamson whether she is aware that he went to the detail of the appellate body per se. I'd be surprised if he did, personally.

Ms Adamson: Not that I recall at that level of detail. At all levels we have quite strong advocacy in favour of the sort of reforms that we've outlined in more detail here. Certainly that's a point the Prime Minister has made consistently also.

Senator KITCHING: Has the department given industry advice about the WTO appellate body? And, I guess, vice versa has industry expressed views about that body?

Mr Mina: We have kept Australian industry that is engaged in trade policy—and we have regular stakeholder consultations with a wide range of industry peak bodies—very much informed of developments in respect of the appellate body. We have heard equally, as you've intimated, in the reverse direction some advice from industry about the extent to which they value the system.

Senator KITCHING: Just going back to, if I can put it this way, the dwindling numbers on the appellate body. What happens if you're an Australian business? Do you have any recourse if you're an Australian business and you're caught by the fact that there are fewer numbers on the appellate book? What is going to happen at that point, or do you think it will fix itself?

Senator Birmingham: There is a practical threat, Senator Kitching, which we have emphasised through the WTO and through other advocacy methods over, certainly, the last year or so that I've been in the job and no doubt beyond. It is a two-stage dispute resolution process. Any panel finding out of a WTO dispute can be appealed to the appellate body. If the appellate body, as may be the case in December, becomes incapable of forming a quorum to hear an appeal, that doesn't change the rules that allow a panel finding to be appealed; it just means that there is nobody to hear that appeal. It then, potentially, sits in a void as such.

That is the practical concern that we and other nations have about the outcome of a failure of the appellate body to be able to function and hear appeals. If countries choose to exercise that right to appeal, their being without alternative means available becomes a void that sits there. There are processes that can be adopted by countries to create or establish alternative means, but the Australian government's view is that it is a less than ideal circumstance if we
have a vast array of inconsistent alternative means for appeals to be resolved. A common approach is one that gives certainty to everybody.

Senator KITCHING: Absolutely. I might leave it there, Chair. Thank you very much. I hope, in February estimates, the appellate body is flourishing once again!

Senator AYRES: I have a series of questions about the Indonesian agreement. I'll touch on, Minister, so that you're aware, the letter you wrote to the Labor shadow minister for trade in due course. Then I've got a series of ancillary matters. Firstly, if I might, is it correct that the Indonesia free trade agreement was originally supposed to be signed in 2017?

Senator Birmingham: It predates me, Senator Ayres.

Senator AYRES: Everything predates me!

Ms McCarthy: I don't have any recollection of the FTA with Indonesia, that it was supposed to be signed in 2017. No, I don't have any recollection of that.

Senator AYRES: Negotiations did break down in 2018, though, didn't they?

Ms McCarthy: It was earlier than that. I'll just go back to when the negotiations started. The start of negotiations was some time ago, and then there was a hiatus in the negotiation. And then it picked up—

Senator AYRES: When you say 'hiatus' do you mean the negotiations stopped happening?

Ms McCarthy: They stopped happening, essentially, yes.

Senator AYRES: What caused that to happen?

Ms McCarthy: That was a long time before my time, I'm afraid.

Senator Birmingham: Negotiations were actually concluded in 2018.

Ms McCarthy: Yes, that's right.

Senator Birmingham: The agreement was then signed earlier this year after the legal—

Senator AYRES: The negotiations were concluded but there were certainly some question marks over the agreement in 18 October, following what the Prime Minister had to say about the embassy—

Senator Birmingham: Those were not matters of negotiation, in terms of the agreement.

Senator AYRES: So negotiations were substantially concluded before then?

Senator Birmingham: Negotiations were concluded in 2018, in the second half of 2018. Then there is a process, for any of these agreements, of what's called the legal scrubbing of the text, where, yes, we've agreed all of the terms but you've then got to make sure that it's reflected appropriately in the agreement. In the case of doing an agreement with Indonesia, it required that process to be run in both English and Bahasa at the same time. And, obviously, then it was signed, I think, in February this year, if my memory of my travels is correct.

Senator AYRES: So did the Prime Minister's announcement have any impact at all on the progress of what you're describing now as the post substantial settling of the terms?

Senator Birmingham: Not in terms of the content, no.

Senator AYRES: We didn't have to make any concessions in order to get the process moving again?
Senator Birmingham: No. There was no change to the content or substance of the agreement from the announcement of conclusion of negotiations in August 2018—is that right, Ms McCarthy?

Ms McCarthy: Yes.

Senator Birmingham: There has been no change in the substance or content of the agreement since then.

Ms McCarthy: Yes, Minister; that's right.

Senator Ayres: Since August 2018, so the timetable is: August 2018, negotiations substantially concluded?

Ms McCarthy: That's right. Prime Minister Morrison and President Widodo announced a substantive conclusion of the IA-CEPA negotiations on 31 August 2018.

Senator Ayres: And it was in October that the Prime Minister announced that the Australian government would consider moving its embassy in Israel after that announcement had been made with—

Ms McCarthy: I think that's my recollection.

Senator Birmingham: It certainly was after that. Whether it was October precisely—it probably was October, Senator Ayres.

Senator Ayres: Was it a strategic decision from our negotiation team to fail to include a clause to terminate the existing bilateral agreement? It encountered some criticism in the JSCOT process.

Ms McCarthy: That's true.

Senator Ayres: What was the rationale for that?

Ms McCarthy: We had negotiated a very good investment chapter in the Indonesia agreement. That included ISDS provisions, which have modern up-to-date safeguards. The bilateral investment treaty dates from 1993 and doesn't have those safeguards. It was a very complex and wide-ranging negotiation and, when you're getting to the end of those negotiations, you have to decide which issues you have to deal with now and which issues you can leave aside for future. And I think the decision in finalising that negotiation was that we really did need to finalise the market access package particularly. The rules had been developed, but the market access package was right up to the last moment. It was a very difficult and hard negotiation and it was considered that the bilateral investment treaty could be left until after that package had been concluded.

Senator Ayres: Was termination of the pre-existing bilateral agreement something that Australia had pursued during the negotiations?

Ms McCarthy: It was something that had been discussed between the parties, but it wasn't pursued, as I said.

Senator Ayres: But you understand my question: was it something that Australia pursued in the negotiations, or did we not press that at any point?

Ms McCarthy: We didn't really pursue it as such.

Senator Ayres: And why not?
Ms McCarthy: As I said, we were concentrating on getting a very good investment chapter agreed with Indonesia which included new ISDS provisions that have modern safeguards within them. I think the judgement was made that we didn't need to pursue termination of the bilateral investment treaty at that time and that that could be done at another time.

Senator AYRES: I'm struggling to work out what—if you look at it logically, in terms of the investment flows between the two countries, Australian investors have a bigger presence in Indonesia than Indonesian investors in Australia. I wonder whether that weighed on the negotiation team's considerations. Everybody would have known that the criticism about multiple investor provisions is not a new argument and is not an argument that's confined to particular parts of the trade debate, if I can put it that way. It's a pretty widely held view. In that environment, I don't understand why we wouldn't—it's not a complicated matter.

Senator Birmingham: It's an issue where, particularly since the shadow minister wrote to me a little while ago and since the JSCOT report that I've been reflecting on, and given the commitment that I've subsequently made, it would have been preferable if the termination of the bilateral investment treaty had been achievable as part of the overall negotiations. But I think Ms McCarthy makes a valid point. There are many things moving in negotiations and to be settled. Of course, these negotiations were concluded in circumstances where both nations were less than a year away from major elections being undertaken, so the pressure was on to try to get them concluded and get matters settled. It's not unusual in those circumstances that, if you don't meet that type of deadline, suddenly it takes another year or two to get there.

So, to your point, would it have been preferable? Yes. Did it not make that final cut? Well, obviously it did not. But the government has been clear and has now started the process of terminating that agreement.

Senator AYRES: Thank you for that. I do want to get on to the commitment. Would you be able to provide on notice—it may be something that is publicly available anyway—a list of all of the bilateral agreements that we're negotiating in 2018? I think it goes to your point that there are a number of moving pieces in the picture, complicated by the number of bilateral agreements that Australia's simultaneously engaged in negotiating. It will be interesting to know how many we were trying to manage at the one time.

Ms McCarthy: How many—

Senator AYRES: bilateral negotiations were we conducting for trade agreements?

Senator Birmingham: Bilateral free trade agreements are actually relatively in small number because they're quite resource intensive in and of themselves, and we certainly wouldn't limit that to bilateral, because one of the big tasks at present has been ASEP. We would for parts of the Indonesian negotiations have been concluding CPTPP or moving through the ratification stages of that. Those two plurilateral agreements are quite resource intensive. The Pacific Alliance, another multination agreement, is underway. Bilateral agreements are more limited to concluding Hong Kong, which was concluded subsequent to Indonesia; off course the EU; and Peru, which was concluded a little while before Indonesia but would have overlapped as well in that regard. The pressures of other agreements under negotiation are real in terms of the department's overall work profile, but the pressures equally exist just within a single agreement and negotiation too in terms of concluding.
Senator AYRES: On the commitment to terminate the survival clause from the 1992 agreement—I keep calling it the 1992 agreement.

Ms McCarthy: It was signed in 1992 and came into effect in 1993.

Senator AYRES: Thank you. What are the necessary steps and what's the process to terminate that provision?

Ms McCarthy: To terminate that treaty, it will have to be a treaty-level agreement between Indonesia and Australia. We would agree with Indonesia the text of an exchange of letters or a treaty-level exchange of letters terminating the bit and specifically the survival clause as well. That would need to be approved through the system here. Once that text is agreed between Australia and Indonesia, it would go to the executive council for approval for signature. Then the treaty would be signed and then it would be referred to JSCOT and would go through the normal treaty-making process.

Senator Birmingham: As a minor treaty action, I think, for the JSCOT's process of definition—

Senator AYRES: There's been some discussion about it. I don't think it will be a controversial treaty action.

Senator Birmingham: I thought not.

Senator AYRES: Since the minister gave the commitment to secure the passage of the legislation, what steps have been undertaken by DFAT with the Indonesian side?

Ms McCarthy: We have previously reached out to Indonesia to suggest that we discuss the termination of the BIT.

Senator AYRES: Sorry to interrupt. Was that prior to the commitment being made? I know there was some discussion about this—

Ms McCarthy: Yes, that's right.

Senator AYRES: following the JSCOT process.

Senator Birmingham: Cognisant of the fact that I was weighing the issues and the government was weighing the issues, it seemed prudent to authorise the department to start having those exploratory discussions with Indonesia.

Senator AYRES: Thank you. Sorry to interrupt, Ms McCarthy.

Ms McCarthy: Yes, as Minister Birmingham has said, we have reached out to Indonesia and we've had discussions with Indonesia about a text, and we have proposed a text to Indonesia, and we're still finalising that text.

Senator AYRES: How is all that going?

Ms McCarthy: It's going very well. Indonesia is clearly also of a mind that the BIT should be terminated. So we expect that to progress reasonably quickly.

Senator Birmingham: Subsequent to signing off on the letter on Monday morning to the shadow minister, I have signed off other procedural steps within government to formalise the process and get the ball rolling as well. We're not letting the grass grow under our feet on that one.
Senator AYRES: Again, in relation to the letter that Minister Birmingham wrote, how will the department secure agreement that article 12.9 of IA-CEPA will not be used to waive labour market testing in future?

Ms McCarthy: That is a very soft commitment. It indicates that if the parties agree—

Senator AYRES: When you say 'soft commitment'—

Ms McCarthy: Article 12.9 itself.

Senator Birmingham: The actual article 12.9.

Senator AYRES: I was hoping you weren't describing my commitment as soft! Otherwise, I'll have some very difficult discussions later on this evening.

Ms McCarthy: That's a very soft commitment that the parties may wish to enter into negotiations to discuss whether contractual service suppliers would be a commitment between Australia and Indonesia under IA-CEPA. In that context, both parties have to agree to do that, and so, if it's government policy not to do that, then of course the department will not be entering into those negotiations. We'll be saying to Indonesia, if it should ask, that we're not prepared to do that.

Senator AYRES: So that forms a parameter for the negotiations?

Ms McCarthy: That's right.

Senator Birmingham: Article 12.9 works very clearly—I was trying to find the exact words. 'By mutual agreement' is the simplest way to say it. Neither side can seek to extract anything through the exercise of article 12.9 without the concurrence of the other.

Senator AYRES: In short, there may be an agreement on contract for services, but it won't proceed without a labour market testing provision?

Senator Birmingham: The first threshold under article 12.9 actually is that there has an agreement to even review anything. So as a first-threshold test is whether we agree to even have a review after three years, and then, if we have that review, what it finds and how it's run, and then there's a further threshold of whether we agree, out of the review, to do anything. Obviously, the government have made it clear that we will not entertain, propose or bring forward anything that involves labour market testing waivers, and, were the review provision to be exercised and any changes recommended, we would bring those changes forward to JSCOT for consideration.

Senator AYRES: Could I just ask you some questions about working holiday visa holders. The letter gives a commitment to implement the recommendation to the Migrant Workers Taskforce, including bringing forward legislation—of course, those matters aren't within your portfolio; they're with Minister Porter. I assume you had engagement and discussion and agreement with Minister Porter on the implementation of the task force's recommendations prior to writing to Ms King. Is that correct?

Senator Birmingham: Minister Porter, Minister Coleman and I had discussions about all of those relevant matters.

Senator AYRES: I'm happy for you to take this on notice. Has Minister Porter given an indication to you of which recommendations require legislation and the time frame for drafting necessary legislation?
Senator Birmingham: We'll have to take that on notice. There is a discussion paper in relation to, particularly, penalty strengthening that is in the public arena at present, and it's anticipated that that will lead to legislation in that regard. But, in terms of the 22 recommendations, we will take question that on notice and seek a response from the other agencies.

Senator AYRES: Can I give you a couple of questions that you might take the same approach to?

Senator Birmingham: Sure.

Senator AYRES: Can you also come back to me about which of the task force recommendations can be implemented without the need for legislation, as well as the expected time frame of both legislation and the recommendations that don't require legislation?

Senator Birmingham: Sure. In other circumstances, I might say that you should put those on notice to Attorney-General's and Workplace Relations directly, but, in the spirit of goodwill on this issue, we'll happily take them on notice and process them through.

Senator AYRES: I appreciate that. There are other portfolios other than Industrial Relations that the recommendations fall under—Employment, Skills, Small and Family Business, for example. Have you had any engagement with any of those ministers?

Senator Birmingham: Office to office, there has been some engagement around the margins of some of the issues that were discussed. The direct discussions were obviously with the Attorney-General and the minister for immigration, because that's where the commitments particularly related. Of course, the commitments made ultimately have whole-of-government sign-off from the PM as well.

Senator AYRES: If you could come back to me with an outline of all of that, that would be helpful. There's a curious phrase in the letter. It talks about 'the worst forms of exploitation'. I don't want to put words in your mouth, but I assume that that really sits in the context of the kind of exploitation that's set out in the migrant workers report?

Senator Birmingham: That report obviously is a baseline, for want of a better word, in terms of the types of reforms that are being undertaken.

Senator AYRES: Will you be moving in the Senate to refer treaty-making processes to JSCOT? As I said, I'm new here. I assume it requires a similar resolution in the House of Representatives as well?

Senator Birmingham: I have to check on JSCOT. Certainly, House committees—

Senator AYRES: Sorry, one of the commitments is that—

Senator Birmingham: Yes. We will be fulfilling that commitment by whatever means are necessary. I was getting caught up in processes. With House committees, I can simply write to the chair, proposing that they adopt terms of reference from a minister. I'm actually not sure on JSCOT's status as a joint committee and whether it requires a chamber resolution. But we will resolve that, and, certainly, to pre-empt the remainder of that question, I'm happy to consult on the terms of reference on the way through.

Senator AYRES: Good. There have been previous questions, as I understand it—and it was certainly a feature of the JSCOT consideration of this and previous bilateral trade
agreements—about economic modelling. That's correct, isn't it? It's a longstanding discussion? It's not just JSCOT that has maintained that position? It's also some of the industry bodies and industry stakeholders out there—not just the unions, but some of the business organisations as well?

Senator Birmingham: There has been a degree of debate over a period of time about the place of economic modelling—the value of it and the extent to which assumptions to drive economic modelling need to be heroic or otherwise, in terms of shaping it. The government obviously hasn't made any commitments in relation to economic modelling there. The reviews of the FTAs—and, in the case of IA-CEPA, it is a five-year review, so there is an opportunity there for a wholesale review of impact. Of course, during those processes, as during the ratification processes and the JSCOT processes, there is an opportunity for each and every industry sector to put their own pitch as to whether they think it is good, bad or otherwise in terms of its impact in their industry and therefore on their part of the economy.

Senator AYRES: I saw a Harvard report that came out a couple of weeks ago that said that Australia had slipped 23 down the rankings in terms of export complexity and we are on par with a series of developing—at best—countries, including Angola and a range of other places. To what extent might proper economic modelling help shape an effort by the department to focus on trade negotiations that push Australia up the value chain of our exports, instead of down?

Senator Birmingham: Officials might want to add there, but I certainly have had discussions with Mr Morton, Assistant Minister to the Prime Minister, who is leading the red tape reduction role in terms of the types of issues identified in that ranking. Those issues tend to go more to the regulatory burden of getting approvals to export the types of standards that have to be met, and I think there is certainly some work that we can try to do to streamline that. It requires some cooperation from the states and territories as well. I think they are important areas of red tape reduction, but they don't particularly go to the provisions of FTAs. I don't know if others wish to supplement information on that.

Senator AYRES: In the absence of that, has the government's position changed in terms of economic modelling?

Senator Birmingham: No. At present, the government is not persuaded that there is sufficient validity or robustness to the type of modelling that can be undertaken, but we do think extensive consultation in the ratification process is important, as I say, so that each and every industry sector, who may believe they will be impacted has the opportunity to make their case. Then, of course, everybody through that process—as internally in government we do through the National Interest Analysis—is able to look at the sum of those opinions.

Senator AYRES: I want to ask a couple of questions about the investor state dispute settlement procedures. I know I dealt with them a little bit earlier. Are all public health measures carved out from the scope of the ISDS—for example, those related to tobacco, the PBS, Medicare benefit scheme, Therapeutic Goods Administration and the Office of the gene Technology Regulator?

Ms McCarthy: Yes, they are.

Senator AYRES: There is no possibility of a Philip Morris-style application being made under this agreement?
Ms McCarthy: There is not.

Senator AYRES: Can decisions of the Foreign Investment Review Board be challenged under the ISDS provisions?

Ms McCarthy: No.

Senator AYRES: In the letter to Ms King, Senator Birmingham said the government would include an assessment of the ISDS mechanism and a review of IA-CEPA five years after its entry into force. What form will the assessment take and will the department consult widely? Finally, has the department alerted Indonesian officials of that assessment?

Ms McCarthy: There is a general five-year review of IA-CEPA so we will be doing that with Indonesia. Certainly, the investment chapter, including the ISDS provisions, will be part of that review. It is a general review across the whole agreement. So we would expect to consult widely on how IA-CEPA has been travelling in the Australian system. We would, obviously, as I said, consult widely on how people consider IA-CEPA is operating. The operation of the ISDS provisions would be part of that general review, and we would consult widely on those issues as well.

Senator AYRES: On the letter, the minister says that confirmation of the continuing operation of the licensing and registration safeguards and their enforcement were negotiated ahead of the passage of the ChAFTA agreement enabling legislation. Can I just put this in simple terms: does that mean that a tradesperson who comes here under the terms of the agreement—as a working holiday-maker, perhaps—is required to secure a licence or registration under the applicable Commonwealth or state law before they can work?

Senator Birmingham: In simple terms, yes. Somebody who's going to work as an electrician in any state or territory of Australia needs to be able to prove and demonstrate their skills and meet local licensing provisions, regardless of what visa or residency status they hold.

Senator AYRES: So whether the qualification for electricians in Indonesia is equivalent or not is irrelevant; they must acquire the Australian licence?

Ms McCarthy: They must meet the Australian licensing requirements, yes.

Senator AYRES: What's the oversight mechanism to ensure compliance with that?

Senator Birmingham: In that regard, it's the same as for any licensed tradesperson operating in a state or territory—whether it's making sure that an Australian doesn't pass off qualifications that don't meet the licensing requirements or somebody on a non-citizen visa that entitles them to work.

Senator AYRES: I have just—you'll be pleased to learn—one more set of questions. Can you come back to me on notice on the following questions on the Uruguay agreement that's coming to us. How many officers have been engaged in the negotiations? What is the breakdown of travel and travel costs, including accommodation costs, ancillary costs, staff costs and legal costs associated with negotiating that agreement?

Mr Mina: We can very much come back to you with the detail. I will, however, note that, in the case of the Uruguay round—

Senator AYRES: Uruguay round—

Senator Birmingham: I hope it didn't take that long to negotiate!
Mr Mina: It wasn't quite that long!

Senator AYRES: I reckon you'll be doing better than Rockpool and their wages books to go back that far in—

Mr Mina: In the case of the Uruguay investment treaty, there were two officers working very much as part of other duties that they had underway in our trade law branch. Much of that negotiation was able to be conducted remotely, and at least some of the negotiations were done through video conferencing. So part of the reason for that related to the individuals concerned, who had strong links. One of the officers involved was, in fact, our former ambassador to Uruguay. She ended up becoming the negotiator for this investment treaty reform project. So we were able to run efficiencies in that way. But should you wish for any further detail, we would be very happy to take that on notice.

Senator AYRES: I would like a breakdown, and I'll take into those things into account. I'm sure it's an important country to Australia. We do have a very small trade volume with Uruguay. I did wonder how many resources the department and the government have put into the negotiation of that agreement, but I'll—

Mr Mina: One of the reasons, of course, we started with Uruguay was the closeness of the relationship, but also the fact of the readiness of both sides to look at introducing these new modern procedural safeguards into the investment treaty. It was a bit of an innovation for us—as it was for the Uruguayan government—to go in that direction, and it's proven very successful.

Senator AYRES: Thank you. That's all I have.

CHAIR: That concludes the examination of the Department of Foreign Affairs and Trade. I thank the officers for their attendance.

[20:45]

Export Finance Australia

CHAIR: We now move to examination of Export Finance Australia. I welcome Ms Swati Dave, Managing Director and Chief Executive Officer, and officers. Ms Dave, do you have an opening statement?

Ms Dave: No, I don't.

CHAIR: We'll move straight to questions. Senator Ayres.

Senator AYRES: Ms Dave, I just have a short series of questions for you and for the minister. There's been an expansion to the mandate of Efic, hasn't there?

Ms Dave: Yes, that's correct.

Senator AYRES: What lending or other financial support has Efic provided for Indo-Pacific infrastructure as a result of the legislative changes? I'm aware that they're fresh changes.

Ms Dave: They're very fresh. The changes came into effect on 1 April. While it's fair to say that we have done quite a lot of work around meeting people in the region—we have visited PNG, we've visited Indonesia to talk to people in the market, we've spoken to the private sector, to banks, to potential equity providers and contractors—with the view of actually building a reasonable pipeline of transactions, we haven't delivered any yet. It's a
very short time frame, and infrastructure projects, even in the Australian context, take quite a bit of time to deliver. So whilst we have built a reasonable pipeline, it's a little bit early for us to say at what time we'll be able to deliver them, because we're reliant on working with people in other jurisdictions that may have a different time frame.

Senator AYRES: Is there anything that you can tell me about the pipeline that's been developed so far?

Ms Dave: Some of the things we're focusing on will include things like water treatment. It may include telecommunications. When the mandate was announced, the brief was that it's around improving connectivity. Telecommunications falls into that. We'll be looking at different forms of power. There's electrification, potentially, in the pipeline, and there'll be transport infrastructure. So it's quite a broad range, and we're looking for opportunities across that broad range.

Senator AYRES: Is there anything that you can tell me about the pipeline that's been developed so far?

Ms Dave: It's very early for us to speak to them, because they're not really developed as projects.

Senator AYRES: I appreciate it's early in the piece. Are there any projects that you can speak to at this stage?

Ms Dave: It's very early for us to speak to them, because they're not really developed as projects.

Senator AYRES: Do you expect the level of financial support for those infrastructure projects to increase? What's the impact of the change in the mandate?

Ms Dave: There are a couple of things. The change in mandate also gave us an extra $1 billion in callable capital. The reason that's significant is it allows us to potentially provide a higher level of support in a particular project. That's important particularly when we're dealing with other partners in the region because it helps us to be more relevant in whatever financing that we're supporting. Having more capital also allows us to look at a broader range of projects.

Senator AYRES: I don't have any more questions, Chair. I look forward to seeing you in future estimates and hearing more about it. It is very late in the night. I was going to talk about pipelines, but I'll give it away at this stage.

CHAIR: I just have a question. In relation to the work that you are doing in the Pacific, how is that for which facility $1 million has been made available to Efic going?

Ms Dave: We were just talking about that. We are looking at potential pipeline opportunities.

CHAIR: What I mean is: do you already have it and you have started work?

Ms Dave: Absolutely. As I mentioned earlier, we have been doing a lot of work around identifying opportunities in those markets. We had a visit to PNG with our trilateral partners and we spoke to a range of potential project proponents in those regions. Some of the sector, as I mentioned before, is going to apply in the Pacific as well. So we will be looking at water, electrification, energy, telecommunications, connectivity—

CHAIR: Airports?

Ms Dave: We haven't got airports in particular in mind, but it will be a range. Again, it depends on where the need is greatest and how commercial that financing is likely to be. Our mandate is to look at doing financing on a commercial basis, so that is very much the lens that we are applying to it.
CHAIR: Interesting. The reason I raise the airport aspect is that at one stage I had a situation where there was a Pacific country that was offered, if I can put it that way, by another country the opportunity that, if they took out a particular loan with that country, they could effectively then get an airport delivered. There was interest from an Australian company that was probably going to do it for a fifth of the price on terms which could have potentially included a leasing of the building afterwards so that, after a lengthy period of time, the ownership would revert to the country in question. My point is that that is a very innovative way of doing it. Potentially Efic, through your facility, could have supported that company in that arrangement. That is why I raised airports, because of that sort of thing. Whether it's airports or any other infrastructure, the pattern has traditionally been particular countries or their banks come along and say, 'Take out a loan of $100 million and we'll give you this,' and then, before you know it, the alternatives haven't been explored. Part of your expertise, I think, is the ability to put those deals together. So I think that would be a very useful thing for you to be able to do, because that expertise is lacking and you do have that expertise and, I think, have the opportunity to help countries to put those deals together.

Ms Dave: We are very focused on finding innovative ways to make use of our broader mandate. It is a great opportunity. So thank you very much for your comments. We will focus on that.

Senator Birmingham: It is about the viability of the project as well, as you rightly identified in that example. I suspect the 'no' to airports is not because we are closed to airports but just because of the early-stage discussions that have been—

CHAIR: I only raised that because, in that instance, ultimately, it would have been Efic's backing. The private company would have built it and ultimately it was really only the guarantee component of it that was the exposure of it—

Senator Birmingham: That helped to get it over the line.

CHAIR: It helped to get it over the line. That was the point I was making. As there are no other questions, thank you to Export Finance Australia for your attendance. That concludes our examination of the Foreign Affairs and Trade portfolio and agencies. I thank the ministers and officers for their attendance and I thank Hansard and Broadcasting.

Committee adjourned at 20:54