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SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

Thursday, 31 May 2018

Members in attendance: Senators Abetz, Di Natale, Fawcett, Gallacher, Kitching, Leyonhjelm, Moore, Patrick, Reynolds, Rhiannon, Rice, Singh, Wong.
FOREIGN AFFAIRS AND TRADE PORTFOLIO

In Attendance

Senator Payne, Minister for Defence
Senator Fifield, Minister for the Arts and Minister for Communications
Senator McGrath, Assistant Minister to the Prime Minister

Department of Foreign Affairs and Trade

Ms Frances Adamson, Secretary
Mr Blair Exell, Acting Deputy Secretary
Mr David Lawrence, Acting Chief People Officer, Corporate Management Group
Mr Paul Wood, Chief Financial Officer
Ms Suzanne McCourt, Assistant Secretary, Executive Branch
Mr Keith Scott, Assistant Secretary, Strategic Policy, Contestability and Futures Branch
Dr Sarah Pearson, Chief Innovation Officer, Innovation Hub

Non-trade programs

Outcome 1
Pacific
Mr Daniel Sloper, First Assistant Secretary
Mr Pablo Kang, Assistant Secretary, Undersea Cables Task Force

North Asia
Mr Graham Fletcher, First Assistant Secretary

Southeast Asia
Ms Julie Heckscher, First Assistant Secretary
Mr Philip Green, First Assistant Secretary, United States and Indo-Pacific Strategy Division

South and West Asia
Ms Kathy Klugman, First Assistant Secretary

Middle East and Africa
Ms HK Yu, First Assistant Secretary

Americas
Mr Philip Green, First Assistant Secretary, United States and Indo-Pacific Strategy Division

Europe and Latin America
Ms Catherine Raper, First Assistant Secretary, Europe and Latin America Division

Multilateral Policy, Development, Legal and Environment
Dr Justin Lee, First Assistant Secretary, Multilateral Policy Division
Mr Patrick Suckling, Ambassador for the Environment, Multilateral Policy Division
Mr Gregory Andrews, Assistant Secretary, International Organisations Branch, Multilateral Policy Division
Ms Amy Haddad, Assistant Secretary and Principal Gender Specialist, Gender Equality Branch, Multilateral Policy Division
Ms Ruth Stone, Assistant Secretary, Human Rights Branch, Multilateral Policy Division
Mr Michael Wilson, Acting First Assistant Secretary, Development Policy Division
Ms Andrea Faulkner, Assistant Secretary, Sustainability and Climate Change Branch, Multilateral Policy Division
Mr James Larsen, Chief Legal Officer, Legal Division

International Security, Nuclear Disarmament and Non-Proliferation

Mr Richard Sadleir, First Assistant Secretary, International Security Division
Mr David Nethery, Assistant Secretary, Counter-Terrorism Branch, International Security Division
Dr Tobias Feakin, Ambassador for Cyber Affairs
Dr John Kalish, Acting Director General, Australian Safeguards and Non-Proliferation Office
Dr Geoff Shaw, Ambassador for People Smuggling and Human Trafficking, International Security Division

Services to other agencies in Australia and overseas

Mr Andrew Byrne, First Assistant Secretary, Soft Power, Communications and Scholarships Division
Mr David Lawrence, Acting Chief People Officer, Corporate Management Group
Ms Robyn Mudie, Executive Director, Diplomacy Academy
Ms Suzanne McCourt, Assistant Secretary, Executive Branch
Mr Kevin Nixon, Executive Director, Overseas Property Office

Public diplomacy and communication

Mr Andrew Byrne, First Assistant Secretary, Soft Power Partnerships Scholarships and Communications Division
Mr Adrian Lochrin, Assistant Secretary, Communications and Parliamentary Branch, Soft Power Partnerships Scholarships and Communications Division

Progress against Australia’s development policy and performance framework

Mr Michael Wilson, Acting First Assistant Secretary, Development Policy Division
Mr Peter Versegi, First Assistant Secretary, Office of Development Effectiveness
Mr Chris Tinning, First Assistant Secretary and Chief Economist, Multilateral Development and Finance Division
Mr James Gilling, First Assistant Secretary, Contracting and Aid Management Division
Cross-regional programs
   Mr Michael Wilson, Acting First Assistant Secretary, Development Policy Division
   Mr Peter Verseg, First Assistant Secretary, Office of Development Effectiveness

Emergency, humanitarian and refugee program
   Mr Michael Wilson, Acting First Assistant Secretary, Development Policy Division
   Mr Jamie Isbister, First Assistant Secretary, Humanitarian, NGOs and Partnerships
   Division

Multilateral replenishments and global development partnerships
   Mr Chris Tinning, First Assistant Secretary and Chief Economist, Multilateral
   Development and Finance Division

Non-government organisation volunteer and community programs
   Mr Jamie Isbister, First Assistant Secretary, Humanitarian, Non-government Organisations
   and Partnerships Division

Outcome 2
Consular services
   Mr Andrew Todd, First Assistant Secretary, Consular and Crisis Management Division

Passport services
   Mr Ross Tysoe, Executive Director, Australian Passport Office

Outcome 3
Security and ICT Services
   Mr Luke Williams, Chief Security Officer
   Mr Tim Spackman, Chief Information Officer, Information Management and Technology
   Division
   Mr Kevin Nixon, Executive Director, Overseas Property Office and Services

Trade programs
Outcome 1
Bilateral, regional and multilateral trade negotiations
   Ms Trudy Witbreuk, First Assistant Secretary, Regional Trade Agreements Division
   Mr James Baxter, Special Negotiator, Regional Trade Agreements Division
   Mr Todd Mercer, Assistant Secretary, Free Trade Agreement Policy and Implementation
   Branch, Regional Trade Agreements Division
   Ms Caroline McCarthy, Assistant Secretary, Free Trade Agreement Investment, Digital
   Trade and Other Issues Branch, Regional Trade Agreements Division
   Mr Andrew Martin, Assistant Secretary, Free Trade Agreement Goods Branch, Regional
   Trade Agreements Division
   Mr Jeremy Green, Assistant Secretary, Free Trade Agreement Services Branch, Regional
   Trade Agreements Division
Mr Lachlan Crews, Assistant Secretary, Trade and Investment Advocacy Branch, Regional Trade Agreements Division
Mr Simon Newnham, First Assistant Secretary, Investment and Economic Division
Mr David Holly, Assistant Secretary, Office of Economic Analysis Branch, Investment and Economic Division
Ms Julianne Merriman, Assistant Secretary, Competitiveness and Business Engagement Branch, Investment and Economic Division
Mr George Mina, First Assistant Secretary, Office of Trade Negotiations
Ms Alison Burrows, Special Negotiator European Union Free Trade Agreement, Office of Trade Negotiations

**Trade development, investment, policy coordination and tourism**
Mr Simon Newnham, First Assistant Secretary, Investment and Economic Division
Mr David Holly, Assistant Secretary, Office of Economic Analysis Branch, Investment and Economic Division
Ms Julianne Merriman, Assistant Secretary, Competitiveness and Business Engagement Branch, Investment and Economic Division

**Tourism Australia**
John O’Sullivan, Managing Director
Karen Halbert, Executive General Manager, Corporate Affairs, Government and Industry
Mark Craig, Executive General Manager, Corporate Services
Leo Seaton, General Manager Communications and Government
Victoria Maigre, Government Communications Manager

**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.**

Dr Stephanie Fahey, Chief Executive Officer
Mr David Hazlehurst, Deputy Chief Executive Officer
Ms Kelly Ralston, Chief Client Officer
Mr Rob Donnelly, General Manager, Strategy and Business Transformation
Mr Daniel Boyer, General Manager, Government and Partnerships
Mr Nick Nichles, Chief Operating Officer
Mr Graham Putt, Acting General Manager, Trade and Investment
Mr Rob O’Meara, Chief Finance Officer
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 Nick Nichles, Chief Operating Officer

Efic (Export Finance and Insurance Corporation)
Ms Swati Dave, Managing Director and Chief Executive Officer
Mr Stuart Neilson, Chief Financial Officer and Chief Risk Officer
Mr John Hopkins, Chief Operating Officer and General Counsel
Mr John Pacey, Chief Credit Officer
Mr Jan Parsons, Director, Environmental and Technical Review

Committee met at 09:00
CHAIR (Senator Reynolds): I declare open this hearing of the Senate Foreign Affairs, Defence and Trade Legislation Committee. The Senate has referred to the committee for examination the particulars of the proposed expenditure for 2018-19 of the Defence, Foreign Affairs and Trade portfolios. The committee is due to report to the Senate on 26 June 2018 and has set Friday, 13 July 2018 as the date for the return of responses to questions taken on notice.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions taken on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as contempt. It is also contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance for questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind all officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has also resolved that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to senior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements
of the 2009 order. Instead witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

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;

(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, pp 124-125)

Department of Foreign Affairs and Trade

[09:04]

CHAIR: I now welcome Senator the Hon. Marise Payne, the Minister for Defence, representing the Minister for Foreign Affairs, and I'm delighted to welcome back Ms Frances Adamson, the secretary, and all officers of the Department of Foreign Affairs and Trade. Minister, would you like to make an opening statement?

Senator Payne: No, except to say what a great pleasure it is to be here.

Senator ABETZ: That is the first mislead!

Senator Payne: Senator Abetz!

CHAIR: Senator Abetz! Secretary, would you like to make an opening statement?

Ms Adamson: No, thank you, Chair.

CHAIR: I'll go to Senator Wong.

Senator WONG: Thank you. We'll come back to this, but I thought, Secretary, it'd be useful to flag that Senator Kitching might come back to question on notice 31 later this morning. Could you make sure that the relevant officers are here later to deal with that? I see that Mr Wood is at the table. I'm going to start with a different topic; I hope you don't feel unloved.

Mr Wood: I'll go back.

Senator WONG: You're welcome to stay there but I'm not going to go to our tables yet. Secretary Adamson, I want to start with the China relationship. Could I start by saying that, whilst this is an estimates hearing, my intention in asking a range of these questions is actually far less a partisan issue than a belief that this is a very important relationship—a relationship which merits a considered approach in terms of how we improve and manage it. The opposition has raised some concerns about the management of the relationship, but I'll come to those later.

I'm interested in having a substantive discussion with you about what is a complex and crucial relationship. I think there is merit in having a better discussion with the parliament and, in that context, the Australian people about the relationship. Recognising that this isn't a simplistic discussion—it's not a simple binary—and that there is a reasonably sophisticated discussion about where our interests come together and where they differ, I think it's useful to consider the need for consistency and clarity as to where there is convergence and divergence of interests and also how government can go about approaching this relationship.

I make the observation—you may well have said something similar in the past—that, in terms of the public discussion, there are a great many instances where key stakeholders appear to be talking past each other. So it seemed to me that it might be useful to enable a
conversation here today about the relationship. I don't know if you want to start or whether you want me to start by asking you questions.

Ms Adamson: Senator, you're absolutely correct to say that the government completely agrees that the relationship with China is an important one. I think you said it merits considered approaches. It is indeed complex and crucial, and there are certainly points where our interests converge. There are from time to time differences between us. One of the challenges we both face during a period—and if we look ahead we can expect this to be sustained—when China becomes larger economically is when China is better able to exert influence in the region. These matters were, of course, addressed in the foreign policy white paper, which remains the most authoritative statement of the government's thinking on China and thinking on our region. Of course, we very much want to encourage China to grow into the region in a way that enables it to take more responsibility for peace and stability within the region.

Even when we have differences, we readily reach agreement that peace and stability in our region is vital. It's what has enabled the Chinese over decades now to lift hundreds of millions of people out of poverty, it's enabled growth that has benefited the region and it's certainly enabled growth that has benefited Australia. It is one of the reasons why our economy is now in its 27th year of continuous growth. There are, of course, extensive people-to-people links between us. Some of those go to Australia's multicultural society and some of them go to the fact that there is a growing middle class in China as a result of decades of reform and increasing prosperity. So there are strands between us there—strands indeed which bind us.

We each have our national interest to consider and to defend, and occasionally to prosecute. There have been instances, as you are aware, indeed over decades, where successive Australian governments have needed to do that. The basis on which I think both sides seek to operate, though, is one of mutual respect; a relationship where our interests are clearly defined in terms of mutual benefit. Although that is a term that is perhaps more frequently used by the Chinese, 'mutual benefit' is one that we happily agree with as well. And we seek a relationship, as do the Chinese, based on equality.

But it is unrealistic to think that this relationship will always be one of smooth sailing. I think that's become increasingly apparent, and I would expect there to continue to be differences in our perspectives. By the way, this is something that leaders of both countries over decades have always acknowledged. As you know, I have been present on a number of occasions when our prime ministers have met their Chinese counterparts and, relatively early in all of those conversations, one side or the other—often actually the Chinese—will acknowledge that there are differences between us and that they need to be managed carefully and in a respectful way. So the presence of differences themselves should not be of concern to us, but we should be concerned about seeking to manage those differences in a respectful way which enables the opportunities in the relationship to be brought to fruition by both sides.

Senator Wong: Thank you for that; that's useful. There are quite a number of things there that I would like to explore, if I may. You're correct to say that the management of difference is not a new phenomenon or new imperative in this relationship—or, in fact, in any relationship but most particularly and relevantly in the relationship with China. But there are different phases. I will borrow my colleague's white paper. Can we start by talking less about
intentions and just about the economic facts? The figure that for me was most compelling on that front in the white paper is figure 2.4, which you might, just as an aside—

Ms Adamson: I think I can visualise that.

Senator WONG: It's the one on purchasing power parity. It compares the 2016 GDP and projects it out to 2030, which, incidentally, was the answer I gave my daughter when she asked me why she was having to study Mandarin. I showed her the figure; it might have been a little difficult for a six-year-old. On the government's own assessment, currently, on a PPP basis, the US is at US$18.6 trillion and China is at US$21.4 trillion.

Ms Adamson: Yes.

Senator WONG: But by 2030, which actually isn't that far away, we're looking at US$24 trillion in the US and US$42.4 million. It's not quite double but not far off. That is a very fundamental reshaping. We have seen a reshaping of the global economy and the regional economy, as you correctly identify, with China's historic economic rise, which, as you say, has benefited Australia. Australian jobs and the Australian economy have benefited from that development, as have millions of people, so that is a good thing for humanity. It's something to be acknowledged, respected and in many ways celebrated. But what we're looking at here is quite a divergence in the projection of economic power or economic influence over the next decade. I wonder whether you want to give us your view about the implications of that. Notwithstanding your correct historical analysis—we've always had to manage difference—of the economic base of that difference, the economic facts and contours of that difference will change remarkably in the next decade and a bit.

Ms Adamson: They have changed. If we look back they've changed and if we look ahead, as you point out in relation to the white paper, figure 2.4. We included that figure because we wanted to point to China's expected continued economic growth. Not everything happens in straight lines but, as you know, the Chinese pay very close attention to continuing to deliver economic growth and benefits to their people. National power is not solely determined by economic power, but it is a very obvious factor—

Senator WONG: That is true, but would you not agree that economic power, and the way it is being applied, means that the historic notions about military and strategic power need to be rethought, or reconsidered?

Ms Adamson: I'm not sure that they need to be completely reconsidered—

Senator WONG: Reappraised?

Ms Adamson: I was going to mention military power—the defence minister may want to comment on the importance of military power—and soft power, as well. All these things come together in a way that can't be defined by an algorithm. As much as anything, they're influenced by perceptions and expectations. There's no question that China's power and influence, not just in our region but globally, is growing. Many members of the committee will have had an opportunity to visit China. There will be for everyone a contrast, a difference, between the China they observed during their first visit and the China one might observe if one were to visit China this week, for example.

Senator WONG: One of the phrases you used earlier in your introduction was that the objective was to seek that China take more responsibility for peace and stability in our region. Can you tell me what that looks like?
Ms Adamson: In our view, that could take many forms. One of the most important would be a recognition by all in the region, including China, of where there are differences. Those differences can relate to anything, but an obvious example is differences in relation to territorial claims. It would be a region where all contributed according to their means, a region where disputes were settled peacefully in accordance with international law. There is a range of ways in which larger or more capable countries are able to assist and maintain peace and stability. That can also be in areas like responses to natural disasters or other disasters. It can be contributions to boosting otherwise weak economies. There are a wide range of ways in which countries in the region contribute to our stability and prosperity. Some of those relate to our regional institutions; the East Asia Summit, for example, and APEC. Seeing China actively contribute, including to ideas, is another way. An area where China has been contributing, and we would expect to see it contribute, is in relation to North Korea, what we hope will be a future denuclearisation of North Korea and peace on the Korean peninsula. So there are a wide range of scenarios that one could envisage where China might make an even greater contribution in future than it has made in the past. Indeed, China's own foreign policy has acknowledged this, as it's moved from the hide and bide policy of the Deng Xiaoping years and well beyond that—

Senator WONG: 'Hide and bide'—that's good.

Ms Adamson: That's what it's called in terms of biding time and not necessarily at that point being willing to play a significant role internationally. China is a member of the Permanent Five of the United Nations Security Council, so it contributes in that way. But, as I've seen particularly over the last seven to eight years that I've been following China very closely, China makes a wide range of contributions in areas which contribute to peace and stability.

Senator WONG: I'll come back to the bilateral relationship, but I want to ask the flip side question to that, which is: in terms of our interests in a peaceful, stable region, how should Australia approach the next decade? We've talked about the reshaping of the global and regional economy. You've correctly identified that it's not a linear relationship with national power, but it is obviously a very influential reshaping.

Ms Adamson: Yes.

Senator WONG: You've talked about how you see China's place in that, and we can come back to that. But I'm interested in your thinking as the Secretary to DFAT: over the next 10 years, in terms of Australia's activities, stance and priorities in the region, what do you think we should be doing to contribute to that peaceful, stable regional order? Can I caveat that, or add a note? I think we both agree that, with peace and stability, we're not talking about a peace and stability deriving from hegemony.

Ms Adamson: No. If we look ahead over the next 10 years—the Foreign Policy White Paper was explicitly intended for us to look ahead and define priorities for Australia over the next 10 years. It wasn't intended to be a crystal ball gazing exercise; it was intended to define, and did indeed define, Australia's priority interests in terms of the Indo-Pacific region, China very centrally engaged there but so too our continuing to be very supportive of close and deep US engagement in the region. It also set out our interests in terms of a rules-based system. That relates to the point I made earlier about Australia's very strong desire, shared by all other governments in the region, for disputes to be settled peacefully and in accordance with
international law. Part of the white paper also dealt with economic opportunities. Economic opportunities abound in the region, and considerable work needs to be done in terms of trade liberalisation, investment liberalisation. It's why we commit to a long-term goal. If we're talking about 10 years, that's very much in the frame and beyond for a free trade agreement of the Asia Pacific. We're working away on a number of agreements that might lead to that. I'm sure my colleagues would be able to talk about those in more detail.

We've also identified, obviously, the need to keep Australians safe, secure and free. There's work we can do in the region relating to that—some of it is counterterrorism and some relates to the work the Department of Defence does—to mini-laterals and larger groupings designed to help us understand each other better and also to ensure that links between democracies in the region are strengthened. We maintain a strong commitment to values—that's also set out in the white paper—including values of freedom of speech, but we're supportive of democracy in the region. We've just seen a very good example of that at work with a change of government in Malaysia after 61 years. So there are a range of priorities that the government would seek to pursue over the next 10 years. When we're talking about our region, we shouldn't focus exclusively on the Indo-Pacific writ large, or China in terms of its role in the region, but also on the South Pacific because our interests are deeply engaged in the South Pacific, as indeed they are in strengthening institutions. I referred to the East Asia Summit before and to ASEAN; we want to continue to build those institutions. We do, though, see all this as posing significant challenge to this government and to future governments in Australia. There is a sense of uncertainty out there in the region and there is a growing sense, in some areas anyway, of contest. We need to ensure that we shape policies actively and that we engage deeply across the whole region.

**Senator WONG:** I'm trying to work out how to say this. Apropos of your earlier answer prior to that one, about China's contribution to the region—or anybody's contribution to the region, but in particular China—there's a distinction between contribution per se and contribution which accords with the sorts of principles that you've just outlined. I've no doubt that China would say they are—and they are—contributing to peace and stability, but what do you say about how we are able to shape to the extent possible that contribution so that there is alignment with the sorts of principles and values you've just discussed and alignment with the objective of having a region which has the characteristics that you've described?

**Ms Adamson:** Shaping is quite a difficult thing to do. While one is trying to shape in all the ways that a country like ours looks at doing—a democratic country, a capable country and a diplomatically and militarily capable country like ours, with a strong economy—one never quite knows, particularly when one is in this business for the long-term, how successful one is at any one moment. I think we've realised for a very long time that, when we achieve things in the region, we do it in collaboration with others, whether that's bilaterally, trilaterally, in larger groupings or through the development of institutions such as APEC and the East Asia Summit. I'll keep coming back to those because we have a very strong commitment to their development.

**Senator WONG:** Sure. I don't mind you coming back to institutions; they matter.

**Ms Adamson:** Sure.

**Senator WONG:** But there's a difference between the vehicle by which one achieves an objective and the end.
Ms Adamson: Yes.

Senator WONG: So I don't want to just get focused on the vehicles.

Ms Adamson: No. We have deep discussions. One of the things that we and others do is talk about these things at all levels to China, to the United States and to others in the region. There are regional conversations and there are many regional meetings. It's the norm, or regularly the case, that statements or communiques and press conferences are held at which leaders express their views. The ASEAN–Australia Special Summit, which the Prime Minister hosted in Sydney in March, is a good example of that: where leaders come together for discussions about issues in our region which matter, including the future of the region. They do that in a variety of settings, including, in the case of the summit, through retreats at which there is deep and thoughtful conversation between leaders of countries representing their particular interests. After that, statements are issued, with leaders making clear the priorities that they accord to various things they've discussed, including peace and stability. But each country in the region, if you like, will host its own meetings and be involved in its own set of meetings. There are many different combinations and permutations of those, and that is very much the business of diplomacy. But the real business of diplomacy out there in the region at the moment is deepening and thickening ties in the expectation that things will likely get more difficult and that contests will become, perhaps, sharper. So, for us, it's important to be on the front foot, deepening our relationships, having open conversations and being clear about what we mean and active and innovative where we can be in the ways in which we work together, including in the delivery of development assistance, for example, in approaches to infrastructure and in the deeper development of people-to-people contacts. There is the new Colombo Plan, for example, building understanding amongst young Australians of the region and the role that other countries play. Across the board, leaders freely and willingly acknowledge and constantly refer to the new Colombo Plan—

Senator WONG: I don't mind you spruiking the minister's—

Ms Adamson: No, but I—

Senator WONG: My father was a Colombo Plan scholar but, seriously, we're talking about a change to the geostrategic architecture of the region. We're talking about a range of different views about how the region should operate. We're talking about, as you said, a period where there is substantial difference. I'm all for people-to-people links and, as I've said, dad was a Colombo Plan scholar and I wouldn't be here but for that, but it ain't going to be the primary diplomatic vehicle by which we deal with this, really.

Ms Adamson: Well, 30,000 Australian students will have visited the region—

Senator WONG: Sure, but can we just—

Ms Adamson: Investing in the future is important.

Senator WONG: I'm not asking about it, Frances.

Ms Adamson: No, but I was about to say—

Senator WONG: Sorry, Ms Adamson.

Ms Adamson: that, from the other side, leaders in our region, countries in our region, value the opportunity also to send students to Australia and to each other's country, so building understanding for the future is important.

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE
**Senator WONG:** You've described in reasonably high-level terms the sort of region we want, so if we can try and focus on some of the more important issues. In terms of the differences between our views and China's on some issues, how does our view for the region as to what good in the region looks like, as to what a stable and peaceful region looks like, differ from theirs, or can we invert it and say how does theirs differ from ours?

**Ms Adamson:** I think at the highest levels we agree that success, if you want to put it that way—and we all do—is a peaceful and—

**Senator WONG:** But people mean very different things by 'peace and stability', don't they?

**Ms Adamson:** Yes, but at the highest level peace and stability. Coming perhaps more directly to your point—we can look at the history of great powers over centuries, if you like—it would be from China's perspective a peaceful region, a region with, from their point of view, a regional order centred on Beijing. Our interest is served by—to deal with the way in which I think you're framing the question—a multipolar region: a region where the United States remains deeply engaged; where India, with its growing population and growing economic weight, plays the role that one might expect it to play in the future; where Indonesia to our north, with a very strong youthful demographic, reforms economically and becomes a significant power in its own right; and where ASEAN as a whole continues to grow.

One of the things that the white paper did, of course, was to look at demography and rates of economic growth and make comments about the extent to which the demographic dividend, if you want to put it that way, is likely to be realised—Japan also not growing in population terms but still a very significant economy. So our interests are perhaps best served by a number of countries in the region and that's why our region perhaps differs from some others being able to play significant roles effectively really as major powers. But you're absolutely right to point to China's size as being of a different order.

**Senator WONG:** Thank you; that was an interesting answer. I guess there are two sets of lines of questions out of that that I have in my mind. The first is the extent to which you think there's a comity of interests or a convergence of views as to what good in the region looks like as between Australia and the nations and regional groups that you've mentioned. To what extent do you think the notion of a multipolar region is shared with India and Indonesia particularly?

**Ms Adamson:** I think governments in New Delhi and Jakarta would both see themselves as having a significant role in the future. In civilisation terms, India certainly does. We talk about economic size, but of course India is on track to become the world's most populous country. When you visit India—and I know that you have; we were both involved in the Australia-India leadership dialogue earlier in the year—

**Senator WONG:** There was a great diversity of views at that dialogue, as I recall.

**Ms Adamson:** There were. But I think one of them certainly saw a very significant role for India already and a growing role and a great deal of economic reform which will lead to or increase India's own economic weight. Of course there's naturally a very significant focus on China, but the conversation should not be solely about China.

**Senator WONG:** Correct.
Ms Adamson: It needs to be informed by a wider appreciation of the role of other countries in the region and the way in which Australia is deepening our ties with those countries and of course with China. The government commits in the white paper to deepening our comprehensive strategic partnership with China. These things are not easy or straightforward; they demand a great deal of policymaking attention. Of course, it's not just for government. Australians themselves, businesspeople, and the decisions that people make when they choose to travel or to study: all of these things go to the fabric of our relationship with these countries, to the quality of them. But values are an important element of where we stand on issues which might otherwise divide us.

Senator WONG: Do you want to add anything more on that?

Ms Adamson: No.

Senator WONG: I think you used the phrase 'a regional order centred on Beijing'. I can't recall this being in the white paper, but what do you understand that to look like from China's perspective?

Ms Adamson: I might ask Mr Fletcher to answer that question.

Mr Fletcher: I think China would like to have its place, its leading role, in the region recognised by its neighbours. I think that fundamentally it wants respect and it wants its interests, what it regards as its core interests, respected by others.

Senator WONG: Is that what you meant when you talked about 'a regional order centred on Beijing'? It seems to me that's in many ways a statement of fact; it is a regional power. I've used the phrase that we should approach China with respect and not fear, and I think that's not an unremarkable position.

Mr Fletcher: No. But what China means by respect is when it has a difference over, say, a territorial issue or a historical issue with Japan, for instance, that Japan will pay respect to China's interests and its view of the matter.

Senator WONG: Right. It is a slightly different way in which one might use the word 'respect', I think, in terms of the way that we're describing it.

Mr Fletcher: Yes.

Senator WONG: Secretary Adamson, I think at the last round we had a brief discussion about this broader issue. I asked you where the relationship was and you said that it was 'going through a period in which there are some complex and difficult issues'. Can you tell me how you'd describe the state of the relationship now?

Ms Adamson: We are working through those issues. You've spoken previously about divergence and convergence at various times in our relationship with China. I think it was clear from the meeting between the foreign minister and her Chinese counterpart, State Councillor Wang Yi, in Buenos Aires last week that both governments are committed to continuing to work at the relationship and to deepen it and to have it take on the sort of comprehensive character that each side wants. That doesn't mean that the differences that have been apparent over the last 18 months or so are not still there; they are of course. But we are committed, both governments, to working on the basis of mutual respect, recognising our
mutual interests and doing so on the basis of equality. So the stresses and strains that have been evident are in the process of being worked through.

Senator WONG: In terms of the trajectory, where we are now compared to where we were at the last estimates, what would your assessment be?

Ms Adamson: I think it's been clear from Steven Ciobo's visit to Shanghai—although that was principally a visit focused on our economic interests, nevertheless he had a meeting with the Mayor of Shanghai while he was there. The meeting between the two foreign ministers shows that not only at officials level—our ambassadors continue to be able to work very effectively in China, just as the Chinese ambassador has been able to work effectively here. But in a relationship such as our relationship with China, indeed as in all contact between ministers and high-level contact, it's not necessarily constantly but it does give impetus to being able to derive full benefit from our relationship. I think we are having discussions between us and we are moving in a positive direction.

Senator WONG: What do you think the key drivers of the current challenges in the relationship are?

Ms Adamson: I think the Australian government has wanted to assert in respectful ways, but nevertheless to assert, our national interests when it comes to matters that go to our sovereignty and that relates specifically to the issue of foreign interference. That is an issue which I point out from the outset is not an issue which we experience in relation to any single country, but the government has wanted to take action through draft legislation to ensure that Australia's interests are suitably protected in an era where interference can take a number of forms. That's been a necessary thing to do. I think that's understood by the Chinese side.

There have been other areas and they go to the point I made previously about a rules based order and one where disputes are settled peacefully. The government has continued to be very consistent and ministers have continued to point out Australia's interests in relation to the South China Sea, including when it comes to views on militarisation, when it comes to the need for a code of conduct in relation to the South China Sea and a series of other issues that you know well, Senator.

Senator WONG: I was going to come to this later but, given that you raise it, just in terms of consistency, I did want to give you or the minister the opportunity to respond. I understand that this may have been asked yesterday; I wasn't watching defence estimates. Mr Ciobo was asked last week about militarisation and in particular the landing of long-range bombers on a disputed feature in the South China Sea. His answer on Sky News was, 'Well, that's a decision for China.' Frankly, this has not been a subject that we've chosen to discuss much, but I do want to make sure that we can clarify that is actually not the Australian government's position; correct?

Ms Adamson: The Australian government's position on the South China Sea has been set out by the Minister for Foreign Affairs, the Minister for Defence and the Prime Minister at various times and is well known.

Senator WONG: Minister Payne, I just want this clarified and I'll move on; okay?

Senator Payne: Yes.

Senator WONG: You've said, I think correctly, 'We urge all claimants to refrain from destabilising actions, including the deployment of advanced military equipment to disputed
features. I think that is a comment with bipartisan support.' I just want to make sure that we clarify it. When Mr Ciobo said in relation to the landing of long-range bombers on a disputed feature, ‘That is a decision for China,’ that is not the Australian government's position?

Senator Payne: The Australian government's position is as I have articulated it and as the Foreign Minister has articulated it in relation to militarisation.

Senator WONG: Does that mean that it's a decision for China or not?

Senator Payne: No. It means that the government is concerned about militarisation of those features.

Senator WONG: Thank you. I'll come back to the questions I was asking of you, Ms Adamson. I think I asked about the key drivers and challenges in the relationship and you mentioned discussions of the foreign interference legislation, which of course is before the intelligence committee, different views around rules-based order and the management and settlement of disputes particularly in relation to disputed features. Is there anything else that you'd like to add to that list?

Ms Adamson: I think it's a matter of public record on the Chinese side that they have been concerned to ensure or to have a high level of confidence that Chinese people in Australia are going to be well looked after by us; that there have been on occasions, by some of what perhaps I could best describe as tabloid-like media in China, allegations of racism against Australia. They wanted us to assure them that the contribution of Chinese people in Australia is valued and respected. And I think they've also wanted to ensure and have at times sought our confirmation that Chinese students in Australia are also going to be safe and are not being targeted. Of course, there have been a small number of incidents, each one them investigated appropriately by the police. Nevertheless, they have been concerned about the safety of students in Australia.

Senator WONG: They're legitimate interests, aren't they?

Ms Adamson: Yes, they are legitimate interests and we have sought to assure them that not just the federal government, of course, but also state governments and universities themselves attach a high importance to ensuring the safety of all foreign students in Australia.

Senator WONG: Is there anything else that you would like to add? I'm not actually fishing. I asked you an open question and you have given me a list of three thus far. I just wonder if there's anything further that you want to add.

Ms Adamson: I think, from a Chinese perspective—as Mr Fletcher said, the Chinese are not unique in wanting to ensure that they are dealt with respectfully and treated respectfully—the Chinese have been concerned at some of the media commentary in Australia in relation to China and in relation to our bilateral relationship. Of course, our systems are very different when it comes not only to government, to our democracy, but also to freedom of speech and the role of the media. Perhaps, not surprisingly, there has been a series of issues which have caught their attention and which would not arise from a Chinese media perspective but have arisen here. So I think they are occasionally puzzled why these things happen. Sometimes I think they feel that there's a lack of respect. We do our best to explain to them how it all works. Nevertheless, I think media commentary, public commentary on China, has been an issue of some friction.
Senator WONG: Were some comments made by various ministers, including the then former Deputy Prime Minister, that China was a bigger threat than terrorism? Was that a source of friction?

Ms Adamson: No. We discussed that last time. There was no discussion of that.

Senator WONG: That's not what I asked. I didn't ask you whether there was discussion; I asked you whether it was one of the sources of friction.

Ms Adamson: Not to my knowledge. I did not include that in my list and I wouldn't include it.

Senator WONG: Or the remarks by the junior minister in the portfolio in relation to China's activities in the Pacific, which the Foreign Minister then had to clean up—were they regarded as a source of friction?

Ms Adamson: They certainly attracted a significant degree of commentary in the Chinese media. I don't consider that there is any lingering issue in relation to those comments.

Senator WONG: In relation to Mr Ciobo's statement which we've clarified, has someone ensured that he understands what the Australian government's position is on the South China Sea?

Ms Adamson: I'm sure all ministers are aware of it.

Senator WONG: He clearly wasn't; so is he now aware?

Ms Adamson: Ministers normally, as you know, comment on the areas for which they're directly responsible.

Senator WONG: People get asked lots of things in interviews. I'm sure that Senator Payne gets asked about a whole range of things that aren't in her portfolio. He is Trade. I just want to know. Has someone—

Senator Payne: There's a full transcript there. He is aware, yes.

Senator WONG: Thank you. I would put to you, Ms Adamson, that we've had a range of comments by ministers which I think could be fairly described as undisciplined in the way that they impact on the China relationship. Are you concerned by the fact that we have this sort of inconsistency and, frankly, some freelancing from ministers in relation to China policy?

Ms Adamson: No, I'm not, because I think on the key issues there have been very consistent statements made by members of the government. Our policy is very clear. It's at the highest level set out in the Foreign Policy White Paper. The Chinese understand that and I think they have also—

Senator WONG: Comparing China to terrorism and saying people are building roads to nowhere is nowhere in the white paper that I've seen.

Ms Adamson: No. I said, at the highest level, the government's position on China is set out in the Foreign Policy White Paper. That is well understood by the Chinese. They also obviously have the ability to discern the weight that they should attach to various statements. But the government has been very consistent on issues which matter to us and very consistent about the importance that the government attaches to our relationship with China and the
ways in which we might develop it in future but also the basis on which our own national interest will determine our policies and approaches.

**Senator WONG:** You've referenced a couple of times the Foreign Minister's meeting with Foreign Minister Wang Yi on the sidelines of the G20. I think the Foreign Minister—I can't recall if this is by press statement or comments—described the meeting as very warm and candid, long and positive. The statement issued by China explicitly stated that this was not a formal bilateral meeting and that 'if Australia wants to return relations to the right track, then it must break away from traditional thinking, take off their coloured glasses and look at China's development from a positive angle'. Would you agree, Secretary, that these are quite different characterisations of the meeting?

**Ms Adamson:** I think you quoted the Foreign Minister initially; I would add that I think there was one other adjective that she used and that was 'constructive'. It was a constructive meeting, and I think the Chinese would agree with that too.

**Senator WONG:** That was well prepared to try and focus on 'constructive', but I asked you about a whole range of other things that the Chinese statement included. I'm asking you if you would agree that, if you compare what the Australian government has said and what the Chinese have said, it is fair to say that they are somewhat different characterisations of the meeting.

**Ms Adamson:** Those public characterisations of the meeting are indeed different. But the point I'm making is that both ministers have agreed the meeting was indeed constructive and both ministers discussed a range of matters in a very forward-looking and positive way.

**Senator WONG:** Are you able to tell us why you think there are those different characterisations?

**Ms Adamson:** I think it's a matter of interpretation. I can't get inside Wang Yi's head and think why he might have said that. I could hazard a guess, but it would only be a guess.

**Senator Payne:** It's fair to say that I think we've both been in meetings which are characterised differently by participants. As I understand it, it was over an hour long and I think, if 'constructive' is the takeout, then that's a good thing.

**Senator WONG:** But that wasn't their takeout. I'm actually trying to understand what the department assesses as the reason behind the public characterisation of the meeting issued by the Chinese.

**Ms Adamson:** I think the public characterisation of the meeting in tone is consistent with the recent tone adopted in the Chinese media. But I do draw a distinction between that tone as depicted publicly and the tone that we discern through direct conversations with the Chinese.

**Senator WONG:** Why do you think there is a public statement, which is issued, that picks up some of the characterisation that is being utilised in the Chinese media?

**Ms Adamson:** Could you repeat that question?

**Senator WONG:** I'm sorry; I was trying to formulate it and think about it. You've described the statement issued by the Chinese government as reflecting a tone consistent with the recent tone adopted by the Chinese media; so my question is: why—not 'why do you think that' but 'why do you think that such a tone was adopted'?
Ms Adamson: This again goes back to Mr Fletcher's point in a way. I think the Chinese very much want to encourage a respectful public discourse about their role in the region, about our bilateral relationship, and this is not unique to Australia. In China's relationships with a wide range of countries, similar language is used from time to time. We often tend to focus only on ourselves—that's natural—but, if you pay close attention to the Chinese media, you will see that regularly similar language is used about a range of other countries.

Senator WONG: If you were to outline how you think our current relations with China could be improved or, some might say, repaired—I'm happy to include a different adjective if that's too pejorative; I'm just interested in what you think needs to be done.

Ms Adamson: I think we are on the right track with, as I said, Mr Ciobo's visit to Shanghai and the meeting between the foreign ministers.

Senator WONG: I know that you've carefully 'caveated' it. I can't recall what phrase you used—sporting or—and he certainly met with the mayor but he didn't actually meet any counterparts, did he?

Ms Adamson: He didn't travel to Beijing. You couldn't expect him to meet—

Senator WONG: Fair enough.

Ms Adamson: Counterparts in Shanghai where he—

Senator WONG: He didn't choose to travel to Beijing. Did he seek a meeting in Beijing?

Ms Adamson: He was there to support the—

Senator WONG: Did he seek meetings of counterparts?

Ms Adamson: He was there to support the Port Adelaide—

Senator WONG: The footy, but he's not even a Port supporter!

Ms Adamson: In fact, he wasn't there to support Port Adelaide. That's incorrect. He was there to support the game.

Senator WONG: I almost—

Ms Adamson: He wasn't there to support Port Adelaide or the Gold Coast Suns but he was there obviously for the second AFL game played in Shanghai—for points. While he was there, he engaged with the business community, I think also with investors, and he had a meeting with the mayor of Shanghai. And we shouldn't underestimate the importance of that.

Senator WONG: Yes, I understand that.

Ms Adamson: Shanghai is a city of 24 million people.

Senator WONG: Did he seek a meeting with his counterpart in Beijing?

Ms Adamson: He was not travelling to Beijing.

Senator WONG: That was not my question.

Ms Adamson: If he had been able to travel to Beijing—

Senator WONG: Please answer the question, Secretary.

Ms Adamson: Yes, I'm answering, Senator.

Senator WONG: No, you're not. You're avoiding the question.

Ms Adamson: If he had been able—
CHAIR: Senator Wong, I've been listening carefully and the secretary was seeking to answer your question; so please allow her to answer the question.

Senator WONG: I'll let her finish and I'll ask it again.

Ms Adamson: We indicated to the Chinese that a meeting with Mr Ciobo's counterpart would have been welcomed and would be welcome. He did not travel to Beijing. That wasn't convenient; it wasn't suitable. He instead went to Shanghai. We therefore sought a meeting for him with the Mayor of Shanghai. That was granted and they had a high-level discussion of a kind that you do with mayors in very significant cities in China. So there was a purpose to it that went beyond the purely commercial or indeed the sporting, people-to-people, cultural.

Senator WONG: When you said 'he instead went to Shanghai', do I infer from that that there was the prospect or the possibility, if meetings were available, that he would go to Beijing?

Ms Adamson: He would have been willing to travel to Beijing for a meeting with his counterpart, if that had been possible.

Senator WONG: I'm going to turn to public service arrangements or how your department and your counterparts in other departments deal with this relationship. Who is the lead department with responsibility for managing our relationship with China?

Ms Adamson: The Department of Foreign Affairs and Trade.

Senator WONG: I'm glad to hear that. I think we've agreed, both in these estimates and in earlier estimates, that a consistent whole-of-government approach to this relationship is necessary; correct?

Ms Adamson: Correct.

Senator WONG: What are the ways in which you, as the lead department, ensure that consistency across government?

Ms Adamson: There is a wide range of ways, but it won't come as a surprise to you to know that many of them involve what we call either interdepartmental committees in a formal sense or very regular liaison and coordination at various levels between DFAT and other departments. Mr Fletcher leads on quite a bit of that. I chair the secretaries committee on China.

Senator WONG: It's interesting that you say that. Did you see what PM&C said yesterday?

Ms Adamson: I did see that.

Senator WONG: They got it wrong.

Ms Adamson: They did.

Senator WONG: That worries me.

Ms Adamson: Of course, Mr—

Senator WONG: I'm not actually being critical of you; I'm making an observation more generally that, if the premier department within the government doesn't even know who chairs the secretaries committee on China, it does raise with me the extent to which the secretaries committee on China is having the sort of influence I would believe is necessary.
Ms Adamson: The secretaries committee on China, of course, by its very name, involves secretaries. They meet in the Department of Foreign Affairs and Trade. I chair those meetings. I would not necessarily expect colleagues who don't attend those meetings to know. Particularly, it's not unnatural for PM&C, which is absolutely at the centre of things, to make that kind of assumption. But I'm sure that, if Mr McKinnon had thought more carefully about it, he would have realised—

Senator WONG: Ouch!

Ms Adamson: Well, he would have realised what—

Senator WONG: Poor old Mr McKinnon!

Ms Adamson: Mr McKinnon is a dear friend of mine, but I was surprised to read that transcript, particularly as the secretaries committee on China has been meeting since 2012.

Senator WONG: At this point I'm not going to go through—others may wish to—all of the infrastructure associated with coordinating the whole-of-government response; I might have a think about it. I'm actually now interested in qualitative analysis, strategy and implementation. As the lead department, how do you resource—particularly at this time when I think we have agreed there is a deal more complexity and opportunity in the relationship—the development of a whole-of-government China strategy?

Ms Adamson: We do that in a variety of ways. One of them, of course, is ensuring that there is a strong North Asia Division within the Department of Foreign Affairs and Trade. I have taken steps to ensure that the division's complement of staff has been slightly expanded, including at a time when the department's resources have been reduced in terms of our number of FTEs. Also, through our six posts in greater China, we have a cadre of officials who speak Chinese, who have experience of China. They, of course, work not only in DFAT but they return to a range of departments. So there are DFAT colleagues serving across the board in a range of departments as well as colleagues from other departments. In terms of our China capability, whether it's in PM&C, the Office of National Assessments, Austrade or any number of departments, there is a growing cadre, and of course we pay close attention to their Chinese language skills and experience.

Senator WONG: I think you referenced an internal reorganisation at the start of that answer—additional resources et cetera in Mr Fletcher's area?

Ms Adamson: In Mr Fletcher's division.

Senator WONG: Are you calling that anything? Is it described as a China strategy—

Ms Adamson: We're calling it a fully staffed and enlarged North Asia Division.

Senator WONG: Is there a China strategy unit?

Ms Adamson: No, there is not a separate China strategy unit. Mr Fletcher can speak for himself on a lot of this.

Senator WONG: He's always very careful and guarded with what he says.

Ms Adamson: I was going to say 'well informed'.

Senator WONG: He is very well informed, but you just get the tip of the iceberg.

Ms Adamson: He can provide the tip and I'll tell you what's underneath.
Senator WONG: He's worked a lot overseas, including in Beijing. Go on; give me more than the tip of the iceberg.

Mr Fletcher: We're expanding our efforts or increasing our staff complement. We're adding an additional branch head to the division. There'll be two branch heads working just on China, whereas we have one at the moment, so we've doubled that; and we're forming an additional section within the new branch.

Senator WONG: I'm looking at your document. I think you tabled this, didn't you?

Ms Adamson: I did last time.

Senator WONG: In North Asia Division, you've got the East Asia branch and the North-East Asia branch?

Mr Fletcher: Yes.

Senator WONG: What are you doing? Are you adding another branch?

Mr Fletcher: The East Asia branch, which deals with China, Taiwan and Hong Kong affairs, will split into two, and the North-East Asia branch will stay as is. It covers the Korean Peninsula, Japan and Mongolia.

Senator WONG: The additional resources are in the first—

Mr Fletcher: The divided East Asia branch will have the additional resources.

Senator WONG: What are the two bits of the branch called?

Mr Fletcher: I don't recall, frankly.

Senator WONG: They should have a name. How many additional staff are there?

Mr Fletcher: It's very hard to say.

Senator WONG: I'd like to understand how many people in DFAT are specifically working on China here in Australia, in your division.

Ms Adamson: The answer to that is 18. As secretary, that's the figure that I have in my head. Mr Fletcher may want to correct me.

Senator WONG: Do you see? Not enough of the iceberg, Mr Fletcher.

Ms Adamson: We may have increased it to 20. They were below the level they should have been when I became secretary. I took them up to that level and then beyond, because clearly it is one of the highest if not the highest priority for government.

Senator WONG: Correct. They're not called sections? I get confused.

Ms Adamson: We have sections within branches within divisions.

Senator WONG: Is this a section within the branch, when you divide them? This is all nomenclature that I forget.

Mr Fletcher: The branch has been divided into two and an additional section is being added to the branch. So one branch will have three sections and the other will have two sections.

Senator WONG: Three sections but no names?

Ms Adamson: More resources devoted to China. That is the—

Senator WONG: No names yet?
Mr Fletcher: There is an organisational chart. I don't have a copy with me.

Senator WONG: You don't have one that has that on it.

Ms Adamson: We'll give that to you after the break.

Senator WONG: It's secret, isn't it?

Ms Adamson: No.

Senator WONG: But it was only 22 May that this was tabled.

Mr Fletcher: This change will take place on 16 July.

Senator WONG: That was my next question; thank you. What sort of change in resourcing does it indicate? You said 18; what's the total additional complement? What was it; what was the baseline and how many more have we got?

Mr Fletcher: Perhaps I can speak in relation to the division as a whole. Our FTE was 40, then it was increased to 42 last year. We currently have about 45 and we have a number of people to come to us over the coming months. Unfortunately, a number of the people that we have, have since been posted. So on any one day it will be between 45 and 50. Where it gets to at the end of the year, I'm not sure.

Senator WONG: From 42?

Mr Fletcher: I'm sorry?

Senator WONG: That's the evidence: from 42.

Mr Fletcher: From 42. But the 42 doesn't include graduates who are rotated through the division

Senator WONG: Nor does the 45 to 50. I want to compare apples with apples.

Mr Fletcher: It's an increase, and we have now a problem of finding enough desks.

Senator WONG: Mr Wood, can you help out?

Ms Adamson: No, Mr Wood won't be able to help out on this question.

Senator WONG: I just want to understand ASL or FTE before this change—which, I'm happy to place on record, I think is a good idea—and after. It's a very simple question.

Ms Adamson: I don't want to complicate matters, but—

Senator WONG: The finance department will probably be able to tell you.

Ms Adamson: We have a notional FTE for each division in the department. At any one time, as Mr Fletcher says, people can be posted, people can be in transit, and we often fall below that.

Senator WONG: Let's use funding then.

Ms Adamson: I have been at pains to ensure that the division is fully staffed and that its complement working on China is increased.

Senator WONG: Is the change in the number of people a change in funding levels, in terms of the number of FTEs for that division, or is it simply that current funded places are being filled?

Ms Adamson: It's both.

Mr Fletcher: It's an increase in staff, so it's costing more money to staff that division.
**Senator WONG:** Yes, I know that. I'm trying to work out whether you already had the funding but you didn't have the people, so you're just putting the people in, or whether there's actually been an internal decision to allocate more funding as well.

**Mr Fletcher:** That's correct.

**Senator WONG:** I gave you two options and you said, 'That's correct.' Which one is it?

**Ms Adamson:** The second one.

**Senator WONG:** Thank you. So it was both?

**Ms Adamson:** Yes, both.

**Senator WONG:** So you had some positions—and I'm not critical; I get that—you were not able to fill for whatever reason—you were holding it for someone who was coming back from Beijing et cetera. But then, in addition, you have also allocated more staffing resources?

**Ms Adamson:** Yes.

**Senator WONG:** Can I get some metrics around that? Do you need to take that on notice—or maybe after the break?

**Mr Lawrence:** Senator, I'm the Acting Chief People Officer.

**Senator WONG:** Chief People Officer?

**Mr Lawrence:** Yes.

**Senator WONG:** A very cool name.

**Mr Lawrence:** You are correct; the numbers have gone from 42 to 46, plus there are three graduate trainees assigned to that division.

**Senator WONG:** In addition?

**Mr Lawrence:** In addition.

**Senator WONG:** Is what you have just given me a headcount change or is it a funded FTE change?

**Mr Lawrence:** It is a staffing allocation change, so FTE.

**Senator WONG:** FTE. Mr Fletcher, are you still filling positions, did you say? The 46 is the number of people you've got currently?

**Mr Fletcher:** Yes.

**Senator WONG:** And you think you'll get to 50?

**Mr Fletcher:** We have a number of people on their way to us who are still overseas but have been allocated to our division, and there are a number of people in the division who, unfortunately, we're going to be losing between now and the end of the year as well. It's a fairly volatile situation, but we've never had it so good, I should say, in terms of—

**Senator WONG:** Don't ever say that.

**Ms Adamson:** It's all right.

**CHAIR:** He admitted to it quietly.

**Senator WONG:** You should always say in estimates, 'It's always under-resourced,' and hope that economic ministers are listening.
CHAIR: Isn't it refreshing, Senator Wong, to have it so honestly and clearly stated?

Mr Fletcher: Perhaps I could supplement what I've said. Our FTE was 40. Three years ago, we were at 32 or 33 of that 40. So to get above 35 was—

Senator WONG: Yes, I understand. The trajectory has been—

Mr Fletcher: Yes.

Senator WONG: I understand that. I am going to now turn to some of the issues experienced by a few businesses which have been in the public arena and ask what the department has done and what you can tell me about them. First, there was an article in which China's Ambassador to Australia talked about—this was in April—the growing lack of mutual trust and the fact that, in the long run, 'it may have some undesirable impact' on trade relations with China, to fairly truncate it. Did the department note that at the time and what assessment did you make about what that meant?

Mr Fletcher: Yes, we did take note of that. What the ambassador said in that article had been said previously by Chinese officials to us.

Senator WONG: What was your assessment about what it meant?

Mr Fletcher: It means that China regards the relationship as a whole and that problems in one area will have implications in other areas.

Senator WONG: That's been a consistent position for China for some time?

Mr Fletcher: Yes.

Senator WONG: Can I go first to the ASX announcement by Treasury Wine Estates in which they indicated to the market that they were experiencing delays in shipments being cleared by Customs in China? Has their experience been mirrored or replicated by other Australian companies over this last year?

Mr Fletcher: Yes.

Senator WONG: Do you have any kind of estimate as to numbers that you could indicate?

Mr Fletcher: I think three or four companies.

Senator WONG: All in different sectors?

Mr Fletcher: No; in the wine industry.

Senator WONG: So this is separate to the issues of beef?

Mr Fletcher: Yes.

Senator WONG: So three or four in the wine industry. I'll try to get problem identification and then I want to ask you about how they're being dealt with and what you can tell me about that. I also noticed reports in relation to beef exports. The article didn't go through to this, but my recollection is that what was being progressed was an aspect of the ChAFTA in relation to beef. No?

Mr Fletcher: No.

Senator WONG: What issue was the beef export industry referencing in their public statements, then?
Mr Fletcher: Last year there was a visit by the Chinese Premier to Australia. As part of that visit, there was an agreement to move further with registration of beef establishments to export chilled beef as well as frozen beef to China and a number of other related matters. They had not progressed as quickly as we wanted, and the beef industry is keenly interested in seeing those new arrangements developed.

Senator WONG: I thought that was contemplated as a line of further activity under ChAFTA.

Mr Fletcher: No. It's part of our trading relationship with China.

Senator WONG: Yes, I thought there was a specific issue about chilled beef and working.

Mr Fletcher: No.

Senator WONG: But that's fine.

Mr Fletcher: The free trade agreement is being implemented.

Senator WONG: So the Premier Li announcement: has there been any progress?

Mr Fletcher: There have been discussions. Some elements have taken shape, but not as quickly as we wanted.

Senator WONG: What has happened?

Mr Fletcher: There were some meetings late last year—I don't recall the detail—and a protocol to allow trade in slaughter sheep and feeder sheep and goats was signed.

Senator WONG: That's not chilled beef export, is it?

Mr Fletcher: No.

Senator WONG: I thought I might have misheard.

Mr Fletcher: The discussions we're talking about included meat beyond chilled beef.

Senator WONG: Has anything happened on the ground? If I'm a beef exporter to China, has anything changed for the better as a consequence of what was previously agreed to be negotiated—or not yet?

Mr Fletcher: Not yet. But the tariff has continued to decline, so that's an improvement. Our beef trade was up, I think, 24 per cent in 2017 compared to 2016.

Senator WONG: We've talked about the public discussion of wines, also beef. Is there any other sector you're aware of where Australian exporters have experienced any hurdles?

Mr Fletcher: There have been rumours in the marketplace, but we are unaware of any specific problem, apart from the wine issue, which was made public a week or so ago.

Senator WONG: When did you become aware of the specific issues that Treasury Wine Estates—

Mr Fletcher: On 15 May.

Senator WONG: Was that the ASX announcement date?

Mr Fletcher: No. The announcement was on the 17th.

Senator WONG: Did they approach you prior to the announcement?

Mr Fletcher: Two days prior.
Senator WONG: I figured 17 minus two is 15, but I was wondering whether they spoke to you, or was that through other means.

Mr Fletcher: No. They contacted the trade minister's office on the evening of the 15th and we were informed very soon afterwards.

Senator WONG: Was that the first occasion on which you understood that that particular exporter had issues?

Mr Fletcher: Yes.

Senator WONG: But you were aware of three or four others prior to that?

Mr Fletcher: No. We subsequently became aware of three or four others.

Senator WONG: Given the length of time this appears to have been an issue, why is it that you only became aware of it a couple of days before it was announced to the market?

Mr Fletcher: Because the company only made us aware of it.

Senator WONG: But the three or four others, too?

Mr Fletcher: It was only after the public announcement. There was some media coverage in which the chairman of the company referred to a number of others that we heard from the wine industry about a couple of other companies. The issue relates to the application of reduced tariffs through verification of the origin of the shipment. It's a paperwork issue.

Senator WONG: I understand that. I'm assuming that the paperwork issue had been communicated by exporters to other officers in government prior to the 15th—

Mr Fletcher: No, not as far as we know.

Senator WONG: Did you check with the post or with Austrade?

Mr Fletcher: We checked with the post.

Senator WONG: And they weren't aware?

Mr Fletcher: I don't think so.

Senator WONG: What does 'I don't think so'—

Ms Adamson: The post includes Austrade, of course.

Senator WONG: Yes.

Mr Fletcher: To my knowledge, the post only became aware of it that week as well.

Senator WONG: Via the trade minister's office?

Mr Fletcher: I think they'd heard separately from the company.

Senator WONG: Okay. What about the three or four others?

Mr Fletcher: They haven't been in contact with DFAT.

Senator WONG: What about the beef industry? When did you first become aware of their concerns? That's 'vous' and not 'tu'. When did DFAT—

Mr Fletcher: I don't recall the exact time. They'd been concerned for a while that the improved arrangements which they'd been expecting had not yet been put in place.

Ms Adamson: Mr Fletcher is providing testimony in relation to the two specific examples you've given, but it's important to acknowledge that it's not unusual for Australian exporters to experience, either at the Chinese border or at other borders, issues that might relate to
certificates of origin or an element of customs or quarantine arrangements. I'm not suggesting that this was the norm, but the sort of bread-and-butter work of our embassy and consulates-general in China is assisting businesses deal with issues. The challenge is to discern what is becoming a problem and what is just the port of entry or whatever it might be.

Senator WONG: Was this issue raised by Mr Ciobo in the visit to Shanghai?

Mr Fletcher: Yes.

Senator WONG: With whom?

Mr Fletcher: He raised it with the mayor. He raised it with some other officials; I'm not sure exactly who.

Senator WONG: I'm sorry?

Mr Fletcher: I don't know who he raised it with apart from the mayor, but he did raise it with other people.

Ms Adamson: I think he also raised it with a commerce department official who was present at the Australia-China Business Awards event that he attended.

Senator WONG: Have these issues been raised at any point by the Foreign Minister?

Ms Adamson: Yes.

Senator WONG: When were they first raised?

Ms Adamson: They were brought to the foreign minister's attention in time for her meeting with Wang Yi in Buenos Aires and she raised them then.

Senator WONG: Was that the first occasion on which there'd been that level of contact between Australians ministers and their counterparts about these export difficulties for Australian businesses?

Ms Adamson: It had only been raised a few days earlier.

Senator WONG: I'm just trying to make sure—

Ms Adamson: Within a week, I think; within a few days.

Senator WONG: But they'd been experiencing it for longer. I haven't gone to the fact that that's also something that's been publicly said. Perhaps I can leave that for the moment and just confirm, in terms of steps, that it was raised by Mr Ciobo with the mayor and a more junior official in the commerce department, and also raised by the foreign minister in the meeting on the sidelines of the G20; correct?

Mr Fletcher: Yes.

Ms Adamson: No. This was all within a few days of each other.

Senator WONG: I'm trying to work out, for example, whether Mr Ciobo has done anything further. Has there been any phone call or has there been any letter? I'm trying to understand what else the trade minister is doing on this as well.

Mr Fletcher: So far we have not taken any further action at ministerial level because things are moving on the ground and we're now seeing progress in relation to those verifications.
Senator WONG: Good. So there is currently progress, is there?

Mr Fletcher: Yes.

Senator FAWCETT: There's been a lot of focus, naturally, on the ministerial level. My experience with government and through the military example is that staff work tends to prepare the ground and then the leaders come to seal the deal and actually put an agreement. So, in the discussion Mr Fletcher has made about meetings, I'm assuming that's senior public servants within DFAT who have either met with counterparts here or have travelled to China. Could you give us a quick overview of how frequent meetings of senior officials are to address the details of issues that lead up to their ministerial meetings?

Ms Adamson: Certainly while there's very regular contact between our embassy in Beijing and a whole range of Chinese officials, this is a very comprehensive relationship and there's almost no area of our economic relationship, or more broadly, that doesn't have a relevant China element. Similarly, Mr Fletcher's division engages with the Chinese embassy here in Canberra. Officials have regular consultations with their counterparts. I'm included in that. I visited Beijing earlier this week for meetings. You're right: normally officials prepare for ministers or for leaders. In this instance though, the foreign minister met Wang Yi in Buenos Aires and Wang Yi conveyed to her the news—I suppose it was news. I had been talking, as I mentioned at estimates last time, about visiting China myself. He confirmed that I would be welcome to visit this week. I was there on Tuesday for wide-ranging discussions about all aspects of our bilateral relationship.

Senator FAWCETT: And that would be with your equivalent—

Ms Adamson: With a vice minister in the ministry of foreign affairs responsible for the relationship with Australia. We've got an org chart for the North Asia division, which is growing in keeping with the growth of our relationship with the countries it covers.

Senator WONG: Thank you.

CHAIR: How did the meeting you had with your counterpart this week go?

Ms Adamson: It went well. In tone, it was probably very similar to the constructive meeting that the foreign minister had with Wang Yi. My meeting was rather longer; it lasted for over three hours. We talked about all aspects of what is a comprehensive relationship with many parts to it with a great deal of structure built into it in terms of bilateral fora. It was very positive in tone and part of an ongoing series of discussions that we have with our Chinese counterparts.

CHAIR: Thank you very much.

Proceedings suspended from 10:30 to 10:51

CHAIR: This hearing is now resumed. Welcome back to everybody. I'll now hand the call over to Senator Di Natale.

Senator DI NATALE: My first question is in relation to Australia's vote at the UN on a UN resolution which decided to urgently launch:

... an independent, international commission of inquiry to investigate all alleged violations and abuses of international humanitarian law in relation to the recent events in Gaza.

The resolution particularly related to the deaths of more than 50 Palestinian protestors in Gaza at the hands of the Israeli military. Of course, we know that the only other country to vote
against the resolution was the United States. We know that Germany, the UK and Japan abstained and that 29 countries, including Belgium, Mexico and Spain, all supported the resolution. Can I ask: what was the government's justification for voting against the resolution?

**Ms Yu:** Just with regard to that vote, there's an explanation of the vote that's actually already available. The government's vote on that was based on principle. It wasn't against the inquiry itself. The foreign minister has already stated publicly that we would welcome an independent and impartial inquiry into this. Our vote against the resolution was really around the wording of the resolution, which we felt really prejudged the outcome of the investigations.

**Senator DI NATALE:** Prejudged it in what way?

**Ms Yu:** If we look at the wording of the resolution itself, there were a number of areas where it talked about condemning 'the disproportionate and indiscriminate use of force by the Israeli occupying forces' in violation of 'international and humanitarian law and international human rights law'. Obviously, the inquiry would have been put in place to investigate fully whether there had been a breach. There have been a number of other areas where clearly it was very one-sided. We wanted to make sure that any investigation that happens should really be impartial and balanced.

**Senator DI NATALE:** But isn't the whole point of the inquiry to determine whether there was a breach? And wasn't that was contained within the resolution?

**Ms Yu:** So we made it clear with our vote. You're right; there were a number of countries that supported the resolution. But we made it clear in our explanation that it wasn't the inquiry itself; it was really the basis on which the resolution was drafted. This happens often, in regard to the wording of the resolution, that countries will take issue with how it's worded.

**Senator DI NATALE:** There were last-minute changes, as I understand, made by the Palestinian delegation. It added words 'and abuses' after the word 'violations'. It made other changes, including a new clause 'to ensure that future demonstrations remain peaceful and to abstain from actions that could endanger the lives of civilians'. So it does seem that there were attempts to try to address some of the concerns that were raised through this process. Did that not address the concerns?

**Ms Yu:** Not quite enough from Australia's perspective. But you're quite right; there were some last-minute changes, as things always happen on the floor, but we still felt that, overall, the wording of the resolution was not balanced and not impartial enough.

**Senator DI NATALE:** Not balanced because it didn't recognise the actions of Hamas? Is that part of the—

**Ms Yu:** For example, that's correct. It did not actually even state—which is really a statement of fact—the involvement of Hamas in the Gaza Strip.

**Senator DI NATALE:** But in this settings, doesn't the government actually recognise that it's state parties that hold specific responsibilities, and that obviously was the intention of this resolution?

**Ms Yu:** By 'state parties', could you clarify what you mean?
Senator DI NATALE: The resolution refers specifically to the actions of the Israeli military and Israeli government, and, obviously, again we need to state the facts here: over 100 Palestinians were killed as a result of the actions of the Israeli military. Normally, within these resolutions, there’s a recognition that the actions of a government are held to a particular standard and the state party has particular responsibilities.

Ms Yu: Justin might also want to add to that.

Dr Lee: I think, as HK had indicated, as we said in our explanation of our vote during the session, the issue that we had with the resolution as it stood was that Israel was mentioned throughout the resolution, while there was no mention of Hamas at all, so it was the lack of balance that was in the resolution that we had an issue with.

Senator DI NATALE: Why do you think other countries didn't have the same concerns that you had? Why do you think it was just Australia and the US who held those concerns?

Ms Yu: The views of the other governments are really a matter for them, I suppose. But, once again, the fact is that it didn't really touch on Hamas, and also the scope of the inquiry could have been interpreted as much broader than the Gaza incident that we were actually addressing. So there were still a number of factors about the final resolution that concerned us enough that we voted no.

Senator DI NATALE: Putting the resolution to one side, do you actually believe that the Israeli government or the military could be in breach of international law because of their actions?

Ms Yu: I think it's not really for me to say.

Senator DI NATALE: It is, because surely that would influence whether you would support a resolution like this.

Ms Yu: Like I said, the inquiry is not something that we stood against. It was really the wording of the resolution. Any independent inquiry into this is something that even the foreign minister has said we would actually support. As the foreign minister has publicly stated, she also expressed great concern and regret for the loss of life that we saw during the recent events, and we ask the Israeli government to make sure that their response is proportionate, while recognising that, obviously, Israel has the right to self-defence.

Senator DI NATALE: It's very hard to square the government's support for an inquiry when it votes against a resolution for an inquiry and is one of only two countries to do that. You mentioned the foreign minister's response. Obviously, in response to the tragic deaths of civilians, the Foreign minister issued a media release expressing deep regret and sadness over the loss of life and injury. If you look at the language used by the foreign minister and compare it, for example, with the British PM, who said she was troubled and called, within her response, publicly for an independent investigation, or indeed with New Zealand, where the Prime Minister there, Jacinda Ardern, called it a 'devastating, one-sided loss of life' and called in the Israeli ambassador, the Australian government's response looks a little weak. It looks a little slow and tepid. Can I ask whether the foreign minister's statement was based on DFAT's advice?

Ms Yu: With all media releases, yes, there is consultation with DFAT.

Senator DI NATALE: Was the media release based on direct advice from DFAT?
Ms Yu: There was advice, but media releases are done by the foreign minister's office.

Senator DI NATALE: Are you suggesting that the advice you gave differed from the language in the media release?

Ms Yu: We don't actually reveal our advice. But in this case, no, not at all.

Senator DI NATALE: So you are prepared to reveal your advice in this case? You're confirming that this was based on the advice from DFAT?

Ms Yu: Yes, it was.

Senator DI NATALE: Has the government at least met with the Israeli ambassador in Canberra to privately discuss the protest in Gaza, since 30 March?

Ms Yu: Yes, we have been in touch with the Israeli embassy here.

Senator DI NATALE: When?

Ms Yu: One of my staff had contact with an embassy officer on 17 May 2018. Our embassy in Tel Aviv have also made representation to the Israeli government.

Senator DI NATALE: Here in Australia—just to be clear—there was one departmental level meeting with the ambassador; is that right?

Ms Yu: No. It was actually with one of his staff, and we also exchanged emails with staff following that, to obtain further information about the investigative mechanism that they have in place, and that they established in 2014.

Senator DI NATALE: So there was no meeting between senior DFAT officials and the ambassador, or indeed between the foreign minister and the ambassador. We've had one meeting between junior staff from DFAT and within the ambassador's office?

Ms Yu: Deputy Chief of Mission. I'll have to take that on notice. That's the information I have with me at the moment, but I'll have to make sure.

Ms Adamson: We'll get back to you on that, Senator.

Senator DI NATALE: You'll let me know at exactly what level. We're not talking first secretary, second secretary? We're talking more junior positions than this?

Ms Yu: No, higher.

Senator DI NATALE: Higher positions?

Ms Yu: Yes.

Senator DI NATALE: But you can't confirm who it was?

Ms Yu: Not at this stage. I'll take that on notice.

Ms Adamson: We'll get back to you during the course of the morning.

Senator DI NATALE: I want to talk about the FOI that was published that showed Australian diplomats were warned early on that more deaths were likely during the Gaza demonstrations. For example, we know that DFAT officials warned that more deaths were likely during demonstrations on 6 April. Sadly, their predictions came to pass. At that point 10 Palestinians were killed by Israeli military and many more were injured. I understand from DFAT's public statements that Australian officials raised the matter privately with the parties involved. Can you elaborate on that and tell me about what the nature of those concerns were and who they were raised with?
Ms Yu: Once again, that might be something that I can come back to you on, during the course of today.

Senator DI NATALE: Do you have that information to hand?

Ms Yu: It's not at hand.

Senator DI NATALE: That’s fine. You can take that on notice. If you can get back to me today on that, that would be helpful. Has the foreign minister raised the issue directly with her Israeli counterpart?

Ms Yu: Yes, she has.

Senator DI NATALE: When?

Ms Yu: She has done, in her recent trip to Israel. I do have that information somewhere, if you could bear with me.

Senator DI NATALE: Are we talking about after 14 May? I can't remember when her trip was.

Ms Yu: No, not since 14 May.

Senator DI NATALE: There’s been no concern raised with her direct counterpart since 14 May?

Ms Yu: That’s correct.

Senator DI NATALE: And no other representation, apart from the ones we’ve just talked about?

Ms Yu: As I said we will come back to you during the course of today. There has been one representation made. There may be others. I'll come back to you on that.

Senator DI NATALE: Given the loss of 100 lives, the fact that the foreign minister issued a media release expressing deep regret and sadness over the loss and injury, and the fact that she says that she supports an independent inquiry, do you think it’s not—

CHAIR: Senator Di Natale, that sounds close to asking the official for her opinion—her personal opinion. Would you like to rephrase that?

Senator DI NATALE: Yes, I can rephrase that. Given that the foreign minister has expressed a particular sentiment publicly, and in your words is supportive of an independent investigation into the deaths of more than 100 civilians, how do you explain the fact that she has not made any contact with her counterpart in Israel?

Ms Adamson: The foreign minister's position was stated very clearly in the media release. That media release would have been drawn to attention, I'm sure, by our embassy in Israel, and the position was very clear, including in our explanation of votes. It's not at all surprising that there was no ministerial level contact. The position had been clearly set out.

Senator DI NATALE: Can I move to the issue of the US embassy in Jerusalem?

Senator FAWCETT: For the record, could you update the committee on the reasons why Australia voted against that motion, in terms of the bias and excluding the role of Hamas?

Dr Lee: Maybe I could provide that advice, Senator. We gave a statement during the general debate on the Human Rights Council special session, and also gave an explanation for the vote during the Human Rights Council special session when we did articulate those
points. Our issue was with the balance of the resolution; it wasn't in relation to an investigation. We had indicated in our statement during the general debate that we would give serious and detailed consideration to all specific proposals for external investigation mechanisms into the situations surrounding those protests, and that we would consider the proposals on their merits. Again we emphasised that the investigation needed to be genuinely independent and impartial. That was the approach we took to the resolution.

We had serious concern that the resolution was one-sided. That was based on the language, and that that was prejudging an outcome of an inquiry. As we said earlier, it had to acknowledge the role of Hamas in those events. Israel was mentioned throughout while Hamas was not mentioned at all.

The inquiry's geographical mandate also covered the entirety of the Gaza Strip. This was the inquiry that was mentioned in the resolution. It mentioned the entirety of the Gaza Strip, the West Bank, and included parts of Jerusalem over an unlimited time period. In that sense the resolution over-reached and failed to give the events that transpired on that occasion the specific attention that they deserved. That was what we articulated at the Human Rights Council, on the resolution that was put forward.

**Senator FAWCETT:** Was Australia's position informed by statements by Hamas leadership that came out about the fact that the overwhelming number of those killed were in fact Hamas militants, as opposed to innocent bystanders, or was that information subsequent to your decision, which obviously validated it? Was it informed by that announcement by the Hamas leadership?

**Ms Yu:** It was really subsequent to the resolution.

**Senator FAWCETT:** In that case, good judgement; well done.

**Senator MOORE:** In your understanding, what is the situation now in terms of an independent inquiry?

**Ms Yu:** In terms of the UNHRC's inquiry?

**Senator MOORE:** Yes.

**Ms Yu:** I understand that the inquiry design is being put together. We are closely monitoring it, but we don't actually have the final description of how the inquiry will be undertaken.

**Dr Lee:** It has not yet been decided as to how that inquiry will go forward.

**Senator MOORE:** The understanding is that there will be an acceptance of an independent inquiry; is that your understanding?

**Dr Lee:** That's correct. We voted against the resolution but the resolution was passed. But it's not yet been decided.

**Senator MOORE:** That's in the context that the core issue is the independent inquiry, and it's your understanding that that will occur?

**Ms Yu:** That is going ahead and—

**CHAIR:** Can I get broadcasting to check, because a number of the microphones, both for senators and for the witnesses, are coming in and out, which is making it a bit difficult to hear. Senator Moore, do you want to start again?
Senator MOORE: It's to clarify exactly the situation around the independent inquiry resolution. Is it your understanding that that will go ahead?

Ms Yu: Yes.

Senator MOORE: We are waiting to have the public advice about what form that will take?

Ms Yu: Yes.

Senator MOORE: Will that be subject to a further vote?

Dr Lee: I'm not aware at this stage whether it will be subject to a vote. We can check that.

Senator MOORE: Please, yes.

Dr Lee: My understanding is that that will not be subject to a vote. The commission of inquiry will proceed, when it's decided how that will proceed. But I can double-check that.

Senator MOORE: My supplementary question is about the response within the Australian community. Is the department aware of any concerns raised with the department or with the minister about the Australian position in terms of the vote? Have there been correspondence or concerns raised formally with the department or with the minister's office about our position, and clarifying the minister's statement?

Ms Yu: Yes, there have been a number of inquiries made, both in terms of clarifying why we voted the way we did and in terms of agreeing with the way the vote was placed.

Senator MOORE: You're getting it from both sides?

Ms Yu: Yes.

Senator MOORE: And they're getting responses back. Is that through the department or through the minister's office?

Ms Yu: Some have been through the department directly. Others, I believe, are coming through the system, through the minister's office.

Senator MOORE: With the timing of your understanding of the information about the format of the independent inquiry, has there been any discussion about when that will come back for consideration?

Dr Lee: No, we've not been informed of that yet. That's still to be decided.

Senator MOORE: That will come back to the human rights committee?

Dr Lee: It will be within the Human Rights Council.

Senator DI NATALE: Going to the opening of the US embassy in Jerusalem, were there any Australian diplomats who attended that opening?

Ms Yu: No Australian officials attended the US embassy opening because there were no invitations issued to Australian officials.

Senator DI NATALE: There were no invitations issued?

Ms Yu: That's correct.

Senator DI NATALE: Did we make representation to the embassy requesting that we be granted an invitation?

Ms Yu: That was actually a bilateral event between the US and Israel, so I understand that no other country officials were invited.
Senator DI NATALE: This wasn't Australia deliberately sending a message that they were unhappy with the opening of the US embassy in Jerusalem?

Ms Yu: On Monday, which was when the US embassy was opened in Jerusalem, once again we were not invited.

Senator DI NATALE: Were other countries present?

Ms Yu: I don't believe so, but I'm not 100 per cent clear.

Senator DI NATALE: Can you take that on notice?

Ms Adamson: There were no invitations issued by the United States to the formal opening of the embassy. Ms Yu is correct; this was regarded by the US and Israel as a bilateral event, and not one to which others were invited. There was, however, a reception on the previous evening.

Senator DI NATALE: I think I remember reading something in the paper.

Ms Adamson: There were two events, just to be clear. No invitations were issued to the embassy opening.

Senator DI NATALE: To the official opening.

Ms Yu: That is correct.

Senator DI NATALE: What was the event the previous evening?

Ms Yu: The reception the previous evening was the one that was hosted by the Israeli government.

Senator DI NATALE: Were we invited?

Ms Yu: Yes.

Senator DI NATALE: Did we attend?

Ms Yu: Our ambassador was invited but he did not attend.

Senator DI NATALE: So he didn't send anybody else?

Ms Adamson: Just to be clear about this, our ambassador was out of the country at the time. The invitation that was extended was a non-transferable invitation, as is often the case for these things. Because he was out of the country, we were not represented.

Senator DI NATALE: So the charge d'affaires couldn't—

Ms Adamson: No, because the invitation was not transferable.

Senator DI NATALE: Why would an invitation be made non-transferable?

Ms Adamson: That is not uncommon for events such as this, or indeed any event—for invitations to be non-transferable.

Senator DI NATALE: We didn't request, in lieu of our ambassador not being available, that we be represented in some other capacity? Did we make a request?

Ms Yu: No, we did not. Normally, when it's non-transferable, it's understood that you don't make such a request.

Senator DI NATALE: Can I confirm that the government is not giving any consideration to moving our embassy to Jerusalem?

Ms Yu: Both the Prime Minister and the foreign minister have confirmed that, yes.


Senator DI NATALE: The immediate past ambassador to Israel, Dave Sharma, who has since left DFAT, has been very public about his endorsement of the US embassy being located in Jerusalem. I'm assuming that those opinions are personal opinions and don't reflect the views of the department or indeed the government?

Ms Adamson: That's correct.

Senator DI NATALE: Can I move to another issue? Recently a delegation of four Australian religious leaders—two Christian, two Muslim—were denied entry into Palestine by the Israeli authorities on 11 April. They were there to participate in the international interfaith conference on Jerusalem hosted by the Palestinian Authority. Are you aware of that issue, Ms Yu?

Ms Yu: I wasn't aware of that, no.

Senator DI NATALE: I believe the matter was raised with the Australian representative for the Palestinian Authority on 10 April and also in a letter to Minister Bishop on 25 May. Are you saying you're not aware—

Ms Yu: My apologies. I've been in this job less than three months, so that may be why I've missed this.

Senator DI NATALE: No problem. Can you take the following on notice?

Ms Yu: Sure.

Senator DI NATALE: When did the department become aware of their denial of entry? Given the circumstances, where permission appears to have been revoked at the last minute, and where it seems that Australian religious leaders appear to have been banned from entering Israel and Palestine for five years, will the government will raise this matter with its counterparts in Israel? Australia's representative in Ramallah advised the group that Australia can't intervene on behalf of travellers who don't meet Israel's entry or exit requirements. Can you confirm on notice if that's standard practice, and whether the Australian government has any capacity to intervene in those decisions?

Ms Adamson: Senator, I can confirm with you that that sort of thing is standard practice, and that our embassies, consulates or representatives anywhere are not able to intervene.

Senator DI NATALE: And there's no precedent for doing that?

Ms Adamson: No, not that I'm aware of. But what you have described is standard practice. Chair, Dr Lee would like to clarify one point.

Dr Lee: Yes, on that last subject for Senator Moore, I can confirm that there will not be a further vote on the commission of inquiry, nor resolution. It will proceed based on the resolution that's been passed. But we are waiting for details.

Senator MOORE: That will contain the details of who will be doing the terms of reference and timeframes; is that right?

Dr Lee: Yes. So it will come back to the Human Rights Council and we'll get further details of the commission of inquiry. But there will not be a further vote nor resolution needed.

Senator MOORE: Thank you very much, Mr Lee.
Senator DI NATALE: I want to talk about the serious crackdown on media and civil society in Cambodia. What representations have we made to the Cambodian government, in what capacity, how and when?

Ms Heckscher: Australia has made our views known clearly to Cambodia in a number of different ways, and regularly over a period of months. Most recently there were bilateral discussions with Cambodia at the ASEAN-Australia Special Summit in March 2018, including between Secretary Adamson and the Foreign Minister of Cambodia, Prak Sokhonn. The Foreign Minister issued a statement on 17 November 2017, in response to the dissolution of the CNRP Party. But there have been many other representations to the Cambodian government, including by the Australian embassy in Phnom Penh. For example, the embassy, including the ambassador, has made seven formal representations since our last estimates on 1 March, and most recently on 3 May. We also have used our role in the Human Rights Council to raise issues there. For example, in the most recent session, the 37th session, of the Human Rights Council in March, Australia joined a joint statement on Cambodia, which was delivered on 21 March, urging Cambodia to ensure a credible democratic process in advance of the national elections due in July. We outlined these concerns when responding to the office of the High Commissioner for Human Rights report to the HRC on its activities in relation to Cambodia, which was on 22 March. We will continue to raise concerns through the Human Rights Council and the universal periodic review process and UN bodies. Whenever we've had visits or engagements at officials levels—for example, the Ambassador for Women and Girls visited Cambodia in February 2018—we have taken opportunities, as they have arisen, to raise those concerns with the Cambodian government.

Senator DI NATALE: Has the government called publicly for the release of the gaolled opposition party leader Kem Sokha?

Ms Heckscher: We've raised repression of the opposition and Kem Sokha's detention regularly in representations to the Cambodia government. I believe it was specifically raised in the statement that was made at the HRC in March 2018. All parties to the joint statement that Australia joined in March 2018 on the human rights situation in Cambodia called for the release of the Cambodian National Rescue Party leader Kem Sokha, who was detained and deprived of rights.

Senator DI NATALE: Good; thank you. Australia's former Foreign Minister, Gareth Evans, was a key player in the negotiations in the '91 Paris Peace Conference, which led to the accords that laid the foundations for democracy and rule of law in Cambodia. Given that we were such an influential player and one of the core signatories, do we see the Paris Peace Accords as playing a significant role today?

Ms Heckscher: I am not sure if you've seen question on notice No. 22, which we received at the last Senate estimates from Senator Rhiannon, and which was specifically about the Paris Peace Accords. We provided an answer to that then. Senator Rhiannon's question was about whether we had any engagement with the Paris Peace Accords and with counterparts in Indonesia or France or at the United Nations about reinvigorating that process. The answer we provided to that was that we clarified what the requirements of the peace process were. Article 29 of the Paris Peace Agreement states that 'upon the request of the Secretary General, the two co-chairmen on the Paris Conference on Cambodia, in the event of a violation or threat of violation of the agreement, will immediately undertake appropriate consultations,
including with members of the Paris Conference on Cambodia, with a view to taking appropriate steps to ensure respect for these commitments. Senator Rhiannon had asked if we had requested the activation of those mechanisms—we have not. Hopefully that answers your question about the ongoing relevance.

Senator DI NATALE: The reason for not having activated them?

Ms Heckscher: It's not Australia's call to do so. It's the role of the co-chairmen of the Paris Peace Accords.

Senator DI NATALE: What's the point of having an accord if, given the circumstances we've just described, they're not going to be activated in these circumstances? Surely this is the whole reason for their existence. Do you think there's been a breach of the accord?

Ms Heckscher: A breach? A violation of the accord?

Senator DI NATALE: Yes.

Ms Heckscher: We certainly consider that there have been significant concerns and significant human rights issues in Cambodia—clamp down of media freedoms, press freedoms and the like. Whether they amount to violations under the peace accords, I'm not in a position to say. That would presumably be a matter for the UN process.

Senator DI NATALE: Is it the view of the department that there has been a violation or a breach? There's no point having Australia as a signatory if we're not going to take a view on whether the accords have been breached. If you're not prepared to answer that now, will you take it on notice whether the actions of the current Cambodian regime amount to a breach of the accords—or a 'violation', to use your words?

Ms Adamson: We have set out our position in answer to the previous question on notice. The accords—

Senator DI NATALE: Yes, that's the mechanism.

Ms Adamson: have a very important role to play. We are dealing with the present now and the government has made its position clear, including through the means Ms Heckscher has mentioned.

Senator DI NATALE: But you're saying you're dealing with the present. I take from your response that that means you don't think the accords have a role in the current environment?

Ms Adamson: The government set out its position clearly in answer to that question on notice.

Senator DI NATALE: I've asked a very clear question. The response to the question on notice is not the response to the question I'm asking. The response outlines the mechanism. I'm asking whether it is the view of the department that there has been a violation or breach of the accords.

Ms Adamson: That is not a view the department has formed.

Senator DI NATALE: Will you take this on notice, given that you've not formed that view? We have an opposition leader who's languishing in gaol at the moment—

Ms Adamson: We have spoken publicly on that matter—

Senator DI NATALE: I appreciate that.

Ms Adamson: and made representations to the Cambodian government.
Senator DI NATALE: I want to point to another mechanism that could be used in this setting and want a view as to whether there is any intention to use the accord.

Ms Adamson: That would be a matter for the government to consider. That's not something I can provide a direct answer to you now on. It would be a matter for consideration, including on the basis of legal advice. But we have not provided advice to government on that.

Senator DI NATALE: Will you provide advice to government on that?

Ms Adamson: That's a matter for government to determine. I can't respond to a hypothetical on that basis.

Senator DI NATALE: It's not a hypothetical.

Ms Adamson: No, but it goes to our advice to government.

Senator DI NATALE: I'm not asking—

Ms Adamson: That's not something that we have been asked to provide—

Senator DI NATALE: Sorry—

CHAIR: Senator Di Natale, you're asking questions of the Secretary and you're continually talking over her as she tries to answer your question.

Senator DI NATALE: Ms Adamson, I'm not—

CHAIR: Could you wait till she's finished?

Senator DI NATALE: Ms Adamson, I'm not asking you to provide the nature of the advice. I am absolutely entitled under our standing orders to ask you whether you are providing advice on a particular topic. You don't have to divulge the nature of that advice. I am asking you whether you intend to provide advice on this specific topic.

Ms Adamson: We have not provided advice thus far. But beyond that I can't convey more.

Senator DI NATALE: Given the upcoming July election, does the department have a view about whether it is going to endorse the outcome of that election?

Ms Heckscher: The elections haven't taken place.

Senator DI NATALE: Yes. But we know they're happening, and happening soon.

CHAIR: That sounds suspiciously like a hypothetical.

Senator DI NATALE: There's nothing hypothetical about the election. Given the circumstances in Cambodia right now, is it the view of the department that that will be a legitimate outcome?

Ms Heckscher: The view at the moment, which is reflected in the commentary that has also been made by relevant UN experts, is that there are serious concerns about the electoral process. There are serious concerns about whether that election process will be credible, given the dissolution of the main opposition party, and the banning of over a hundred former opposition representatives. The election is due to take place on 29 July, which is still some little way off. That's the best advice I can give you.

Senator DI NATALE: Sorry, I missed the very first statement you made.
Ms Heckscher: The first statement was that the relevant UN experts have also expressed the view, and we share the view, that the indications at the moment are that it's unlikely that the national election will be credible—

Senator Di Natale: 'Credible' was the word you used.

Ms Heckscher: given the dissolution of the main opposition party. But 29 July is some way off. Before we are able to comment on the election process we would need to—

Senator Di Natale: Just to be clear—and I think it is an absolutely reasonable position—you've outlined that it's the view of the government that, if the circumstances as they are continue, then the outcome will not be credible. Is that an accurate reflection of the statement you've just made?

Ms Heckscher: It's a little concrete about what we will see in the next few months.

Ms Adamson: Going to your point, but perhaps from a different angle, we have raised this directly with the Cambodian government. We have encouraged them, obviously, to do what would be necessary to hold a credible election. So we're working and continuing to express that view to them in advance of the election. In terms of how it all plays out and what we say afterwards, we will continue to encourage, and afterwards we will express a view.

Senator Di Natale: Given the US has imposed visa restrictions on Cambodian officials, does Australia have any intention to implement targeted sanctions against members of Hun Sen's government?

Ms Heckscher: All options that may be available to the government remain under consideration.

Senator Di Natale: Is Cambodia still a resettlement option for refugees on Nauru?

Ms Heckscher: That's a question that needs to be directed to the Department of Home Affairs.

Senator Di Natale: You've got no view on that?

Ms Heckscher: That's a matter for Home Affairs.

Senator Di Natale: I will direct that question to Home Affairs.

Dr Shaw: The answer to that question is yes.

Senator Di Natale: Given the circumstances in Cambodia, is the government considering reviewing that option?

Dr Shaw: The current arrangement will expire at the end of the year, and the government is still to make a decision.

Senator Di Natale: How much has the Australian government spent on the arrangement with Cambodia?

Dr Shaw: That's a question for Home Affairs. I don't have that information.

Senator Di Natale: I might leave it there. I just want to go back to the case of James Ricketson.

CHAIR: Sorry, Senator. Senator Wong?

Senator Wong: Just on the Cambodian issues, if I may have just a couple of questions, I'd appreciate that. Obviously, there's been a fair bit of public discussion about this previously
and also in the lead-up to the ASEAN Special Summit. On some of the consular matters, including Mr Ricketson's, I appreciate the minister and the department briefing the opposition regularly. I wanted to express that.

Can we deal with a couple of issues that Senator Di Natale was talking about in this way: given the circumstances that you have accurately described and also referenced UN assessment of the situation in Cambodia, can you tell us what sort of assistance we are providing to support the observation of human rights and democratic practice in Cambodia generally, and whether or not the government is considering what measures might be put in place to support a credible democratic process in the elections that the senator has referenced?

**Ms Heckscher:** There are a number of elements to your question. I'll start first on the aid program, because we certainly do quite a lot through our aid program right across Southeast Asia to support what I'd call democratic institutions and human rights across the region.

In relation to Cambodia in particular, our aid helps strengthen human rights through things like development initiatives to promote gender equality, access to health care, access towards disability inclusion and the like. I can certainly go into a little more detail on some of those. For example, we have an Ending Violence Against Women program. In 2016-17 we helped to provide counselling, legal aid and peer support services to over 7,000 women and their families affected by violence.

We make an investment in disability rights. In 2016-17 our disability-specific investment supported 12,000 people—nearly half of them women—with a disability to vote in the 2017 local elections, commune elections, and helped provide rehabilitation services to over 26,000 Cambodian people with a disability.

We have also, as I'm sure you're aware, Senator, provided longstanding support to the Extraordinary Chambers in the Courts of Cambodia to address the legacy of past conflict. But it doesn't just do that; it actually is an example of accountability and—

**Senator WONG:** Building institutions.

**Ms Heckscher:** Exactly right. We also have an access program, Australia-Cambodia Cooperation for Equitable Sustainable Services, which aims to improve the sustainability of quality inclusive services for people with a disability. So it's more institution building.

Those are some of the ways through the aid program. In addition to those aid-specific things, of course, we engage a great deal with the media, with the civil society, with opposition parties, both in Australia and also in our post. Our post, like all of our posts across Southeast Asia, performs an incredibly valuable role in engaging with civil society, encouraging them, supporting them and reporting on issues related to them. That includes the media as well.

**Senator WONG:** Elections?

**Ms Heckscher:** Elections? We are not currently providing any assistance in relation to the elections. We have in the past, but we are not currently providing any assistance to the forthcoming elections.

**Senator WONG:** In relation to the treatment of the opposition, the government has made a public statement about that?

**Ms Heckscher:** The government has made public statements.
Senator WONG: Thank you, Senator Di Natale.

Senator DI NATALE: Any update on the imprisoned Australian national, James Ricketson?

Mr Todd: We continue to provide consular assistance to Mr Ricketson since his imprisonment on 3 June 2017, in accordance with the Consular Services Charter. We continue to visit Mr Ricketson to check on his health and welfare, most recently on 30 May. We continue to make arrangements regarding his medical treatment. We are in frequent contact with his nominated next of kin, including providing regular updates on his case, and we continue to liaise with Mr Ricketson's legal representatives. We will continue to provide consular assistance to Mr Ricketson for as long as he requires it.

Senator DI NATALE: Have you got any prospect about what's going to happen?

Mr Todd: Mr Ricketson is subject to ongoing investigation in accordance with Cambodian law. We anticipate that that process will come to its legal conclusion. He's eligible to be subject to three periods of provisional detention of six months, which is a total of 18 months. We understand that the investigative judge is close to, or has already completed, his aspects of the work. So we now await the next aspect of the judicial process.

Senator DI NATALE: You don't have a date on that?

Mr Todd: We have no particular time line on that.

Senator DI NATALE: Thank you. I've just got a few more questions on Myanmar. Does the government agree that the atrocities that are being committed at the moment against the Rohingya people by security forces in Rakhine State amount to ethnic cleansing and crimes against humanity?

Ms Heckscher: Thank you for your question. I know that we've had this question quite a few times before at Senate estimates. I think it might be helpful to refer back to the oral report from the UN, the Human Rights Council's fact-finding mission on 12 March. When we last discussed Myanmar at the Senate estimates back in March, it was just before this had occurred. I think it's useful to say that the fact-finding mission's chair, Mr Marzuki Darusman, actually addressed this question. He said that the fact-finding mission would not use terms like 'ethnic cleansing' or 'genocide' before it had presented its investigation.

Notwithstanding the fact that he said that, he said that there was concrete and overwhelming information pointing to human rights violations of the most serious kind, in all likelihood amounting to crimes under international law. 'From our perspective, it's clear that there's been large-scale forced displacement and serious human rights violations. As you'd be aware, we've repeatedly called for thorough, credible and independent investigation to determine the extent of abuses and for perpetrators to be held to account.'

I think the fact-finding mission's statement that it's not going to use terms like 'ethnic cleansing' and 'genocide' before it had presented its report is a useful way of looking at it; that we will actually see the fact-finding mission's report on its investigations at the Human Rights Council session in September. That is, I think we can all expect, likely to point to and make recommendations about how we go forward, including how to clarify, state and decide what events have occurred, and what the next step should be. Our position has been that we need to wait for that report, and that will enable us to have the information that we need to make the sorts of judgements you're asking for.
Senator DI NATALE: The US have used those terms. The UK, Canada, many other countries, many other human rights organisations, academics and people who have visited the field—I think most of those other entities, those nations—have indicated that they believe that they've got enough evidence to be able to use those terms. It seems that Australia is out on its own. It's very hard to square that up against what's happening there at the moment. I can't understand the reluctance. Can you explain to me why—

Ms Heckscher: Senator, there isn't a reluctance at all. Certainly, most of those statements have been rather inconsistent across the board. The most recent statement that we have out of the UN is the one that came from the fact-finding mission itself, and that's the mission that is actually investigating the abuses and is talking to witnesses. So it's not as if we're avoiding the term. We're simply saying, 'This is what the fact-finding mission has said most recently on 12 March,' and we're waiting for the findings of that.

We're quite comfortable and have consistently said that it's clear that there have been really serious human rights violations. If the fact-finding mission that's actually investigating these is not prepared yet to say whether they constitute ethnic cleansing or genocide, but it will be reporting in September, that seems to be an appropriate point at which we will all sit down and look at the evidence that it has accumulated and consider the recommendations it makes.

Senator DI NATALE: And meanwhile many, many people are being killed. Is the Australian government going to support a referral by the UN Security Council to the International Criminal Court?

Ms Heckscher: It depends on what the fact-finding mission reports.

Senator DI NATALE: You don't feel there's enough evidence there at the moment for referral?

Ms Heckscher: We actually have a UN mandated investigative process currently underway which will report in September. I'm not aware that there is a current referral underway by the UN or any discussion of that at this stage because there is an investigative process underway.

There was, you may recall, a UN Security Council visit to Myanmar—I'm just looking for the details; just bear with me for a moment—that was quite recent. Since our last estimates, the UN Security Council members visited Bangladesh and Myanmar, including Cox's Bazar and northern Rakhine State between 28 April and 1 May. They met with Bangladeshi Prime Minister, Sheikh Hasina, Myanmar State Counsellor, Aung San Suu Kyi, and the Commander-in-Chief of the Myanmar armed forces, amongst others. They visited northern Rakhine State as well as Sittwe in central Rakhine State.

On 9 May the UN Security Council adopted a press statement calling on Myanmar to accelerate efforts on creating conditions conducive to returns and to hold perpetrators of alleged human rights violations to account. Following that there was a discussion within the UN Security Council on 14 May. There was an open briefing and then closed discussions. During the open session Myanmar said it was keen to work in partnership with the UN and Bangladesh on repatriation. It committed to investigate evidence of human rights violations in accordance with the law, and stated that 57 of the 88 recommendations presented by the Kofi Annan-led Advisory Commission on Rakhine State would be fulfilled very soon.
The reason I mention that is that the UN Security Council role in any kind of referral is, of course, important, and they do also have a process underway. So at the moment we have a UN fact-finding mission underway, we have a UN Security Council visit and consideration of the issues as well. I think they will take us to a further discussion at the HRC in September as to what the next steps might be.

**Senator DI NATALE:** You've got the UN special rapporteur who said it's got all the hallmarks of genocide. You've got the High Commissioner for Human Rights who said it's textbook ethnic cleansing. Do you think they're jumping the gun by using those terms?

**Ms Heckscher:** I'm not in a position to comment on the evidence that they use to make those judgements at all. I can simply say that, as recently as 12 March, the UN mandated mission charged with investigation of the offences said that it was waiting until it had completed its report before actually making a decision on what those violations might amount to.

**Senator DI NATALE:** Is Australia going to implement targeted sanctions against the perpetrators of the violence in Rakhine State, such as those imposed by the US, Canada and European Union?

**Ms Heckscher:** First of all, we already have some autonomous measures in place in relation to Myanmar, in relation to arms, for example—

**Senator DI NATALE:** 'Autonomous measures'? Is that the term you used?

**Ms Heckscher:** In relation to arms. There's an arms embargo. All options are—

**Senator DI NATALE:** They exist. They have been around for a while though.

**Ms Heckscher:** They have been around for a while. All options in relation to measures that the government may or may not take continue to be under consideration. I will note that I think that the US—I'm just finding my sheet on what measures have actually been taken by other countries—has sanctioned only one individual so far. Canada may have followed suit, but I think that's actually it, by the way, in relation to sanctions. But I will find my notes on that and clarify that for you.

**Senator DI NATALE:** Have we had representations from other governments to impose sanctions?

**Ms Heckscher:** I don't have that information at all. I don't know the answer to that question at the moment.

**Senator DI NATALE:** In terms of military assistance, that continues?

**Ms Heckscher:** It does continue. But I will say, and we have had this—

**Senator DI NATALE:** At what point do we decide that we're going to cease military assistance?

**Ms Heckscher:** All options and potential measures that the government might take remain under consideration. I will note that the defence cooperation that we have with the Tatmadaw is very limited. We had a discussion of this at the last estimates session, and I'm not aware that the level of defence engagement has changed at all.

**Senator DI NATALE:** That's the problem?
Ms Heckscher: We continue to take the view that engagement is important, particularly given the type of engagement we have does not involve military exercises. It doesn't involve military training. It's very much focused on the sorts of measures that would be helpful in terms of professionalisation, in our sense of the word, of the Tatmadaw. I will note that other countries also continue defence engagement with the Tatmadaw.

Senator DI NATALE: Has the Australian government taken any steps to ensure that aid projects go to organisations that are independent of the government and the military?

Ms Heckscher: Let me just find my Myanmar aid material. But we have, as you know, right across all our aid programs, strict controls on where our aid money goes. The amount of aid that we have in relation to defence, as I said, is very limited.

Senator DI NATALE: Sorry, you said you're getting more information on that?

Ms Heckscher: I will.

Senator DI NATALE: Sorry, I just wasn't sure if you had finished answering the question.

Ms Heckscher: I can tell you, for example, that our aid program in Myanmar is very much focused on peace and stability, strengthening democratic institutions, delivering humanitarian assistance, improving access to quality education and promoting inclusive growth. We actually provide assistance through international partners, credible partners, regular partners. I can provide more detail of the elements of our aid program, if needed.

Senator DI NATALE: I am more interested in whether those issues are independent of government and the military. But perhaps if you can take that on notice.

Ms Heckscher: I will get back to you. I will find the exact material and provide it later in the session.

Senator DI NATALE: Thank you. Obviously you're aware of the two Reuters journalists who have been in prison since December?

Ms Heckscher: Yes.

Senator DI NATALE: What steps has the Australian government taken in relation to those two journalists, if any?

Ms Heckscher: The Australian government has made multiple high-level representations to the Myanmar government in relation to the case, including through our embassy. I'll just give some examples of that. For example, our deputy ambassador in our embassy in Yangon made representation to the permanent secretary of the ministry of foreign affairs in December. Our ambassador in Yangon made representations to the minister for information in January. I myself, together with our ambassador, made representations to the commissioner of police in Naypyidaw on 15 May.

We're following the case very closely. The Australian embassy in Yangon has attended all court hearings to date and will continue to do so. I, in fact, attended a court hearing on 16 May, together with our ambassador, and engaged with the Reuters bureau chief whilst I was in Yangon. We continue to raise the matter with Myanmar authorities whenever it's appropriate to do so.
The embassy released a statement on 14 December 2017, two days after the journalists arrest, calling on the Myanmar government to allow them immediate access to families and lawyers. On 22 May the embassy called for a 'speedy and just resolution to the case'.

As we consistently emphasise to the Myanmar government, a free and functioning media is an essential part of modern democracy, and we consistently call on them to, for example, give media access to northern Rakhine State and generally on media freedoms.

I should also note, by the way, that Foreign Minister Bishop has noted publicly our concerns about the journalists on 7 May. On 23 March in the Human Rights Council we voted for a Human Rights Council resolution which, amongst other things, called on the Myanmar government to release the journalists immediately and allow unhindered media access.

There are a number of other things that we've done. But on this case we, including through our embassies, have actively engaged and attended all court hearings. And having attended one myself, the fact of being in the court room and covering the case is, itself, a very public statement of support and interest in the case.

 Senator DI NATALE: Thank you. We wish them a speedy release.
 Senator WONG: Do you have more on Myanmar?
 Senator DI NATALE: No.
 Senator WONG: Can I ask a couple more questions on Myanmar before you move to the next topic; is that all right?
 Senator DI NATALE: Sure.

 Senator WONG: I was going to come to this later in the program. I was going to ask you how you have been monitoring the situation in Myanmar since we last met in February, and which partners you were working on. Do you want to add—you talked about the visit et cetera—anything to your previous answers?

 Ms Heckscher: Quite a lot has happened actually since the last estimates. The fact-finding mission is clearly heavily engaged. The UN Security Council is engaged. We continue to engage. We have, of course, had in the period of time since our last estimates session the ASEAN-Australia Special Summit here in March, and the visit of Aung San Suu Kyi. That was a very significant opportunity to discuss, both directly with the state councillor and amongst the ASEAN group as well, the issue of the Rakhine State and, more broadly, the issues concerning the Rohingya.

 Senator WONG: One of the issues which are consistently being raised with us, and many others, is obviously the situation in Cox's Bazar in Bangladesh. I wonder if you can talk to us about what your assessment of the biggest challenges and risks facing those seeking refuge and who are currently in Cox's Bazar, and what is the government doing to address those issues?

 Ms Heckscher: I'm actually going to hand across to—

 Senator WONG: And then I want to return to engagement with Bangladesh and also the UNICEF warning about the monsoon season. I'm flagging that, Ms Klugman.

 Ms Klugman: Joining your first point to your last point, I think it's fair to say that the coming monsoon is the single largest immediate issue for the population of Rohingya that are in Cox's Bazar, as well as the host communities, Bangladeshi citizens who live in those areas.
And that is certainly our immediate focus of attention when we work through our aid program and, more broadly, to support the very substantial efforts that are underway at the moment in Cox’s Bazar.

I was there a couple of months ago. It felt at the time then that we were between the two storms of the immediate challenges when the large influx of people came out towards the end of last year. The immediate challenge there of finding adequate shelter, protection and food for those people was a very substantial task. We then faced, in the lead-up to January, some real concerns about the prospects for a diphtheria outbreak, a disease outbreak, in the very large camp.

The Bangladesh government and international organisations rallied very swiftly, I think with remarkable effect, to deal with that threat at the beginning of this calendar year. When I was there in March it was very much about preparation—doing everything that was possible to prepare for the coming monsoon season.

The rains have started. They’re not at their heights at the moment. There is in fact a cyclone system developing in the Bay of Bengal as we speak, and it might hit land today or tomorrow. The Australian government has provided already, since the middle of last calendar year, $51 million in aid support for immediate humanitarian response.

Senator WONG: Sorry, which time frame is that?
Ms Klugman: That is since May—
Senator WONG: 2017?
Ms Klugman: Correct.
Senator WONG: I think there was a $30 million-odd additional commitment. Was it in August, in the second part of last year?
Ms Adamson: Can I ask—
Senator WONG: I'm trying to correlate how much of the $30 million is in the $51 million that's been spent. Sorry, you go ahead.
Mr Isbister: In terms of the $51 million commitment, that's since the major influx at the end of August 2017, last year.
Senator WONG: That's not the question. Ms Klugman said $51 million has been spent since May. So I'm saying good. There was, was there not, $30 million additional commitment to the pre-existing budget that I think the minister announced in August? And I'm asking: of the $51 million—I can't remember what the baseline was; I don't know what the $30 million is added to—how much of that additional commitment in August has in fact been transferred?
Mr Isbister: We can come back to it. The majority of those have all been transferred.
Ms Klugman: The $30 million-odd that you refer to—I think it was Australia's first tranche of support after 24 May—additional spending in response to the uptick in humanitarian need there, the very significant uptick, we have added to that $30 million-odd since then. Most recently the Prime Minister and the Minister for Foreign Affairs in late April announced an additional Australian contribution of $15 million. And that brings the additional government contribution as a result of the humanitarian crisis to $51 million
Senator WONG: $51 million?
Ms Klugman: $51.5 million.

Senator WONG: I thought you were giving me a spend figure, not a budgeted figure.

Ms Klugman: As Mr Isbister says, just about all that has been dispensed.

Senator WONG: Is there anything currently allocated internally for, I'll broadly call it, the Rohingya crisis—Cox's Bazar and/or any other spend in relation to the events in the Rakhine? Is there any budget currently unspent for the current financial year? We're nearly finished.

Ms Klugman: Yes, we're nearly finished.

Senator WONG: Was there any not spent?

Mr Isbister: No.

Senator WONG: The total spend is $51.6 million, I think you said?

Ms Klugman: $51.5 million, of which roughly $44 million is spent on the Bangladesh side of the border. And the smaller amount is spent on the Myanmar side of the border.

Senator WONG: I think it has been reasonably well documented, the risks associated with the monsoon season. Is the government considering a further allocation over and above the current spend?

Mr Isbister: On this obviously we continue to monitor the situation very closely and look at what additional commitments may be needed. Beyond the $51½ million that we have provided we do provide funding to a number of our multi-lateral partners, the UNHCR—

Senator WONG: Is that a 'yes', 'no' or 'not yet' answer?

Mr Isbister: It remains under consideration, very closely.

Senator WONG: So not yet?

Mr Isbister: Not yet.

Senator MOORE: Is the department aware of any concerns about escalating violence in any other areas of Myanmar apart from Rakhine state? We've had extensive discussions here over recent months about the Rakhine situation. I'm asking whether there have been concerns raised about escalating violence in other areas which until recently seem to have been quieter.

Ms Heckscher: There are a number of areas of concern right across Myanmar. Of course, it isn't just the Rohingyas; there are other communities within Rakhine. There are other parts of Myanmar that have also seen intensified fighting between the military and ethnic armed groups, and that's particularly in Kachin and northern Shan states. I'm just looking for my exact notes about that.

Senator KITCHING: Did you say northern Shan?

Ms Heckscher: Kachin and northern Shan states. I can give you a little bit of an update on that. There's certainly been an increase in fighting. We have been following the other areas of concern right across Myanmar for some time. We support, and have supported, for some time the ongoing peace process in Myanmar.

You're absolutely right: there has been intensified fighting in some other areas of Myanmar recently. For example, most recently local media reported a significant build-up of Tatmadaw troops in Kachin and increased road checks. There've been a number of incidents this month.
involving air strikes and heavy weapons. There've been some incidents close to urban areas. That's in Kachin. Local and international access is restricted in areas not controlled by the government, where around 50 per cent of the people are displaced.

We already have commitments of up to $30 million in development assistance to help bridge social divisions between communities, support underlying conditions for peace, support civilian ceasefire monitoring, and expand some other areas of support. We also provide humanitarian assistance.

Most recently, the foreign minister announced $13 million—this was on 4 May—in additional humanitarian assistance to Myanmar. It was to Rakhine state, not specifically to the Rohingya. It was also to address the needs of people affected by crises in Kachin. In that media release by the foreign minister on 4 May the Australian government called on all parties to end the fighting, protect civilian populations and allow humanitarian assistance to be delivered to affected communities.

That $13 million will be provided through trusted humanitarian agencies, including UNHCR and Save the Children Australia, to help meet urgent needs in Rakhine, as well as in Kachin and Shan, where our support will provide assistance and protection to families fleeing violence. I am quoting from the foreign minister's press release there. So there is an increased focus on the areas of concern in Kachin and Shan as well.

**Senator MOORE:** And that separate allocation is different to any of the allocations of which you have been speaking with Senator Wong? That allocation is separate from the discussions we've had with Senator Wong about the particular Rohingya situation?

**Ms Heckscher:** Yes.

**Mr Isbister:** Just to be clear, the announcement was for $13 million. Five million dollars of that was for Rakhine state, and is included in the $51½ million. The balance of $8 million, as discussed, is addressing broader needs across Myanmar, including the areas that Julie mentioned.

**Senator MOORE:** That's what I wanted to get to. There could be some further questions in that area, but I was keen to see what was happening in the wider area across Myanmar.

**Senator WONG:** I have a few more questions on China and then I will move to another topic.

**Ms Heckscher:** While we're waiting for Mr Fletcher to come to the table, can I answer a question that was asked previously? Specifically, it was about whether we have received representations from other governments in relation to travel sanctions on the Myanmar military. The answer is: as far as we are aware, we haven't received such representations.

**Senator WONG:** Thanks. I want to ask some questions, as I asked last time, about ministerial visits, just to confirm when the last time was that the Prime Minister visited China, and the Foreign Minister.

**Mr Fletcher:** The foreign minister's last visit to China was in February 2016.

**Senator WONG:** The Prime Minister?

**Mr Fletcher:** The Prime Minister had a bilateral visit to China in April 2016 and he returned for the G20 summit in Hangzhou.
Ms Adamson: In September, I think it was. This question was answered during PM&C's estimates, and it was answered accurately.

Senator WONG: Prior to last month's visit by Minister Ciobo, when was the last cabinet-minister-level visit to China?

Mr Fletcher: It was in September 2017, and it was Mr Ciobo and the Treasurer.

Ms Adamson: There was a visit by an assistant minister—I know you asked about a cabinet minister—in January, I think it was.

Senator WONG: Is it usual to have two years between foreign minister visits to China? When was the last time that happened?

Mr Fletcher: In 2014 we agreed to have annual foreign strategic dialogue at ministerial level with China, which was the first time we've done that regularly on an annual basis. That means every second year the Chinese foreign minister visits Australia. That's why we have a larger period between these two visits.

Senator WONG: Was it envisaged at the time that that dialogue was set up that that would mean fewer visits to China by the relevant foreign minister?

Mr Fletcher: Our thinking was that it would mean more visits by the Chinese foreign minister to Australia, which previously had been—

Senator WONG: That's true. That wasn't the question, though.

Mr Fletcher: No, it's not our intention to have fewer visits to China.

Senator WONG: But that was your answer in response to my question as to whether a two-year break in foreign minister visits was the norm.

Mr Fletcher: That is a reason why, in 2017, the foreign minister didn't visit China, because her counterpart came here for extensive talks.

Ms Adamson: Of course, the ministers, ours and theirs, meet frequently in the margins of multilateral and other meetings that they attend, so there should be no suggestion that there has been any diminution or lack of contact between the foreign minister and her counterpart. She's under discussion, as she said, after her meeting with Wang Yi last week—

Senator WONG: I'll talk to you about that. I'm using the foreign minister's own language. She said she certainly accepted Foreign Minister Wang Yi's invitation to visit Beijing.

Ms Adamson: I know Foreign Minister Wang Yi said he'd welcome a visit by the foreign minister to Beijing. In fact I think he encouraged her to go beyond Beijing and visit other parts of China as well.
Senator WONG: Have any dates been proposed by China for this dialogue?

Ms Adamson: We are in discussion about dates. What is usually the case with the Chinese is that once it's agreed that the thing should happen, and we are in discussions about that, it becomes a question of availability. We have given them a series of dates which, from the foreign minister's perspective, would be suitable.

Senator WONG: Have we received any dates from the Chinese side?

Ms Adamson: We have not received a counterproposal at this stage. It's too early for that to happen. The Chinese side typically take some time to consider it. I would expect that the foreign and strategic dialogue would be held in Beijing sometime this year.

Senator WONG: These dialogues obviously take a reasonable amount of planning. How far in advance would you normally anticipate dates to be set?

Ms Adamson: Not normally a long time in advance. It goes from a discussion like this: 'We need to do this'—

Senator WONG: Are we talking about days, weeks or months?

Ms Adamson: Typically, weeks but not often much longer than that. Mr Fletcher might want to add more detail.

Mr Fletcher: Usually it's a matter of weeks.

CHAIR: Are you finished for this session, Senator Wong?

Senator WONG: I'm not sure whether you spoke about your visit to China last week?

Ms Adamson: I think it was just before the morning tea break.

Senator WONG: I might have been out. Did you say you're going next week or that you have been?

Ms Adamson: No, I've been this week.

Senator WONG: When did you get back?

Ms Adamson: Yesterday.

Senator WONG: Just in time for this.

Ms Adamson: Yes.

CHAIR: Not to be missed!

Ms Adamson: I did say to the Chinese, when they were discussing dates with me, that I could not possibly miss Senate estimates, and they understood.

Senator WONG: I'm not quite sure how to take that. I'll think about that while Senator Patrick is asking questions. I do apologise if I'm traversing ground, but I just want to know about the key outcomes from that visit.

Ms Adamson: I said, Senator, and I'm happy to repeat, that I had broad-ranging discussions about the bilateral relationship and various aspects of that going forward. We also talked about a wide range of regional and global issues, as I would normally expect during visits to Beijing and engagement with the vice minister responsible for Australia.

Senator WONG: I may come back on that but it is Senator Patrick's turn.

Senator PATRICK: I want to ask some questions on WIPO. Some recent revelations have occurred in relation to WIPO. Can you confirm that the Australian government has
joined countries of the Geneva Group in sending a pretty strongly worded letter to the director general, Frances Gurry, in relation to a decision to pay staff a bonus of SwF200?

Mr Mina: I can confirm that Australia has joined in a written representation to Dr Gurry as part of our membership of the Geneva Group; that's correct.

Senator PATRICK: Are you also aware that there've been allegations in respect of that bonus breaching financial regulations and rules of WIPO?

Mr Mina: The particular concern of the Geneva Group relates to the manner in which an organisation-wide bonus impacts upon the broader performance management system in WIPO. That has been the nature of the representations that were alerted to the WIPO management by the Geneva Group.

Senator PATRICK: I go back to my question: are you aware that other parties have raised allegations of that breaching financial regulations and rules of WIPO?

Mr Mina: We are aware of a range of concerns relating to the decision to take a performance bonus to an organisation-wide scope of application. Yes, we are aware that that's one of the concerns that's been raised.

Senator PATRICK: What does Australia do in these circumstances, where it has given its support and provided resources—I note your response to questions on notice—to support the appointment of the Director-General—and then the Director General does something like this? I understand he is an independent person; nonetheless, there is an attachment to Australia through those representations that we made in respect of his appointment. What avenues are available to Australia to express a concern, or perhaps manage that potential reputational damage?

Mr Mina: If your question goes to our view of the measure at issue, that is, the organisation-wide bonus that was paid to WIPO staff, there are a number of avenues for us to pursue our interests. The Geneva Group, which represents 18 of the most significant donors to the UN system, is a group in which we take a very active role. In Geneva we have a range of mechanisms available to us through the WIPO governance processes. In this instance we joined a written representation in late April to express our concern: 'The decision toward organisation-wide bonuses risks subverting the intent of the ICSC decision to update the post adjustment', which was a decision taken in relation to general allowances paid to WIPO member staff. We also made it clear that we believe that, given the significance of a decision such as this, it should have been made in consultation with member states. In that same letter we asked for the decision to be reconsidered. That is a very important avenue by which we can register our concerns. We are an active member of efforts such as the Geneva Group discussions to integrate our own values and principles on organisational governance into the decision-making processes of WIPO.

Senator PATRICK: Has that bonus decision been rescinded and, if not, do you intend to press further to have that decision reversed?

Mr Mina: No, it has not been rescinded, and there are ongoing discussions. This was a representation made at the end of April. There are ongoing discussions in WIPO about these matters.

Senator PATRICK: Just to put some context on the next set of questions and on my concerns in relation to WIPO—we traversed this during last estimates—in late 2007, early
2008, Mr Gurry was appointed as the Director General of WIPO, assisted by Australia. In 2012 concerns were raised about Mr Gurry transferring computer equipment to North Korea in contravention of US sanctions. I understand that jurisdictionally the UN is not bound by US law, but nonetheless that occurred. The matters were raised internally by an Australian IT specialist, Wei Lei, and by a DFAT employee who was on leave without pay while she was working at WIPO, Dr Miranda Brown. Are you aware that Mr Wei Lei has now made a claim about his dismissal from that organisation, which he says results from him making representations about that action associated with North Korea, and that the action has now been reviewed and there's a prima facie case that an inappropriate retaliation did occur?

Mr Mina: A number of questions there. We are aware of Mr Wei Lei’s recent claims. In respect of the comment to the effect that there was a potential breach of sanctions in relation to the transfer of computer equipment to the DPRK, that matter was considered by the relevant UN Sanctions Committee; the UN Sanctions Committee found in 2012 that there was no breach of those sanctions.

Senator PATRICK: There were three reports, I seem to recall. There was a public one done by WIPO itself, and I would argue that it's not independent. Then there were two other reports that have been held secret; is that correct?

Mr Mina: Perhaps you are referring to the fact that an independent report was conducted into certain claims by a former employee of WIPO, Mr James Pooley. Those claims, I think, dated back to early 2012. They were then considered by an independent UN body, the Office of Internal Oversight Services. That report by the OIOS was then considered by the General Assembly and the Coordination Committee of WIPO. It remains confidential. The findings in relation to action on the basis of that report were clear: no further action was necessary on the basis of the claims considered. That was a decision taken by the General Assembly and the Coordination Committee.

Senator PATRICK: Would you be prepared to at least table the findings, not the report?

Mr Mina: I don't know if it was ever recorded in writing, but it may be possible for us to register the decision. I think it dates back to October 2016, where member states recognised the joint decision of the General Assembly chair and the Coordination Committee to close the Office of Internal Oversight Services investigation into the various allegations. Whether such a decision was recorded in writing is a detail I can look into, and if there was a written conclusion along those lines then we would be able to table that.

Senator PATRICK: Thank you; that would be very helpful. Just to make sure you understand where I am going with this, I accept that allegations were raised, and they have been investigated. The point I am going to is that allegations were raised and, as you would be well aware, in circumstances where we are talking about whistleblowers, even if the allegation is found to be false or without substance, there's an obligation to protect a person who genuinely thought something was going on that shouldn't have been going on. One would hope that Australia stands by the principle that if any DFAT official or any Australian citizen raises a matter—in this instance it was about transferring goods to North Korea—we would support such a person.

Mr Mina: Perhaps I could ask Mr Larsen to assist on the aspects of your question that go to protection of whistleblowers, who happen to be DFAT employees. In respect of the larger
point which I think your question goes to: what we are doing to protect Australians who believe that they are subject to risks of retaliation for blowing the whistle, we are a very active contributor to UN-wide efforts to protect whistleblowers. We are strong contributors to efforts to promote integrity, accountability and transparency throughout the UN system, including in specialised agencies. In respect of WIPO, in particular, we have been a very active member amongst those members who have been working to improve the whistleblower protection frameworks. There was a whistleblower protection framework in WIPO as early as late 2012 that had some fairly significant protections included in it. There was an important update to that policy late last year. In both cases we were active contributors to the development of the policy and the importance the organisation attaches to the implementation of that policy. We are also members of the informal grouping the Geneva Group, which contributes considerably to questions of organisational governance, including on staffing matters. So with respect to Australians, or any employee of a specialised agency, we work hard to ensure that the appropriate frameworks are in place with the respective specialised agencies, or agencies of the UN system.

Senator PATRICK: I want to go to the specifics of this—the WIPO has now written to Mr Wei Lei. I will quote a portion of a letter that has been signed by the Deputy Director General: 'As a competent authority, I hereby inform you that, in the views of the finding contained in the report, and in accordance with the determination of the UNOPS Ethics Office, the matter will be referred to investigation'. In a sense it is saying that the claims made by Mr Wei Lei are being investigated. This person then goes on to say: 'I have accordingly requested that you be issued with an extension for your fixed-term appointment for a period of six months from the date of its present expiry on 17 May'. That is until 16 November, 2018. 'I have also requested that the current recruitment exercise for the position of chief information officer be suspended until further notice'.

So to encapsulate what's happening here, someone has made a claim, or has raised a concern, about the transfer of technology to North Korea, irrespective of whether it was legitimate or not legitimate. That's a legitimate whistleblower action. WIPO is now dealing with that, and they've effectively re-instated a person. What is the Australian government doing to support this person as they deal with what appears to be an inappropriate retaliation for making an allegation?

Mr Larsen: I think it's incredibly important in these contexts to remind ourselves of the capacity of an individual member government of an organisation to influence internal processes within what is, in essence, an independent international organisation. We are a member, but we are one of many members. As Mr Mina has outlined, there are many fora in which we seek to ensure the best possible standards. But it's also important for us not to be seen to be interfering with or intervening with internal processes. From our perspective, the concerns which have been raised warrant careful consideration and investigation. As a whistleblower, the individual complainant should be protected in accordance with the standing rules of the organisation. Our understanding is that those rules are being applied, and the protections that the individual complainant requires are being afforded to him for this purpose. In that context we don't see a role for the Australian government as such as in this case.
**Senator PATRICK:** Even in the context of consular support for an Australian citizen in these sorts of difficult circumstances?

**Mr Larsen:** If he were facing a situation which gave rise to a consular need, consular support would be provided, but that would depend on the particular circumstances. But in this instance, where somebody has raised a series of concerns, those concerns are being looked into by the relevant international organisation. Where that individual has sought whistleblower protection, and that whistleblower protection has been extended to him, that doesn't immediately give rise to a need for consular protection as such. But were there consular issues in this case, support will be extended.

**Ms Adamson:** I think the senator used the term 'consular'. 'Consular assistance' would be a better description. We can talk you through our Consular Services Charter, should you need to do that. I think the word 'protection' is probably not an accurate description of the sort of service that we can and do provide.

**CHAIR:** We will shortly adjourn for the lunch break but, before we do, when we come back Senator Wong will be in continuance. After that Senator Patrick will resume.

I have some very good news, I'm sure, for the department and all officials. The committee has agreed to change the program tomorrow. We will circulate it. The Department of Foreign Affairs and Trade non-trade programs will continue between nine and 11, and between 11 and 12.30 the non-trade programs will come on. Then after the lunch break we will have Tourism Australia at 1.30, the Australian Trade and Investment Commission at 2.30 and Efic at 3.45. We will be concluding at 5 pm tomorrow. We will circulate the details of that shortly. We will resume at 1.30 with Senator Wong.

**Proceedings suspended from 12:31 to 13:32**

**CHAIR:** This hearing is now resumed. I hand the call to Senator Wong.

**Senator WONG:** Thank you, Chair. I appreciate that. Before I return to the topics we were discussing, I did want to briefly go to MH17. Obviously the government and the opposition issued statements after the findings of the joint investigation team as to the location and origin of the missile that shot down MH17 over Ukraine in 2014. I wonder if you could, first, advise of Australia's response to the JIT findings into the deaths of, I think, 289 people, including 38 Australians?

**Mr Larsen:** As you mentioned, on the 24th of this month, the JIT handed down some preliminary findings in relation to evidence it had concerning what caused the downing of MH17. That evidence was that it was a BUK missile system which belonged to the 53rd brigade of the Russian army. It was clear from the JIT findings that the BUK missile system was taken from Russia to Eastern Ukraine and back immediately after the downing of Malaysia Airlines flight MH17 on 17 July 2014. The foreign minister said in a press release on 25 May, based on these findings:

> The only conclusion we can reasonably now draw is that Russia was directly involved in the downing of MH17.

The basis for that conclusion is the JIT evidence, which points to what was in effect the signature of the particular military equipment used.

**Senator WONG:** Meaning what can be discerned from imagery post firing of the missile?
Mr Larsen: Pre firing of the missile.

Senator WONG: Pre and post?

Mr Larsen: Pre and post. So the JIT evidence—

Senator WONG: We should probably say that JIT is joint investigation team. You say BUK missile?

Mr Larsen: Yes. The information which the joint investigative taskforce drew on was a very large amount of information, much of it in the public domain on social media. A great deal of the information showed photographs of a BUK missile system. It is a massive piece of equipment with multiple wheels. It looks like a very large tank with a very large missile system built onto its upper deck. The BUK missile device that we are talking about was identified by the joint investigative taskforce as having departed from a particular base in Russia. Through a very large amount of photographic imagery, including a large amount which appeared on social media, the missile was traced in its movement from Russia to Eastern Ukraine. The JIT identified, on the basis of markings on the piece of equipment, that it was the same piece of equipment which ultimately was identified as the source of the missile which downed the plane.

Senator WONG: Just remind us: the joint investigative team comprised personnel or experts from which countries?

Mr Larsen: Australia, Ukraine, Malaysia, Belgium and the Netherlands.

Senator WONG: Is the department aware of reported comments by the Malaysian transport minister in relation to the investigation and the evidence?

Mr Larsen: Yes.

Senator WONG: Is it Mr Loke?

Mr Larsen: I believe so.

Senator WONG: He has suggested there was some doubt in relation to the conclusive evidence to confirm Russian involvement. I note that you previously referenced the foreign minister and, I think, the Attorney-General's statement that, and I quote: The only conclusion we—

Australia—

can reasonably now draw is that Russia was directly involved in the downing of MH17.

Is there anything that has occurred since that statement which would cast into doubt that conclusion?

Mr Larsen: Nothing at all, Senator. In fact, not only has Australia called on Russia to account for its responsibility in its role for the downing of MH17 but, of course, we are partnered very closely by the Netherlands and a very large number of other countries which have come out on the basis of the JIT evidence and supported our call for Russia to account properly for its role.

Senator WONG: In fact, it's the case, isn't it, that a great many countries have backed the integrity of the JIT process?

Mr Larsen: That is correct.
**Senator Wong:** Has Australia indicated any response to the remarks of the Malaysian transport minister?

**Mr Larsen:** The remarks that I have seen were made, I think, this morning or perhaps yesterday. They are rather general remarks. They do go to the point that you raised, Senator. I'm not aware of us having a further conversation with the Malaysians concerning it. What I think we would say is that Malaysia is a party to the JIT. Malaysia was present and was represented in the JIT panel which presented the evidence on which we drew our conclusion. We are absolutely confident on the Australian side, the Netherlands side and a good many other international partners that the evidence clearly points to a Russian role in the downing of the MH17 plane. We have called on Russia to engage in a negotiation with Australia and the Netherlands to further identify the facts of the disaster. Of course, we are calling on Russia to have a discussion with us about reparations for the victims' families.

**Senator Wong:** All of which is supported. Prior to these public comments, has there ever been any concerns raised at the officer level by Malaysia or, in fact, any other relevant state—that is, relevant in terms of their involvement in the JIT—about the JIT process?

**Mr Larsen:** Not that I'm aware.

**Ms Adamson:** I want to add that, as Mr Larsen said—he listed the members of the JIT—this work has been undertaken meticulously. It has taken

**Senator Wong:** And cooperatively.

**Ms Adamson:** as you know—and cooperatively—years to reach this point. We are very clear on where that evidence leads us. That is why the government has renewed calls for the Russian federation to be held to account and in the particular way that Mr Larsen has outlined.

**Senator Wong:** I want to be very clear. The quote attributed to the Malaysian minister is, 'There is no conclusive evidence to point to China under the JIT evidence.' That is not an assessment that the Australian government would agree with?

**Mr Larsen:** I want to clarify. You referred to China, but I think it would be the Russian federation.

**Senator Wong:** I'm sorry. I will do that again. The quote attributed to the Malaysian transport minister is, 'There is no conclusive evidence to point at Russia under the JIT evidence.' That is not a conclusion with which the Australian government would agree?

**Mr Larsen:** I want to clarify. You referred to China, but I think it would be the Russian federation.

**Senator Wong:** I'm sorry. I will do that again. The quote attributed to the Malaysian transport minister is, 'There is no conclusive evidence to point at Russia under the JIT evidence.' That is not a conclusion with which the Australian government would agree?

**Mr Larsen:** I want to clarify. You referred to China, but I think it would be the Russian federation.

**Senator Wong:** I'm sorry. I will do that again. The quote attributed to the Malaysian transport minister is, 'There is no conclusive evidence to point at Russia under the JIT evidence.' That is not a conclusion with which the Australian government would agree?

**Ms Adamson:** And all members of the JIT agreed also. The JIT team drew its conclusions. The experts involved in that process reached that conclusion.

**Senator Wong:** Yes. I thought I covered that by asking if there had been concerns previously raised. But I'm happy if you want to—

**Ms Adamson:** I just want to reinforce the point. Thank you.

**Senator Wong:** I just want to reinforce the point. Thank you.

**Chair:** Please continue.
Senator WONG: I want to talk about Australia Week in China. Is it correct to describe the Australia Week in China expo as the major Australian annual showcase of trade and business in China?

Ms Adamson: No.

Senator WONG: It's not?

Ms Adamson: No, it's not.

Senator WONG: I think we got that from one of the websites.

Ms Adamson: Well, it's not an annual event, Senator.

Senator WONG: Tell me how you would describe it.

Ms Adamson: The first one was held in 2014. The second one was held in 2016. There have been two only so far. It is most certainly not an annual event nor is it necessarily a biennial event.

Senator WONG: You sometimes want to cut stuff off because you think, 'I'm going somewhere.' Sometimes you're right and sometimes you're not. So is it going to go ahead this year?

Ms Adamson: I think a final decision is yet to be made about that. Perhaps I'll ask Mr Fletcher to talk in more detail. The Minister for Trade, Tourism and Investment has committed Australia to send a strong delegation and to be part of a big expo that the Chinese are hosting towards the end of the year. That will be a significant focus of the government's and, indeed, Austrade's attention with the business community.

Mr Fletcher: Yes.

Senator WONG: She did it to you too, didn't she?

Mr Fletcher: That expo is a big event. We're going to have a strong team there. The minister will be there.

Senator WONG: This is a different one?

Mr Fletcher: Yes. It's a—

Senator WONG: I'm very pleased that you want to talk to me about that. You say no final decision. What decisions have been made about Australia Week in China?

Mr Fletcher: There has been no decision to schedule Australia Week in China this year at this stage. I think Mr Ciobo was quoted recently as saying it is under consideration for when the next Australia Week in China will be held.

Senator WONG: Why?

Mr Fletcher: I think we have to decide which is the most effective way to prosecute our interests.

Senator WONG: Why are we not proceeding with Australia Week in China?

Mr Fletcher: Because the November expo is the priority for this year.

Senator WONG: Which is a Chinese—

Mr Fletcher: A Chinese organised event, yes.

Senator WONG: When was the decision made not to proceed?
Mr Fletcher: Well, there was never a decision made to proceed. We were discussing that in February and March. Frankly, it related to the financial year whether Austrade would put funds—

Senator WONG: Sorry, go on. Do you want to finish your sentence?

Mr Fletcher: Well, whether it would be arranged in this financial year or the following financial year. A decision was made not to do it now given that we have the other event in November.

Senator WONG: When was that decision made?

Mr Fletcher: I believe it would have been in March or April.

Ms Adamson: But Austrade can answer that question.

Senator WONG: It will. This is about the bilateral relationship. It's not just about when an expo is, is it?

Mr Fletcher: Yes. Well, I was not involved in that decision-making process. It was Austrade and the trade minister's office.

Senator WONG: Why not?

Mr Fletcher: Well, because it is a trade promotion activity.

Senator WONG: We had a discussion this morning about the need for a whole-of-government and sophisticated approach to the China strategy being led by the department. We had a lengthy discussion about that. This is about coordination within the portfolio. How come you're not asked about the implications of not seeking to proceed with Australia Week in China?

Mr Fletcher: The question about the timing of Australia week in China was not something that DFAT was primarily involved in.

Senator WONG: The 'T' bit of DFAT was.

Ms Adamson: Well, the 'T' bit of DFAT actually relates to the work of the department. Of course, we do work closely with Austrade. I had discussions with the CEO of Austrade. I also was part of a discussion with the minister and with his office about the priority that the Chinese were attaching to the expo towards the end of the year. I think Mr Ciobo said publicly that Australia was the first country to be invited to participate. He was keen that we should, given it was something to which the Chinese were attaching priority, be involved in that. We always look at—Austrade does, and we do it in a coordinated way—the value of how we can best promote Australia. It's not necessarily the case that taking the largest ever business delegation to China—400 or 500 people in 2014 and 700 in 2016; where do we go from there?—is going to be effective to get bigger and bigger on each occasion.

Senator WONG: Okay. So in March the decision was made not to proceed with it in the 2017-18 financial year. That was made by the trade minister's office. You were advised of it after the decision was made. Is that an accurate summary of what we've discerned so far?

Mr Fletcher: Yes.

Senator WONG: Thank you. Prior to that, were you of the belief that it would be held in May, as has been publicly reported?

Mr Fletcher: No.
Senator WONG: What did you understand the situation to be?
Mr Fletcher: There was never timing pencilled in for a week this year.
Senator WONG: Did Australia ever propose to China that Australia Week in China proceed?
Mr Fletcher: I don't think so.
Senator WONG: As I understand the evidence—we're talking in negatives, which is about as useful as talking in the passive in estimates for bureaucrats, I suppose—there was no final decision, but there hasn't been a decision to proceed. Is it your understanding, then, that there is no decision to hold Australia Week in China in the pending financial year and, instead, the government is looking at the Chinese expo that we've discussed?
Mr Fletcher: I would say in this calendar year there has been no decision to organise one. But that doesn't rule out the second half of the year or next year. There hasn't been a decision; put it that way.
Senator WONG: The secretary discussed previously AFL week in China. What Commonwealth funding is provided to that?
Ms Adamson: It's a match. It's not a week in China, AFL Week.
Senator WONG: Sorry. I thought it was called AFL Week.
Ms Adamson: No.
Senator WONG: Is there any Commonwealth funding towards it?
Ms Adamson: Not that I am aware. Of course, the Commonwealth government, including through our Consulate-General in Shanghai, supports the event and arranges things around it. The Australian business community does too. But, as far as I am aware, this is funded by the AFL and Port Adelaide in particular, I think. I read some media coverage that they bear the profit or the loss for it.
Senator WONG: Sorry?
Ms Adamson: Port Adelaide bear the profit or the loss for it.
Senator WONG: Did you hear that?
CHAIR: No.
Senator WONG: I didn't hear.
Ms Adamson: I am speaking straight into the microphone.
CHAIR: I know you were. Broadcasting, can you please readjust the microphones?
Senator WONG: I think the secretary is just leaning forward. She leans forward when she's really concentrating.
CHAIR: Yes. But it's still not clear.
Ms Adamson: I lean forward when I want you to hear me.
Senator WONG: That's a bit better.
Ms Adamson: I don't know that it's making any difference.
CHAIR: Secretary, you might just want to repeat that answer.
Ms Adamson: As far as I'm aware, Port Adelaide bear the financial burden of this. In fact, I read something in the paper recently suggesting they were hoping to break even or make a small profit on this occasion. I think they do it entirely on their own account. I had some visibility of that in my previous role.

Senator Wong: Can you on notice ask for the list of the meetings Mr Ciobo held when he was there and the names?

Ms Adamson: I think we could probably provide that now, if you wish.

Senator Wong: I don't really want to take up the time. Is that okay? You can table it.

Ms Adamson: We can table it. Thank you.

Chair: Are you moving on from the trade delegations and the expos?

Senator Wong: I have one more question.

Chair: I have a follow-up question. Secretary, in relation to the Chinese international importers expo that Mr Fletcher talked about, could you provide some more information about the size and scope of that expo this year and the significance for our exporters?

Ms Adamson: I will ask Mr Fletcher to do so, if that's okay. He is working on it more closely than I am.

Mr Fletcher: Yes. It's going to be an international event, with some hundreds of countries represented. There is a limit on how many countries will have pavilions. We're one that does have a pavilion there.

Chair: Are we the first one to be asked?

Mr Fletcher: Yes. We are working with Austrade and Tourism Australia and possibly our state governments to arrange the proper dimensions of what we're going to put on there. Companies need to register with the Chinese ministry of commerce in order to participate. There were some 70 or so companies which had registered when I last heard. There are likely to be more by the time the event is held. We're still putting together a program for the minister. The Chinese will organise their own events as well. I think it will take place between 5 to 10 November in Shanghai.

Chair: Thank you. I understand that, from the Chinese side of it, it is also very significant across many industries. There is somewhat over 150,000 Chinese importers looking for our exports there.

Mr Fletcher: Yes. When Mr Ciobo was in Shanghai last week, he went to the site where the expo will be held and had a meeting with the organisers and signed an MOU, which will go in our participation there.

Chair: Thank you.

Senator Kitching: I want to ask a question about the Boao Forum. There was some media reporting that it was very difficult or, in fact, that ministers weren't able to get visas to attend the Boao Forum. The Fortescue Metals group was trying to facilitate it. Andrew Forrest is the co-chair. Could you comment on that? Did any ministers attend the Boao Forum, for a start?

Ms Adamson: This year, no ministers attended the Boao Forum. That is not unprecedented at all. The forum was attended, if you like, at the official level by our
ambassador to China, Jan Adams. We keep being asked this question; we're very careful about the way we answer it. I don't think we have any awareness or evidence of visas being denied by the Chinese to Australian ministers. These are applications being denied.

Senator WONG: What does evidence mean?

Ms Adamson: We're not aware of any. We keep being asked about this. If you keep being asked the same question over and over again, you start to wonder. But we have no knowledge ourselves inside the department of visas being denied by the Chinese to ministers wanting to travel to China.

Senator WONG: I want to move topics now. I wonder first if Mr Wood can give me my tables.

Ms Adamson: I'm sure he is very keen to do so.

CHAIR: He has a rather large wad of papers with him, so I suspect he might.

Mr Wood: Thank you for the question. Yes, we are able to provide two tables consistent with previous estimates, one on the amounts approved and committed over the forward estimates and the other on the current financial year. I'm happy to provide those for tabling.

Senator WONG: I will wait to look at them and ask some questions. Neither of those documents, from memory, deal with a GNI percentage, do they?

Mr Wood: That is correct. We had a long discussion in June 2017 around GNI percentages. Correct; they don't include that information.

Senator WONG: What did you end up giving me?

Mr Wood: In terms of tables?

Senator WONG: In terms of our discussion?

Mr Wood: Sure. Back in June 2017, we had a discussion, firstly, around the GNI ratio. We had a discussion around the forward estimates and the potential increase in the aid budget.

Senator WONG: Did you confirm at that point what the GNI figures for the forward estimates period were, or you just told me you wouldn't do that? I can't remember where we got to.

Mr Wood: I would never tell you that we couldn't do anything.

Senator WONG: You do, just nicely. You said, 'GNI is not an economic parameter in the government's budget, Senator', or something like that.

Mr Wood: We were able to give you some indications on GNI. We also had a question on notice from Senator Xenophon, where we did indicate a GNI forecast over the forward estimates.

Senator WONG: Can we do that now?

Mr Wood: Sure.

Senator WONG: What should we look at? I probably should look at your table, actually.

CHAIR: The committee has accepted the tabling of the documents. They are just currently being photocopied. They will be with us very shortly.

Mr Wood: I will be happy to provide you with the forecast ODA GNI ratio over the forward estimates, if that assists.
Senator WONG: I want to write it down somewhere. Your table does the nominal figure for the forward estimates, doesn't it?

Mr Wood: No. It talks about approved and committed amounts.

Senator WONG: What do you want me to look at? BP2 or the PBS?

Mr Wood: I'm happy to give it to you directly.

CHAIR: Mr Wood, would it help if we just suspended discussion on this until the tables come back?

Senator WONG: No. That's all right. Why don't you give it to me and I'll write it down. That's easier.

Mr Wood: Sure.


Mr Wood: Starting with the 2018 financial year, the estimate for the ODA budget is $4,161 million, or $4.161 billion. For 2019-20, it is $4,170 million. For 2020-21, it is $4,000 million, exactly $4 billion. For 2021-22, it is $4,000 million, so exactly $4 billion.

Senator WONG: Million or billion?

Mr Wood: I hope it's not $4 million.

Senator WONG: I used million before. I thought, 'I think he means billion.'

Mr Wood: For the moment, it's $4 billion for 2021-22.

Senator WONG: So flat in nominal terms in the last two financial years?

Mr Wood: Correct. You will see that language in the budget measure in BP2.

Senator WONG: Are you prepared to give me anything beyond the forwards?

Mr Wood: Other than to indicate that, as per page 103 of Budget Paper No. 2, the government will maintain ODA spending at $4 billion per year, with indexation to recommence in 2022-23.

Senator WONG: What is the indexation that is proposed to apply?

Mr Wood: This was the discussion we had last time. We confirmed it would be the CPI.

Senator WONG: Yes, but the CPI as per whatever the budget papers articulate is the assumed CPI, or another figure?

Mr Wood: We have been using a figure of 2.5 per cent. That was the discussion we had last time.

Senator WONG: Yes. But, from memory, that economic parameter has changed. I haven't got the recent one with me.

Mr Wood: Correct. I think it might be a bit less. But we've been using 2.5 per cent.

Senator WONG: Okay. Is it the intention to use that for the 2022-23 indexation? I'm asking about government policy.

Mr Wood: Yes, sure. That is my understanding. And—


Mr Wood: No. You go.
Senator WONG: I thought you might be giving me something interesting, so why don't you finish the sentence.

Senator Payne: Senator, that's a bit judgemental.

Senator WONG: I thought I was being complimentary.

Senator Payne: Well, it was interesting already.

Senator WONG: Good point.

Mr Wood: You're more important than I am, so I'll wait for you. The GNI ratios.

Ms Adamson: Don't overdo it, Mr Wood.

Senator WONG: I'll remember you said that, Frances Adamson.

Ms Adamson: Well, he's the CFO. He's extremely important to me.

Mr Wood: The GNI ratio in 2018-19 is 0.22 per cent. In 2019-20, it's forecast to be 0.22 per cent. In 2020-21, it is 0.20 per cent. In 2021-22, it's 0.19 per cent.

Senator WONG: And these are rounded?

Mr Wood: Yes.

Senator WONG: Have we ever been below 0.2 per cent?

Mr Wood: We have had this question before, you will recall, from a question on notice.

Senator WONG: I don't remember everything. I ask a lot of questions in a lot of portfolios.

Mr Wood: Question on notice 110 from the October 2016 estimates. We had a debate about whether this was the lowest. We said yes, it was. It's the lowest since we've kept the records.

Senator WONG: And what was the number then when you answered that? Was it 0.22 per cent?

Mr Wood: It was 0.2 per cent.

Senator WONG: So we're now at 0.19 per cent.

Mr Wood: It was heading to 0.21 per cent.

Senator WONG: And now 0.19 per cent is where we're going to be. Can you remind me of the 2017-18 actual budgeted figure and GNI figure? I think it is 0.23 per cent.

Mr Wood: Correct. It is 0.23 per cent in 2017-18.

Senator WONG: And the nominal figure?

Mr Wood: The nominal figure that we are reporting is $4,076 million.

Senator WONG: And the budget paper measure, I think, is a $140 million saving as a result of the freezing of the ODA spend over the forwards. Correct?

Mr Wood: Correct. Essentially from the deferral of the indexation increase in 2021-22 and then, as you say, freezing it at $4 billion.

Senator WONG: Thanks for that. We'll come back to quantum possibly later, Mr Woods. Thank you very much for that. I'll have a look at the tables. Ms Adamson, there was a reasonable amount of media in relation to a possible military base being established in
Vanuatu. I think there was subsequent denial of this by the Vanuatu government. Can you tell us what your response is to these reports?

Ms Adamson: I'm certainly aware of the reports and aware that, as you say, the Vanuatu government denied that. Mr Sloper has come to the table. He can probably help me with the detail. I think it was denied all around.

Mr Sloper: I can confirm that, as expressed by Prime Minister Turnbull, our view remains that we would be concerned in the event any foreign power were to establish a base in the Pacific. But, as the secretary noted, we raised our concerns with both the Chinese and the Vanuatu governments on 11 April. They both denied reports of the plans for a base.

Senator WONG: Sorry; both denied?

Mr Sloper: Denied reports for the plans for a base, which we welcomed.

Senator WONG: I want to pick up on the quote from the Prime Minister that you just referenced. I think the words were that we would be concerned if any foreign power established a military base. What is the current configuration of military presence in the South Pacific?

Mr Sloper: There are a limited number of defence forces in the South Pacific. Most countries don't actually have defence forces. I think Australia, New Zealand, Tonga, Fiji and one other—

Ms Adamson: France.

Mr Sloper: France for its French territories; that's right.

Senator WONG: Are you able to articulate the reasons why there would be a concern if that configuration altered through the establishment of a military presence by a foreign power?

Mr Sloper: I think the concern is that it would lead to strategic competition in a region which doesn't experience that at present.

Ms Adamson: It could also potentially lead to a direct military threat to Australia.

Senator WONG: Correct. What is your assessment as to the likelihood of a military presence being established?

Mr Sloper: I can just reiterate that following the media reports, we sought advice from both China and Vanuatu. Both said there were no plans.

Senator WONG: I asked a general question.

Mr Sloper: I'm not aware of any plans for bases in the region.

Senator WONG: I asked a general question.

Mr Sloper: I'm answering the general question now.

Senator WONG: What is DFAT's assessment of that likelihood, going forward?

Ms Adamson: Is that a hypothetical?

Senator WONG: I wish it were. I'm asking for an assessment. The department has correctly outlined the risks and issues. I'm asking for their assessment as to the likelihood or otherwise. They can answer it how they wish.
Ms Adamson: I understand what you are saying. The reason we expressed the views publicly that we did in response to media reports was this would be of concern. The government has reiterated that it would be of concern. Everyone is aware of that. The department's role, including in our diplomacy, is to ensure that the current situation remains the case.

Senator WONG: When you say current situation, can you tell me—

Ms Adamson: Well, no military base of a kind that we have expressed our views about. There is not currently one and nor would we want to see one in the future. We make no separate assessment, as you put it, of the likelihood or otherwise of that. Our job in terms of our diplomacy is to ensure that the region remains peaceful and uncontested and that the prospect of a foreign military base remains a distant prospect.

Senator WONG: Do you consider it distant?

Ms Adamson: We never want to be complacent about these things.

Senator WONG: Foreign minister Peters gave a speech, I think, in March; it was the Pacific reset. I think he used a phrase, actually, similar to the one you used in your answer, Mr Sloper, where he talked about the Pacific having become an increasingly contested strategic space no longer neglected by great power ambition. Pacific Islands leaders have more options. This is creating a degree of strategic anxiety. Is that an assessment that the department and government share?

Mr Sloper: I think there are certainly more partners or other players, if you like, in the region and actively engaging what we would have seen in the past. Whether that is seen as increased strategic competition at the moment is unclear. I think Deputy Prime Minister Winston Peters is right in saying that now the Pacific Islands have more options available to them. If I could talk about the development—

Senator WONG: Hang on. You opened by telling me that there was greater strategic competition in the region. Now you're saying to me that, whether or not that occurs or takes place, is in fact unclear. I don't understand why you're—

Mr Sloper: I apologise for being confusing.

Senator WONG: Well, it's not confusing. You're just shifting the position.

Mr Sloper: No. I think there was a comment about strategic competition and your term was 'in the region'. What I was trying to say was that the engagement of partners who had not traditionally been in the region is not necessarily leading to that strategic competition. Certainly it's there in terms of, if you like, options for individual countries. What I was trying to say on the development side is we don't discourage other parties being engaged with the Pacific Island countries. Our view is that the challenges facing the region can't be addressed by one or two countries alone. Cooperation is welcome. We would encourage those who have not been involved before to do so, but to do so on the basis that they are transparent and open with their partners and they're addressing jointly shared common interests. I think that's a view shared by the Pacific Islands forum members as a whole.

Senator WONG: So to what extent does Australia differ from the assessment that foreign minister Peters articulated?
Mr Sloper: I think—and correct me if I'm wrong—the point you might be getting to is some of the discussion this morning about increasing strategic competition globally, when we see new economies emerging and they are seeking to exert influence. That is occurring everywhere in the Indo-Pacific. The Pacific Islands themselves are not immune from that. But that doesn't mean it can't be used constructively and we can't engage with those partners.

Senator WONG: Well, the passage I read to you didn't construct the binary that you are responding to. I think that's a reasonable assessment; you can have additional partners in the region. He is making a different point, isn't he—that it's an increasingly contested strategic space and no longer neglected by great power ambition and Pacific Island leaders have more options. This is creating a degree of strategic anxiety. I'm asking which aspect of foreign minister Peters assessment do you disagree with, if you do?

Mr Sloper: I think our white paper on the Pacific actually addresses some of these issues. So I think our assessment is broadly the same. The characterisation of anxiety is the one point we may differ on.

Senator WONG: Sure. Obviously, as you said, the development of the Pacific Island nations is not an outcome that one country can deliver. We obviously have more players or more nations who are engaging in the region. Are you able to give us a bit of an assessment as compared with, say, five years ago how the current engagement, development assistance and financial engagement in the region have shifted?

Mr Sloper: I think what we would say over the last five or 10 years is we've seen an increase in the financing that is available to the region. Some of that is coming through multilateral institutions or organisations, such as the Green Climate Fund. We've also seen a substantial increase from the ADB and the World Bank in terms of finance available for the region. I think it is tripling over the next five years. That is a substantial recognition of the challenges facing the region. We're also seeing a range of partners who may have diplomatic relations with some of the countries in the region but have not been traditionally donors in this space. For example, Indonesia, China and others are now more engaged in the region. We don't have collected data on the development side for all those partners because not all are in the OECD. But there's a range of research now undertaken that shows quite substantial increases in the last few years.

Senator WONG: Do you map that?

Mr Sloper: We don't map other partners. We draw on OECD data. But there are think tanks such as the Lowy Institute—

Senator WONG: Lowy does an interactive one. I have a lot more questions, Chair, but I know that Senator Patrick was keen to return to questions.

Senator PATRICK: Thank you. I want to turn to the WIPO discussion we were having before. Once again, I wish to continue the discussion on the WIPO issue and that of Dr Gurry. I accept what you say in respect of investigations clearing Dr Gurry. However, there has been some fallout from it. That's what I'm trying to deal with. I'm not trying to put anyone on trial here, just dealing with the fallout. We've talked about Mr Wei Lei. The next thing I want to go to is comments that have been made in the US Congress as a result of the fallout of the transfer of technology to North Korea. There was a statement made by Mr Pooley to the
House of Representatives committee on foreign affairs, where Mr Pooley—I know you mentioned him before—said:

In this, and in many other ways at that time, Australia made it very clear that it wanted Mr. Gurry to be re-elected and as a result, the U.S. agreed to stand on the sidelines during the election process.

Could you describe for me what actually happened there? Did the United States participate in the vote?

Mr Mina: Yes. In fact, the decision is one for the entire WIPO membership, so the US did participate in the vote. The precise position of the US in that latest election campaign back in 2013-14 for a renewal of Dr Gurry's mandate I don't have in front of me, but I could pursue it if you wish.

Senator PATRICK: Yes. I would like to know that, thank you. Congressman Smith of New Jersey said this in the congress on 24 February 2016, well after the reappointment:

The Australians are very close friends and allies. I am bewildered. I am shocked by this. In shock for many months, and even years now. If you have a bad apple, you expunge the bad apple. This is hurting their reputation—referring to Australia—

and, again, they are good, close friends.

That's a US congressman. I'm not going to the issue of whether or not what had happened was in actual fact inappropriate or against the law but simply the fallout. I imagine, Ms Adamson, that you would have at least some difficulty in respect of hearing those sorts of comments coming from a US congressman.

Ms Adamson: In the US and many other countries, there is a very wide range of opinion on a very wide range of things. Of course we would like it if everyone liked all Australians and everything we did, but the reality is that that is not the case. What we do pay attention to, of course, is official views as conveyed by the State Department and others. I think Mr Mina has something else on that.

Mr Mina: I will add to that, if I may. We are, of course, extremely close partners with the United States at a range of UN specialised agencies, including WIPO. I mentioned earlier that we are strong proponents of the integrity of due process at WIPO through our efforts at the Geneva Group. We in fact chair jointly with the United States the ethics committee of the Geneva Group, so we're quite close partners, even in that particular sphere of activity with the United States.

Senator PATRICK: Sure. There's no question of our close association with them. I'm just saying there has been some fallout from this. Although maybe there was no impropriety or no UN rules breached, it's had an effect on the relationship in terms of how people view Australia. I will just read this again from a different congressman, Congressman Sherman from California. I direct this at the minister because of her portfolio. He says:

But the Australian Government has asked the United States for help in its national security again and again.

He then makes reference to the transfer of technology to North Korea. Then he says:

So if Australia is going to ask for our soldiers and then foist this guy and put him in a position where he can evade U.S. security sanctions, it sounds like the only part of the world whose security they care about is Australia. Yet they ask us to care about the security of the world...So I think we need a
resolution. I would like to see the Australian Ambassador come here and brief us, our subcommittee, either publicly or privately, should we simply discount as ill-considered everything we hear from the Australian Foreign Ministry? Because obviously they didn't spend any time determining whether they should fight for Mr. Gurry.

Minister, those sorts of comments come from a US congressman. I know you support the US relationship. You have a deep support for it. When you hear comments like that, you'd be disturbed, I would imagine?

**Senator Payne:** Well, certainly, as I think Ms Adamson said, we are concerned when individual members of the congress or, for that matter, the Senate would have views of that nature about Australia. But not everybody agrees with us all the time. Not everybody likes us all the time. I know Ambassador Hockey is particularly open and engaged with the congress across its total breadth and, similarly, with the Senate. I'm sure if members wish to have those exchanges with him, he would readily make himself available. Mr Mina, I think, has some matters to add in terms of the investigation itself. Senator, if you wish to come back to me, we can do that.

**Senator Patrick:** I'm not so concerned about the investigation. I'm concerned about the fallout.

**Mr Mina:** Sure. Just on that particular point, there are perhaps two points to mention. First, as we mentioned earlier, the US was there and a member of the General Assembly when the General Assembly in late 2016 took the decision that, after a thorough investigation of the matters to which you refer, no further action was warranted. That was a decision that was a collective decision of the membership of WIPO, including the United States, in late 2016 after these matters had been thoroughly aired. The minister had also referred, I think, to the engagement of our representatives in Washington with the US government. That has been the case all along. We've been very open with members of the congress as they proceeded through their own investigation of these matters.

As early as late 2013, as early as some of these matters were surfaced, our ambassador at the time, Ambassador Beazley, wrote to Congressman Ed Royce, who was managing the inquiry to which you refer, setting out the Australian government's position on a range of these concerns and assuring that they would be dealt with in the fullest manner possible. It is very important for us to emphasise just how seriously we take the integrity of the process at WIPO. We have been very careful, as I mentioned earlier, to put in place effective provisions and systems for the management of whistleblower and retaliation concerns for those who wish to draw attention to wrongdoing. That is also true for the process inside WIPO and outside WIPO in respect of misconduct allegations. Some of the matters to which you refer, including Mr Wei Lei's suggestions and allegations, do go to misconduct. WIPO has a very thorough process for dealing with misconduct. It includes processes within WIPO that are independent of line WIPO management. It also has a range of processes well beyond the organisation itself. They've been triggered in the case that you referred to of Mr Wei Lei's most recent allegations.

**Senator Patrick:** Thank you. The fallout is the bit that I guess I'm focusing on. There clearly was some anxiety. It was a whole hearing of the congress committee on foreign affairs. The House of Representatives committee on foreign affairs had a hearing on this issue. This really comes back to one of the questions I was asking at the last estimates. Mr
Mr Mina: Yes. It is normal for a matter such as that to be classified with the classification you referenced.

Senator PATRICK: I'm just curious. There was clearly some national security concern associated with the submission made to the minister.

Mr Mina: Perhaps I should step back and just note that the classification system to which you refer goes to questions of risk. It's not necessarily the case that they trigger national security concerns. But in this case, it was advice to the minister regarding the appointment of a prominent Australian to a very important position, the most senior position occupied by an Australian in the UN specialised agencies. It is appropriate that it was classified in the way that it was.

Senator PATRICK: And knowing that we always engage with the United States and the United States, I don't think, was offering up a candidate. There is the AUSTEO reference. Why would we not share that sort of information with a close ally about a personal appointment, particularly if we wanted their support?

Mr Mina: I can't go to the mind of the individual writing the particular submission at the time. But it is natural and normal that candidacy matters are dealt with a level of confidentiality that pertains to Australians and Australians only as we track through large campaigns with a number of complex elements to them. That's not an unusual classification to be applying.

Senator PATRICK: Ms Adamson, I note the serious allegations that were made and subsequently dealt with after the re-election. I also note that there have been other allegations now made against Mr Gurry. This comes to the crux of what I'm trying to get to. I undertake not to go any further than that question, but I think it's a really important one. When that recommendation went to Ms Bishop, as the brand new foreign minister, for endorsement, did that advice include the allegations that had been raised by the international organisation? I'm happy to leave it at that.

Ms Adamson: Senator, I know you've addressed the question to me, but I think Mr Mina is best placed to answer it, if that's all right with you.

Senator PATRICK: Sure.

Mr Mina: I can confirm that unsubstantiated allegations that had been made at the time were raised in the advice to the minister.

Senator PATRICK: Thank you very much. I want to move now to Dr Brown. We did talk about Dr Brown, particularly in relation to whistleblowing. Again, the sequence was that she took leave without pay from DFAT to take up a position, as I think, the executive assistant to Mr Gurry and then made what I would call a public interest disclosure. Irrespective of whether it's right or wrong, she had a concern about an activity that she was witnessing. She's an Australian citizen, very experienced and very competent. She is now without a job. I have tabled, and the committee has accepted, a letter that shows that she
resigned from WIPO. There is a letter from the ambassador at the time. However, I'm now in possession of an internal minute from WIPO where it's responding to correspondence from Dr Brown. This is what this minute says, in part:

Please be informed that Ms Brown’s letter was forwarded to the Director-General, who wishes to respond as follows.

Ms Brown was asked to leave the organisation by her superior—

that is, Dr Gurry—

because she proved to be unreliable, eccentric and disloyal as well as a liability in the position in which she was placed.

I'm happy to table the letter, but it's probably not necessary. Are you aware of that letter at all?

**Mr Mina:** Not specifically. We are, of course, aware that Dr Brown left at the time she did. Of course, she was at a certain point of time a DFAT employee and departed from DFAT voluntarily.

**CHAIR:** Senator Patrick, can I remind you that this is budget estimates. I'm not saying to not ask questions here. There might be other forums where you have previously raised this issue and that we can raise these particular details, given they deal with a body that is not an Australian organisation.

**Senator PATRICK:** I have only one more question.

**CHAIR:** I am saying to keep in mind that this is a budget estimates hearing.

**Senator PATRICK:** Sure. It goes to very important issues of whistleblowing. I am concerned that we have a DFAT employee, an Australian citizen, someone who stuck up their hand and said, 'I think something wrong is going on' and I now have evidence that suggests that she was then asked to leave. We're all adults. We have all been through many jobs. She actually resigned, but that doesn't mean she wasn't pushed. I have a great concern for an employee of DFAT who has now effectively been sidelined because she stood up and said, 'I think something wrong is going on.' I look at the 30 DFAT employees behind you, Ms Adamson, and probably those who are listening, who would expect in those circumstances you to offer a protection to any one who did the right thing, or at least believed they were doing the right thing. I wonder if you would go away and consider what may have happened. I'm happy to make available to you this information that I have—the memo that I have. I think there has been a wrongdoing on a very competent woman and a remedy is necessary.

**CHAIR:** Thank you, Senator Patrick. What I would suggest, Secretary, is that it might be an option to offer another private briefing for this committee to discuss this matter further in terms of issues that don't go to the heart of budget estimates but do go to the heart of Senator Patrick's ongoing interest in this issue.

**Senator PATRICK:** I can invite her to answer and at least provide an undertaking. Whistleblowing is part of the conduct of government. Whistleblowing protection is part of the conduct of government. Government expenditure deals with whistleblowing. I'm not sure that it's in contrast to what could be asked at estimates. I'm not going to industrial relations here. I think someone has ended up being in an unfortunate position because they stood up and said, 'I think something wrong is going on.'
Ms Adamson: I suppose the only point I would make is that my colleagues would be willing to have another discussion with you. I could ask James Larsen to come in on the discussion. I won't, because we're about to move on. There is a distinction between what I am responsible for within DFAT as secretary. I'm obliged, obviously, under the PID legislation and various other things. It's not just a legislative thing. We all understand the importance of the whistleblowing function, if you like, and the protection of that. But when it comes to a former DFAT employee employed by an international organisation, I suppose the point I'm making is there isn't the same responsibility that applies in that way and nor can I have the same sort of control, if you like, or influence over what's going on. We look very carefully at the process. This happened some time ago. Because of your interest, my colleagues have delved back into the files and looked at all of this from all angles. They are happy to continue a conversation with you.

Senator PATRICK: Can we find out whether or not she was still on leave without pay when that occurred? I think that would change the situation, wouldn't it, if she was still an employee on leave without pay?

Mr Mina: If your question goes to whether Dr Brown was still on leave without pay at the time she left WIPO, we should be able to answer that within this session and come back to you with a specific response.

Senator PATRICK: Thank you very much. Chair, shall I continue with another topic?

Mr Mina: We can confirm that it was at some stage later.

CHAIR: Sorry, Senator Wong. You were going to table something, were you?

Mr Mina: We are able to confirm that it was at some stage later. In fact, in February 2015, Dr Brown resigned from DFAT, which is a good two years or so after she left WIPO's employ.

Senator PATRICK: So that may change the circumstances.

CHAIR: Thank you very much for that clarification.

Senator WONG: First, in relation to the table from Mr Wood—I might have asked you this before—can you not give me the information for the remainder of the forward estimates that you provide for 2017-18 on the first page? If you say, 'Well, we haven't contracted as much' et cetera, you could at least give me a proportion thereof, couldn't you? It even looks like you've just cut it off. You've obviously got it over the forward estimates. You've just given me the first year.

Mr Wood: I'm just looking at the two tables. We have the one that is for 2017-18.

Senator WONG: Which gives me the budget estimate allocation expenses contracted.

Mr Wood: Contractual obligations.

Senator WONG: The last one is a cumulative figure, is it?

Mr Wood: Correct.

Senator WONG: But you don't give me that for the remainder of the forwards.

Mr Wood: In terms of giving you that same level of detail?

Senator WONG: Yes. And, to be honest, the aggregate budget estimate for each of the regions, because that is not contained in the second table. Correct?
Mr Wood: Correct.

Senator WONG: Because the second table is a subset of what the total budget allocation for each of the regions is in the out years. No?

Mr Wood: Pretty much. So what we have in the second table are the actual commitment details and approvals.

Senator WONG: I want to put to you what I think it is. Isn't this a snapshot of where you currently are in relation to each of the particular regions what you've committed and what you've approved.

Mr Wood: Correct, right.

Senator WONG: But you're not telling me what the total budget estimate for each of the nations and regions is.

Mr Wood: Correct.

Senator WONG: I'd like that.

Mr Wood: No problem.

Senator WONG: Excellent. That was easy. I thought we were going to have a fight!

Mr Wood: I haven't told you when you'll get it, though.

Senator WONG: We are here until 11 o'clock at night. I can tell you that you've just printed it off and somebody's copied it without that bit. So just print the rest.

Mr Wood: It's in terms of the extra columns. We can add some additional columns in there.

Senator WONG: Thank you.

Senator MOORE: I have a couple of questions about the Solomon Islands-PNG undersea cable.

Ms Adamson: Certainly.

Senator WONG: Mr Sloper, are you not well?

Mr Sloper: I am fine. I have Bell's palsy so my face is frozen on one half.

Senator WONG: Sorry.

Mr Sloper: That's all right. It's beginning to recover now. Hopefully at the next estimates I'll be speaking more clearly again.

Senator WONG: You're not on the Pacific trip, are you?

Mr Sloper: I beg your pardon?

Senator WONG: You're not coming to the Pacific, are you?

Mr Sloper: Not on this occasion, no.

Senator WONG: R&R.

Mr Sloper: It's not infectious, though.

Senator WONG: I meant for you.

Senator Payne: I'm sure estimates is therapeutic.

Senator WONG: You might get a run on that, I reckon.
CHAIR: Senator Wong, you have the call.

Senator WONG: No. I think Senator Moore does.

Senator MOORE: The health discussion is similar to a discussion we had earlier. Mr Sloper, can you tell us the cost of this program, the Solomon Islands-PNG cable?

Mr Sloper: Unfortunately, I can't share that with you now. The reason is that we are in the midst of contract negotiations. But I can say that once the negotiations are concluded, we will be able to put the information on AusTender so it will be publicly available.

Senator MOORE: Is Australia funding full cost?

Mr Sloper: No. We'll provide the majority funding for the new undersea telecommunications cable. Both the PNG and the Solomons government will also make a contribution.

Senator MOORE: So there will be three contributing countries?

Mr Sloper: That's right.

Senator MOORE: Can you give us any idea when the negotiations will be complete?

Mr Sloper: We're in the midst of it now. I haven't got a specific deadline that I can share, but I would hope in the near future.

Senator MOORE: So in which budget will Australia's contribution be? In 2018-19?

Mr Sloper: It's already partly included in this year's budget.

Senator MOORE: It's just that we haven't got any figures?

Mr Sloper: No.

Senator MOORE: There will be partial payment of our contribution in 2018-19?

Mr Sloper: That's right. So this year we saw an increase in the budget for the Pacific. It is the largest level of funding we've ever had for the Pacific Island countries. Within that, a portion of that is allocated towards the cable. For the reasons I've outlined, though, in terms of contract negotiations, the detail there is not included.

Senator MOORE: So the department and minister have said that aid funding for the Pacific in the current budget will be $200 million higher. That is the amount of—

Mr Sloper: No. That increased.

Senator MOORE: That is the increase. The funding for this particular cable will be a component of that $200 million. Is that right?

Mr Sloper: Certainly it will be a component of that. I wouldn't want to say that $200 million represents the amount in the discussion, no.

Senator MOORE: No. Because of the negotiations. I understand.

Mr Sloper: It will cover other new activities as well.

Senator MOORE: In terms of the other activities, have they been identified so far in the budget of the increase?

Mr Sloper: You might be aware both in the white paper—

Senator MOORE: Yes.
Mr Sloper: and through the budget process we've announced a number of new initiatives. Some of the new funding will go towards those initiatives and towards our implementing and readiness package associated with the PACER Plus Agreement.

Senator MOORE: So at this stage—and I'll put this on notice, Mr Sloper, because we know that there are elements that are under this negotiation process—can we get an indication of what we've already committed under that $200 million?

Mr Sloper: All the committed funding so far is to a scoping study and for some expertise outside the department in terms of our—

Senator MOORE: So this is under the $200 million, what we've committed to for other projects?

Mr Sloper: No. Some of that came out of existing funding from the current financial year.

Senator MOORE: Can we identify which is which in some of the stuff that has come out? I'm trying to get a handle on where the $200 million increase is. That has always been part of the process.

Mr Sloper: I can take that on notice. That $200 million is not specifically for all the new initiatives I outlined because some existing funding will go towards that. We have committed to establishing an Australian Pacific security college.

Senator MOORE: Yes. The security college.

Mr Sloper: An information sharing pilot across the region. There are also some new programs out of existing funding in terms of people to people links—for example, Pacific Connect. They will draw on some existing funding. As some programs go down, we have then reallocated funds to new programs. They will draw on some of that new funding as well.

Ms Adamson: I want to add, of course, that the government announced its intention to open a new post in Tuvalu as well.

Senator MOORE: Is that in the $200 million as well?

Mr Sloper: No. That is not administered.

Senator MOORE: I thought it would be in a different budget component.

Senator WONG: Just to be clear about your answer to Senator Moore, the $200 million measure in BP2 makes it clear that this is not additional money. This is out of the existing ODA allocation.

Mr Wood: I can help.

Senator WONG: Not Tuvalu.

Mr Wood: The cable is being funded from within the aid envelope. We just earlier talked about that aid envelope. However, as a result of that, the funding to the Pacific specifically will increase by $200 million.

Senator WONG: So essentially this disaggregation has changed.

Mr Wood: The—

Senator WONG: The table you gave me, which shows how you allocate your annual ODA administered spend by region, will change.

Mr Wood: Yes.
Senator WONG: Will change as a consequence of the decision. But the total funding envelope did not?

Mr Wood: Region or type, correct.

Senator WONG: Region or type. Where did you get the money from? Where did the $200 million come out of?

Senator MOORE: That's the point; where is the money coming from? Within the envelope that we all understand is the envelope. Within that envelope, what has changed in terms of reallocation? It's actually a reallocation more so than new funding.

Mr Wood: Sure. In our Australian aid budget summary on page 10, we have a breakdown of the allocations to countries and regions. That shows the increase of $200 million to the Pacific. So there is an increase to PNG, an increase for Solomons and a larger increase to the Pacific region in relation to the step-up activity. Where has that money come from? Firstly, a component of it is the increase in the aid envelope. I earlier gave those parameters. So some of it is out of the growth. Another component is out of—

Senator WONG: Sorry, which growth? There's actually a decline.

Mr Wood: I'm talking about the difference between 2017-18 and 2018-19, which is the increase of $200 million to the Pacific. Firstly, that growth is about—

Senator WONG: It is $90 million.

Mr Wood: Correct.

Senator WONG: It is not $200 million.

Mr Wood: Correct.

Senator WONG: Thank you.

Mr Wood: So that's a component. Other areas where we have had reductions in some areas. Those reductions, for example, include a reduction to the Indonesia bilateral program. That is about $30 million. There is a reduction to the Cambodia bilateral program.

Senator MOORE: Which is about how many million?

Mr Wood: That was about $6 million. We have also seen some reductions in other allocations—for instance, the innovation fund. This is 2017-18 to 2018-19. We have also had a dip in the profile of some payments. We've discussed here previously how some payments can be rescheduled or moved. Some of it has been through the timing of some of that—

Senator MOORE: The timing of when the payment is made—

Mr Wood: Correct.

Senator MOORE: can make delineations?

Mr Wood: Correct, yes. So it's a whole combination of a range of those factors which gives you that increase in the allocation for the Pacific.

Senator MOORE: Mr Wood, where can I find that actually spelt out? I have not been able to find that in the budget papers to the degree that you've just said. A lot of the explanation around it about the $200 million and so on is generally there. I want to actually go down and see, without exposing exactly how much is allocated for this cable, exactly as you went through how much each of those savings is allocated to which particular payment.
Mr Wood: Sure. We don't disclose in terms of that specific audit trail where the money is going to. In our aid summary, we have a table of country, regional and global programs, which is table 1.

Senator MOORE: I've got that one.

Mr Wood: It’s a combination of looking at table 1 and table 2.

Senator MOORE: That should be straightforward.

Mr Wood: You can see where some of the allocations go up and some of the allocations go down.

Senator MOORE: If I go back and have another look at 1 and 2, because they are the bibles—you look at them all the time—I should be able to put them beside each other and tick them off. It won't come to an exact dollar—

Mr Wood: Correct.

Senator MOORE: But it will give you an indication of where some of the things have moved around?

Mr Wood: Correct, yes.

Ms Adamson: Senator, we're always happy to talk you through that. I realise that the data is all here and we know our way through it, but we're very happy to either now or separately talk you through to the level of detail that you need.

Senator MOORE: I imagine it would probably be a combination of people within those. With the Indonesian program and the Cambodian program, is there an explanation anywhere about what exact actions have now been cut? In the $30 million change to the bilateral program with Indonesia, what is the impact on which programs for that? I'm happy to have this on notice as well. I think a number of people are interested. Yes, we've seen that there's going to be allocation increased in some spaces. But what is the impact of that? They are government decisions? What is the impact of that on other programs? Cambodia was mentioned. Certainly there was an indication of some of the things around the migration issues in Cambodia. But what, if any, programs have been cut to make those savings?

Ms Adamson: Senator Moore, Ms Heckscher could give you a brief outline of that if you want.

Senator MOORE: Thanks, Ms Heckscher.

Senator WONG: Before we do, I can only get to $130 million. You said $90 million growth, $30 million for Indonesia and $6 million for Cambodia.

Senator MOORE: And some unknown.

Senator WONG: And then you just went some others. There is the innovation fund and the dip in profile. Can we just get to $200 million, please?

Mr Wood: Sure. We have some reductions in our health fund as well. We also—

Senator MOORE: Is that on top of the ones you've already—

Mr Wood: Yes.

Senator WONG: This is cumulative. We're trying to get to $200 million. Which is the health fund? How much is the reduction?
**Mr Wood:** There was a reduction of roughly $30 million in the health, water and sanitation fund.

**Senator MOORE:** For the Pacific region.

**Mr Wood:** And there was around $15 million for the innovation fund, which is taking it to its average level of funding.

**Senator MOORE:** So, Mr Wood, those health and wash funds, are they within the Pacific allocation or wider?

**Mr Wood:** No. That's separate. That principally relates to that issue about the timing of payments. So there's been a dip there in the profile.

**Senator MOORE:** And the $30 million will be able to be found with changes in the timing of different programs?

**Mr Wood:** In that timing. We've also seen a reduction in funding to other government departments, principally I think it's the Federal Police, in terms of, again, the profile of some of their activities. It all creates space within that overall funding envelope.

**Senator WONG:** So $90 million growth, $30 million in Indonesia, $6 million in Cambodia, $30 million in health, $15 million in innovation and the AFP?

**Mr Wood:** In other government departments, there's a reduction of about $30 million.

**Senator WONG:** You are there. Is there anything more?

**Mr Wood:** It's combination of all of those. That's part of our thinking.

**Senator MOORE:** That's what we are after—to get that snapshot in terms of the process. This figure of $200 million has been thrown around a fair bit, and it's a significant amount of money. But it's now easier to see. Ms Heckscher, is there anything you can add to fill out what the impact of those figures will mean?

**Ms Heckscher:** We have already talked about the reduction in the Indonesian aid program, which is about 10 per cent. It's a result of adjustments across the aid program. Frankly, that 10 per cent reflects the kind of changes in our development relationship with Indonesia and the transformation of our relationship with Indonesia, from that traditional donor-donee relationship into one which is much more about an economic partnership and the kind of change in a comprehensive relationship. Despite the reduction, Indonesia will remain our second largest country program. It will continue focusing on things like developing infrastructure, skills and institutions. At this point, we are still looking at exactly where we will apply the reduction. It certainly has been—

**Senator MOORE:** You've actually got a goal of making that reduction. So you're looking at where the reduction will come from?

**Ms Heckscher:** Yes.

**Senator MOORE:** But the focus of the relationship is changing. That was part of the bilateral discussion. But the actual places where the cut will be made, which is $30 million, have yet to be determined?

**Ms Heckscher:** That's right.

**Mr Wood:** In the past, we've often answered this on notice because it helps to give you a bit more detail. So we could probably come back.
Senator MOORE: That would be very useful. Because of the information we've got now, we would be able to flesh it out and then possibly come back for more discussion, particularly with the individual programs. Because $30 million does seem like a lot, but we'll see how it goes.

Mr Wood: It often involves negotiation with the partner government and other agencies. So we can come back with more detailed information.

Senator MOORE: That would be lovely, thank you.

Mr Sloper: I will add to the answer on the Pacific, because you asked about it and there has been some media reporting. I want to give you an assurance that there has actually been no reduction to the health, education or other programs across the Pacific. The funding associated with the cable, because of the reasons outlined, is actually supplementary to existing programs.

Senator MOORE: I think Mr Wood's answers were pretty clear about that.

Senator WONG: But the health fund?

Senator MOORE: Is that the reallocation?

Mr Wood: I'm talking about bilateral and regional programs. I think they were talking about the Global Innovation Fund.

Senator WONG: Yes. Exactly. That's non-responsive, actually. Mr Wood says $30 million comes from the health fund or whatever he described; I'm sorry, but I've forgotten the name. Presumably, there may be some programs in that which were in the Pacific.

Mr Sloper: It's certainly possible.

Senator WONG: Thank you.

Mr Sloper: The projected flow of total aid flows to the Pacific will increase, including global funds.

Senator WONG: Aggregate?

Mr Sloper: Aggregate.

Senator WONG: Yes. Fair enough.

Mr Wood: In some cases, this could just be the timing of payments to things such as GAVI or the global fund. It's just the timing.

Senator MOORE: And those changes in payment mainly featured in health and wash programs. That is how I took your answer.

Mr Wood: If we change the profile of our contributions to GAVI or the global fund, they are obviously in that health area. The government remains committed to its agreements. It is the timing of some of those payments within that four-year envelope.

Mr Exell: I can help here. For example, GAVI is $250 million over four years. The payment profile over those four years can be adjusted. So at this time, in order to make room within the budget, we have pushed back the 2018-19 previous commitment to a following year. When we talk about this, that's why it doesn't affect the activities. It's simply a payment scheduling change.
**Senator MOORE:** So the total commitment to GAVI, as an example, will not be affected?

**Mr Exell:** Overall, that's correct.

**Senator MOORE:** Actually, the timing of when you make those payments could make that degree of difference?

**Mr Exell:** Yes.

**Senator MOORE:** But in terms of the impact on the GAVI commitment—

**Mr Exell:** It doesn't change.

**Senator MOORE:** If we can get some more detail of that on notice, we'll come back to you in terms of the process, particularly in terms of existing programs, when we find out about what is happening in Indonesia. It would be very useful. Thank you. I have one more question. Mr Sloper, I think we had the beginning of a discussion about this once before. One of the elements of that was the proposal that this cable was originally going to be built by Huawei. Is there a particular reason that the Australian government is not supporting that cable? I understand that there are negotiations, but there has been clear discussion in the press, using that company's name, that that company is not one that Australia is wanting to be part of this project. Can you give us any reason?

**Mr Sloper:** I might make a number of points. Firstly, both the Solomon Islands government and the Papua New Guinea government have been exploring for some time a range of different options in terms of financing a cable. In discussion with us, we looked at options that could deliver that as fast as we could and with a reliable and sound technology. There was an agreement between the governments that we could provide that in the time period they were looking for. In terms of Huawei, the company you mentioned, at no point did that company or, in fact, the Solomon Islands responsible telecommunication authority that would be submitting applications put forward an application to Australia. So there was no process undertaken in terms of consideration of that particular project. But we acted following consultations with both Papua New Guinea and the Solomon Islands government and commenced this project.

**Senator MOORE:** And the decision on who will get it will be a joint decision to be signed off by both of them?

**Mr Sloper:** In terms of the contract, yes. We're involved in discussions with both governments at the moment.

**Senator WONG:** Chair, I want to move to APEC and PNG funding. Are you all right if I take questions there?

**CHAIR:** Yes, please. It's your call.

**Senator WONG:** Does the department have a role in coordinating Australian government support for PNG's hosting of APEC?

**Mr Sloper:** We are part of a broader coordination effort led by Prime Minister Cabinet.

**Senator WONG:** Can you tell me what support Australia has already committed?

**Mr Sloper:** I can. We are providing a range of security and policy development support in response to requests from the Papua New Guinea government. That includes development...
assistance with regard to the economic agencies in Papua New Guinea on policy, capacity building for security, border intelligence, cybersecurity and transportation agencies within Papua New Guinea. The Australian Defence Force will also bolster Papua New Guinea’s military capabilities during the leaders week itself.

Senator WONG: Can you tell me what funding has been allocated to support PNG hosting of APEC, both administered and departmental?

Mr Sloper: Funding is worth approximately $120 million in total. Within that, approximately $31 million is from the ODA budget. They are in regard to activities that are an extension of existing cooperation with Papua New Guinea already. I may repeat myself a bit, but it’s largely capacity building in the areas of economic policy, immigration, customs and transport.

Senator WONG: Sorry, I just got distracted. It is a $31 million ODA extension to existing programs, which included capacity building, an extension to customs and transport?

Mr Sloper: That’s right. The primary focus is on economic policy, working with the economic agencies on the APEC policy agenda itself, and then working with immigration, customs and transport. We have programs with those agencies that are in Papua New Guinea already. So the extension is a continuation of those programs with a particular focus on needs around hosting it.

Senator WONG: Okay. So the $120 million is over what time period?

Mr Sloper: I would need to confirm that.

Senator WONG: Can someone come back to me on that?

Mr Sloper: Can I come back to you within this session?

Senator WONG: Yes.

Mr Sloper: I was just going to say that activities began last financial year and will continue this financial year.

Senator WONG: I’m just trying to work it out. It is the health alliance. So $120 million is the total allocation. I just want to understand the time period. Can we just continue disaggregating? It is a $31 million ODA extension. What is the remainder?

Mr Sloper: I am just looking through here. I might be able to read it out for you, if you like. Capacity building support programs?

Senator WONG: No. This is all within the $31 million. I’m asking about the remainder of the $120 million. You’ve given me information—

Mr Sloper: I’m going to give you a breakdown for the $120 million, if that’s all right?

Senator WONG: Yes.

Mr Sloper: Including the ODA component.

Senator WONG: Yes. I thought the capacity building programs were a component of the ODA extension?

Mr Sloper: They were.

Senator WONG: I’m saying that I don’t need disaggregation of that component now. I want the rest of the $120 million.
Mr Sloper: The complexity is most of the programs involve both elements.

Senator WONG: Fine. Just tell me what the $120 million comprises.

Mr Sloper: If that's all right. If you are requiring more, I can come back. I will try to identify what is ODA and what is not when I present it. Firefighting training and equipment.

Senator WONG: Fire?

Mr Sloper: Firefighting training and equipment. That is from the budget this year going ahead. That's $0.5 million. It's not ODA. There is cybersecurity support. In the current budget papers, it is $14.4 million.

Senator WONG: So $14.4 million?

Mr Sloper: That's right. It's not ODA. A range of defence support. That is estimated to be in the order of $16 million.

Senator WONG: Sorry, defence?

Mr Sloper: Defence support.

Senator WONG: What was your first word?

Mr Sloper: Defence. Department of Defence.

Senator WONG: I thought you said a range.

Senator MOORE: He said a range.

Mr Sloper: A range. I beg your pardon. A range of defence support.

Senator WONG: I thought it was a term.

Mr Sloper: No. I beg your pardon. There's ongoing Defence Cooperation Program money.

Senator WONG: That's okay. I thought there was a term I had missed. What was the quantum of defence support?

Mr Sloper: It is $16 million.

Senator WONG: Not ODA?

Mr Sloper: Not ODA; that's right. The AFP, police support and equipment is the extension of our current advisers program. It will focus on event planning, close protection, maritime, canine support and so on, bomb searching and airport security. That's $48.2 million, a proportion of which is ODA. I'm afraid that I don't have the breakdown in that.

Senator WONG: Can you provide that on notice, please?

Mr Sloper: I will need to take that on notice, yes. And then for capacity building support programs within the existing bilateral cooperation, we have it with AFP, Defence, DFAT and home affairs. That totals $44.6 million, a portion of which is ODA funded. I will need to take on notice what that portion is.

Senator WONG: Well, you told me before it's $31 million. I assume the $31 million is a subset of the $44.6 million?

Mr Sloper: That's right. The $31 million will represent that. I just need to check because I said previously I thought that part of the AFP police support and equipment was also ODA.

Senator WONG: So what are we up to?
Mr Sloper: In total, the figures I gave you should reach approximately—

Senator WONG: About $120 million. Correct?

Mr Sloper: That's right.

Senator WONG: And $31 million is smeared across a fair bit, of which is the largest component is probably capacity building. But you will come back to us about that. Is that right?

Mr Sloper: That's right.

Senator WONG: How do you assess preparations for the meeting are going?

Mr Sloper: PNG has hosted a range of meetings now, including, most recently, the trade ministers meeting. These have, I think, run successfully and smoothly. We are seeing a range of officials meetings ahead of that. They will continue through the year. The key point, I think, to make here is that it's not one meeting, as you would appreciate; it's a multitude. So they are learning from that experience. It's a challenging environment. There are certainly capacity constraints, so there's more to be done. But Papua New Guinea will lead those operations with our support and that, I should say, of many other APEC economies as well.

Senator WONG: That was my next question. Which other countries are providing support to PNG for the APEC leaders meeting? Can you tell us about the level and nature of support?

Mr Sloper: I can't go into the details because we're not involved in all of those discussions. The PNG government is leading on the hosting. I can list what we understand to be the countries involved.

Senator WONG: Thank you.

Mr Sloper: To date, I think that is Canada, China, Indonesia, Japan, Malaysia, New Zealand and the United States.

Senator WONG: Is that in any particular order?

Mr Sloper: Alphabetical.

Senator WONG: But not quantum?

Mr Sloper: No. Some will be in kind. Some will be policy assistance. Some will be more traditional development and cooperation.

CHAIR: Thank you. I will hand the call to Senator Abetz.

Senator ABETZ: Thank you very much, Chair. I have a bracket of questions relating to Israel and the Palestinian authority. Whilst giving note of that, I have a few questions. If officials can get out the answer to question No. 751, which was asked on 22 March 2018 and a few questions that were on notice from the last estimates, that would be helpful. First of all, can we confirm that Australia still regards the organisation Hamas as a terrorist organisation?

Ms Yu: Yes.

Senator ABETZ: When was the last time that people under the rule of the Palestinian authority were given the benefit of an election to determine their leadership?

Ms Yu: It's been a while, but I would have to—
Senator ABETZ: Take that on notice. I have a suggested answer of 13 years. But I need confirmation. Can any other official confirm that my recollection is correct?

Ms Adamson: I think that is correct. That was indeed the figure in my own mind. Can we leave it on the basis that that sounds right? We'll check it and confirm if there is anything at variance with that.

Senator ABETZ: Can you tell us whether the people of Israel have had the opportunity to determine their government? If so, when did they last have that opportunity?

Mr Larsen: As I'm sure you know, Senator, there have been multiple elections in Israel over that period. I can confirm that I was ambassador to Israel in 2005, when the last election was held.

Senator ABETZ: So my maths was right that it's 13 years. Thank you for that.

Mr Larsen: I need to correct myself already. I apologise. I became ambassador immediately afterwards.

Senator ABETZ: Right. The important thing in this is not your posting, with respect, but the 13 years. So thank you for that; we have got that confirmation. But can I gratuitously but in a very heartfelt manner congratulate the Australian government for opposing the UN's investigation that was recently indicated and possibly more rhetorically than in any other way ask whether the UN has deemed it appropriate to have an investigation into all the rockets that have been fired into Israel in the last few days from Gaza? Any action there from the United Nations?

Ms Adamson: I think you know the answer to that, Senator. You did say rhetorically.

Senator ABETZ: I would like officials to actually confirm that, to their knowledge, the answer to my question is no.

Ms Yu: That's correct. It is no.

Senator ABETZ: Thank you very much. Earlier today, I think you told Senator Di Natale that the Australian ambassador to Israel was, in fact, invited to the opening of the American embassy in Jerusalem. Is that correct?

Ms Adamson: No. He was invited to the reception hosted—

Senator ABETZ: To the reception?

Ms Adamson: the previous day, but not to the opening, because that was a bilateral US-Israel event to which no foreign representatives were invited.

Senator ABETZ: Thank you for correcting me. So it's the reception of which we talk as opposed to the actual opening. Thank you for that. Was the Australian ambassador on leave at the time of the reception?

Ms Yu: No. He was not. That was Sunday. He had prior travel arranged for that day.

Senator ABETZ: Within Israel or without it?

Ms Yu: It was overseas, I understand.

Senator ABETZ: It was overseas. So the normal circumstance, is it not, is that if an ambassador is out of the country he or she is serving, there would be an acting ambassador?

Ms Adamson: There would be a charge de affair, yes.
Senator ABETZ: Or a charge de affair, who could then deputise for the ambassador. Was that considered for the purposes of the reception?

Ms Adamson: Could do, but not always.

Senator ABETZ: Sorry?

Ms Adamson: Could do, but would not always.

Senator ABETZ: Hence my follow-up question: was that considered for the purposes of the reception?

Ms Yu: As the secretary stated previously, the invitation was personal and non-transferable. In that case, it was actually directed to our ambassador, Chris Cannan.

Senator ABETZ: If he were not ambassador to Israel on behalf of Australia, one suspects that he would not have been invited. So to dress it up as a personal invitation is interesting. One suspects that his personal invitation was courtesy of the position that he held. Sometimes I get invites, very personal, to Senator Abetz, but I know that it is because I happen to be holding the position of senator for Tasmania, not necessarily because they have a particular liking for me personally.

Ms Adamson: No. Senator, you are correct. We didn't mean to imply it was anything other than Chris Cannan, Australian ambassador to Israel, by name on a non-transferable invitation.

Senator ABETZ: Did we ask whether, given the circumstances of his unavailability, we could send somebody else?

Ms Yu: We did not.

Senator ABETZ: And why not?

Ms Yu: A number of factors. We made a decision that our ambassador should not attend because he was unavailable and because the invitation was personal and non-transferable. As you would know very well, it was really consistent with our longstanding position on the political status of Jerusalem being a matter for final status issue in the negotiations.

Senator ABETZ: Which is a good segue to my next question. Is it anticipated that if a two-state solution were to be arrived at, which is a big 'if', West Jerusalem would be seen as remaining with Israel?

Ms Yu: Well—

Senator ABETZ: That is not in dispute, is it?

Ms Yu: No.

Senator ABETZ: Right. To say that Jerusalem is in dispute, in fact, the only real question is in relation to East Jerusalem. Is that correct?

Ms Yu: It's not quite. I think the two-state solution is based on the whole of Jerusalem being a final status issue. That's how the international community certainly approaches it.

Senator ABETZ: I won't delay further on that. I always thought that the issue of West Jerusalem was really not in play. The issue was in relation to East Jerusalem. Look, I will leave that aspect there. Have we got an answer to my question No. 751, where 10 questions were asked on notice? I thank you for the answer. I will run through it quickly. We provided $43.8 million for aid to the Palestinian authority or—
Ms Yu: Territories.

Senator ABETZ: Territories. Thank you. Then I asked whether the Palestinian authority includes in its budget payments to the families of convicted terrorists and, if so, how much. Yet again I was referred to a question on notice which kindly told me the amount in shekels. I thought we had a discussion about that last time. Would somebody at the table like to tell me how much we give the Palestinian territories in shekels? You know exactly what I was on about to make the comparison. It is singularly unhelpful to given me one figure in Australian dollars and the other one in Israeli shekels. I don't care which one you choose. Could you please make a choice and then allow us to make the comparison?

Ms Yu: Will do. With regard to your question on notice—

Senator ABETZ: Don't try to predict my questions. All I'm asking is: what is the comparison? I suspect that if one were to do the amount in the Palestinian territories in Australian dollars that is given to the so-called families of martyrs, can it be agreed it would be largely in excess of the $43.8 million that we make available in aid?

Ms Yu: Converted to Australian dollars, yes.

Senator ABETZ: Let's put a figure on it. Five times, ten times as much?

Ms Yu: I'm afraid I'll have to do those sums.

Senator ABETZ: I'm sure there's somebody behind you who could do that sum pretty quickly. I think the conversion rate as of late is 30.37 shekels to the Australian dollar. In the future, to be given a comparison with a similar currency would be helpful. I then asked: if the Palestinian authority can find substantial sums of money to encourage terrorism through payments to families of martyrs, why should Australian taxpayers be giving them aid? I was given this extremely unhelpful answer, referring me to Australia's aid investment plan, which I printed off. I've read it upside down and inside out. There is no answer in it in relation to the justification for why we are continuing to give aid to the Palestinian territories when we know that they are using substantially more than we give in aid to support, in effect, terrorism and terrorist type activities. There was no answer. I would once again now publicly ask: what is the justification, given that it stands to reason that us giving them aid allows them to side-step the issue of funding for education et cetera and frees up that money to assist them with terrorist activities?

Ms Yu: I will clarify. The $42.8 million that we talked about—

Senator ABETZ: Is it $43 million or—

Ms Yu: It is $43 million.

Senator ABETZ: The answer is $43.8 million. Is it $42.8 million or $43.8 million?

Ms Yu: It is $42.8 million for 2017-18.

Senator ABETZ: So the answer I got on 751 is $43.8 million.

Ms Yu: This is the planned funding. That would have been the outcomes. If I could just—

Senator ABETZ: Wait a minute. When I said how much money will be provided, you said $43.8 million in answer to that.

Ms Yu: Yes, apologies. It is $43.8 million.

Senator ABETZ: Thank you.
Ms Yu: I want to clarify. Not all of that—

Senator ABETZ: I would have been excited if it was in fact one million dollars less. What it meant is another one million dollars freed up for terrorist activities.

Ms Yu: The whole amount does not go to the Palestinian authority. The amount that is allocated to support the Palestinian authority is $10 million. That is the amount that actually goes into the World Bank's trust fund along with other donors. Other amounts are actually provided to UNRWA—around $20 million—as well as initiatives such as AMENCA 3, where we actually work with NGOs and directly with Palestinian farmers. I will come back to the $10 million. Yes—

Senator ABETZ: But the simple fact is the money finds its way into the Palestinian territories to assist in providing what might be considered essential services, which under normal circumstances the Palestinian authority should be funding. They are diverting their funds and they are able to divert funds to the so-called families of martyrs because the international community is bankrolling them in other areas. That is the reality, whether it goes through NGOs or other organisations. I accept that. So how much money is to be given to the Palestinian territories this year?

Ms Yu: That is—

Senator ABETZ: That is the $43.8 million?

Ms Yu: Yes.

Senator ABETZ: What about next year?

Ms Yu: For 2018-19, it's $43 million.

Senator ABETZ: So a little reduction. Good. Has the government given further consideration re the Palestinian authority's martyrs fund, which I have been pursuing? I just find it unacceptable that we are willing to provide funding in these circumstances. Are we making any representations that this is unacceptable?

Ms Yu: Obviously that is completely at odds with Australian values. On 29 May, our foreign minister wrote to a counterpart raising concerns about these payments that show up in the Palestinian authority's budget and seeking assurances that the Australian funding does not in any way enable or encourage acts of violence. The foreign minister herself sought further explanation and assurance from the Palestinian authority.

Senator ABETZ: Look, that is a very welcome step forward. Of course, they will always assert, will they not, that Australian money is not being so used? Could I respectfully suggest to the department and the minister that a letter saying, 'Whilst this fund continues to exist, we as Australian taxpayers believe that the Palestinian territories have more than sufficient funds to cater for their immediate needs without assistance of foreign aid.' It stands to reason that whilst we give foreign aid, it frees up money for the terrorist activities. Of course, our dollars, hopefully, would never find their way into the martyr fund, but if we didn't provide the assistance, hopefully less money would find its way into the so-called martyr fund and find its way to basic things like education, food, water, sanitation and those areas where we do assist. So it is welcome news in relation to the minister's correspondence. Are you free to table that? Take that on notice, unless it is able to be tabled immediately.
Ms Adamson: I think Ms Yu has provided the gist of the letter. Normally we don't table letters between foreign ministers.

Senator ABETZ: That is why if it needs to be taken on notice, I accept that.

Ms Adamson: I want to take this opportunity. Although we were all in, we thought, firm agreement that the last Palestinian election was held in 2005, our fact checkers behind us have pointed out that, in fact, it was 2006.

Senator ABETZ: Former ambassador, you and I were both wrong.

Ms Adamson: I admit to being wrong myself.

Senator ABETZ: And you as well, Secretary. Thank you to the fact checker behind the scenes. But the case is still made. Rather than 13 years, it is a dozen years. In Australia, we would have had four elections, if not more, during that period of time. Does the minister's letter specifically point to funding provided, creating space for the fund for the families of martyrs? I suppose I'm trying to get a handle on how strong the letter is.

Ms Yu: We make it clear—

Senator ABETZ: The flavour you gave me was that Australian dollars weren't being used. I would have thought it would be very easy to show that they weren't being used. But it's freeing up the space in the budget for this outrageous fund to assist terrorism. Do we make that point in the letter?

Ms Adamson: Senator, that point is made in that letter.

Senator ABETZ: Thank you very much. In that case, I'm even more pleased that the letter has gone. I look forward to reports about it. That was written two days ago?

Ms Adamson: That's correct.

Ms Yu: It was sent, yes.

Senator ABETZ: Good. That is good news. At question 9 in 751, I asked:

Is it correct that Palestinians born in the West Bank and Gaza are not fleeing war and are not seeing refuge?

I was very helpfully told:

It's not possible to characterise the situation of all Palestinians in the West Bank and Gaza in this way. I accept that that might be the case. But do we at least accept that the vast majority, if not 99.9 per cent recurring, would fall into the category of not fleeing war or not seeking refuge?

Ms Yu: Yes. We can accept that.

Senator ABETZ: So why was I given that answer, which is, with respect, singularly unhelpful and sidesteps the issue as to the actual characterisation? Thank you for that. I won't expect an answer and I won't delay. With question 10, I asked:

Excluding Palestinians, are there any other people in the world who are registered as refugees while being the citizens of another country or territory?

DFAT said:

DFAT is not aware.

If that were the case, would you expect to be aware of such a classification?
Mr Larsen: I will take that on notice, if I can, and get an answer for you within the session.

Senator ABETZ: Thank you very much. When did Israel vacate Gaza?

Ms Yu: Sorry, Senator?

Senator ABETZ: When did Israel withdraw from Gaza? Former ambassador, that was about the time, wasn't it?

Mr Larsen: It was, indeed. I hesitate to give another date, but I believe it was 2005.

Senator ABETZ: Yes. That is what I also believe. The fact checker will tell us if it is 2006.

Senator KITCHING: And the latest Economist also confirms that.

Senator ABETZ: Thank you, Senator Kitching. That's very helpful. The would-be Prime Minister of this country—and I'm not talking about Mr Shorten but Mr Albanese on this occasion—said in an ABC interview, uncorrected by the highly paid ABC compare, Barrie Cassidy, when talking about the conflict in recent times at the border between Gaza and Israel:

Ongoing expansion of Israeli settlements in the West Bank and Gaza undermine the two-state solution. Can anybody at the table indicate whether there is any evidence of expansion of Israeli settlements in Gaza? There is no evidence, is there?

Ms Yu: No.

Senator ABETZ: In fact, since 2005 or thereabouts, for certainty, there has not been an Israeli soldier or settler within the Gaza area.

Ms Yu: That's correct.

Senator FAWCETT: Except those kidnapped and taken there.

Senator ABETZ: Senator Fawcett makes a very good interjection, which should go on the record: except for those who have been kidnapped and taken there. Very good point, Senator Fawcett. Do we accept that Hamas's leader in Gaza—I will try to pronounce his name—Yahya Sinwar said, 'We will take down the border and tear out their hearts from their bodies?'

Is the department aware that that is on the official record and that that is what the Hamas leader in Gaza said about Israel or Israelis?

Ms Yu: Yes.

Senator ABETZ: So you are aware. You have no doubt that that is what was said?

Ms Yu: We have no reason. It was public.

Senator ABETZ: Yes. It was public. Would there be any other country anywhere in the world that would stand idly by, having its border threatened by people armed with knives and grenades et cetera, saying that that is their intention to cross the border and to tear out their hearts from their bodies? Would there be any other country that would say, 'Oh, well, that's interesting. We'll just accept that and let them come over', to your knowledge and experience?

Ms Yu: I would say no.

Senator ABETZ: And it would be reasonable to expect that any country confronted with such aggression would seek to protect its citizens?
Ms Yu: Yes.

Senator ABETZ: Thank you. Can we confirm, or is there any reason to doubt, that the protesters on the Gaza side were intent on tearing down the border fence and that they brought knives, grenades, fire kites, guns and other explosive devices to the area because Hamas had, in fact, instructed them to do so?

Ms Yu: Which particular protest are you referring to?

Senator ABETZ: Just a recent one along the border in the last few days.

Ms Yu: There are mixed media reports on that.

Senator ABETZ: Well, yes, there are, including the ABC, which breathlessly claims that 62 unarmed Palestinians were killed when Hamas itself confirms that over 50 of the people killed were in fact their operatives. So, yes, there are mixed reports. But let's try to deal with the established facts, if we can. Is it accepted that in that border uprising that seemed to have coincided, might I add, not with the establishment of the US embassy in Jerusalem but with the 70th anniversary of the state of Israel, that people were there at the border with knives, with fire kites, with guns and with grenades and had been instructed to do so by Hamas?

Dr Lee: Certainly in relation to what you've said, we've emphasised this in our statements to the Human Rights Council and publicly. We've certainly recognised that we're firmly of the view that Israel has had legitimate security concerns and that they've got the right to protect their population. We have certainly made that clear. We've also emphasised—

Senator ABETZ: With respect, what were they protecting themselves against? Was it a peaceful demonstration, where people were sitting in a circle holding hands singing Kumbaya or was it because there were people on the other side with grenades, with knives and with fire kites being told and instructed by the Hamas leadership to try to breach the border and tear people's hearts out of their bodies?

Dr Lee: I think in the circumstances of the situation, we did not agree to a resolution on this. There is a commission of inquiry that is going ahead. We have emphasised that that commission of inquiry should be impartial.

Senator ABETZ: But I am asking, from our knowledge and information received et cetera, were there people on the other side with grenades, with fire kites and with knives?

Dr Lee: What I'm saying is we certainly support that the circumstances be investigated fully and impartially so that we can be aware of the facts. What has been proposed previously we were concerned would not be impartial.

Senator ABETZ: But does our intelligence or information from the area confirm that people were there with knives, with guns, with fire kites and with grenades, or were they just standing there very peacefully or sitting around in a circle? Do we have any information at all?

Ms Yu: We certainly have had information, but whether that is official evidence it's difficult to say. But we have actually had reports that there were instruments being carried by the Palestinians at the border.

Senator ABETZ: All right. Instruments. Chances are the definition of 'instruments' might include guns, grenades, knives et cetera. All right. Can we also confirm that an Hamas
official, Salah Bardawil, admitted that 50 of the 62 people killed were members of the terrorist organisation Hamas?

Ms Yu: I believe that was a public statement, yes.

Senator ABETZ: And so you have no reason to doubt that?

Ms Yu: No.

Senator ABETZ: All right. Thank you.

CHAIR: We will now suspend for 15 minutes and resume at 3.45 pm.

Proceedings suspended from 15:30 to 15:46

CHAIR: This hearing has now resumed. I will hand back to Senator Abetz.

Senator ABETZ: I thank Senator Leyonhjelm for that indulgence. In relation to the fund for the families of martyrs, to the best of our understanding of that fund, would the families that lost family members during this demonstration, or whatever we want to call it, on the border in recent times be entitled to draw on that fund?

Ms Yu: I'm not sure of the answer to that. I will have to check exactly what the PLO's definition is and what the requirements are.

Senator ABETZ: If you could, I would be much obliged, especially when we are told by a Hamas official that the vast bulk of those who were killed were, in fact, from his terrorist organisation. Is it correct that Egypt has also severely restricted entry to and from Gaza?

Ms Yu: I will have to check that. I'm not sure. My apologies. I'm very new to the job and I'm not quite sure on that.

Senator ABETZ: Thank you for that. If you could, I would be much obliged. Can we turn to additional estimates answer No. 54, please? This is where I asked a few questions about UNRWA and the mandate in relation to UNRWA. The General Assembly provided a definition, as I understand it, of Palestinian refugees quite some time ago, but that now has been expanded by UNRWA. Is that correct?

Ms Yu: I'll have to check whether it was the General Assembly or UNRWA itself when it was established.

Senator ABETZ: That is what I don't know. That is what I was wanting to clarify in relation to the answer that I was provided. If you could do that, that would be very helpful.

Ms Yu: Yes.

Senator ABETZ: Then we are told at the very end of the answer:

Under Jordanian law, individuals can obtain Jordanian citizenship and remain refugees.

That was in relation to this question I asked: when you are a citizen of another country, how can you still be then classified as a refugee? All the people who have come as refugees to Australia, I assume, who have taken out Australian citizenship are now determined to be Australians and are no longer on any UN books as refugees, whereas they in fact do have a country and they do have a home. Is Jordanian law, interestingly, in line with the UN definition of 'refugee'? Whilst I can understand that it might suit the purposes of Jordan, I want to know whether that is the understood definition internationally or whether this is a very interesting, unique Jordanian legal nicety?
Ms Yu: With regard to the definition of refugees for UNRWA's purposes, there is no reference there, to my understanding, of the citizenship component or being another country's citizen.

Senator ABETZ: Yes.

Ms Yu: Therefore, as you say, Jordanian law is allowing this situation. But it does not actually have an impact on UNRWA's definition of 'refugee' for the purpose of its operations.

Senator ABETZ: But it stands to reason, I would suspect, that it should. Otherwise, why don't the people who have come here as refugees and have Australian citizenship? We still classify them as refugees. We wouldn't mind a bit of international assistance for them.

Ms Adamson: We are a resettlement country as distinct from a transit country. I think one of my—

Senator ABETZ: Yes. But it's not a transit country when they extend full citizenship.

Ms Adamson: I'm saying that the situation could not happen in our country. I appreciate the interest that you're taking in Jordan and why. But in our situation, that could not be the case. As refugees are resettled and become our citizens, they no longer retain refugee status. I'm hoping that one of my legal colleagues might be able to come up and take you through the relevant convention, if that's what you're interested in. I'm just making the point that it couldn't happen in a country like ours or, indeed, others like ours.

Senator ABETZ: Yes. But it happens nowhere else in the world, does it, other than Jordan?

Mr Larsen: I would have to confess that I'm not an expert on the Jordanian law. I think the point is that the circumstances in relation to Palestinians and Jordan are very particular to that location. Of course, they have a particular history.

Senator ABETZ: Thank you very much. I'll leave it at that for the time being. Thank you very much.

Senator LEYONHJELM: My questions are more or less along the same lines as Senator Abetz's. I have listened to his questions and the answers received. I will endeavour not to duplicate anything. There are a couple of points that he did ask about that I'm not clear about, which I will begin with. As I understand it, according to the DFAT budget statement on foreign aid, Australia has pledged $20 million to the United Nations relief and works agency for 2018-19 as part of its $80 million four-year strategic partnership agreement. The site also has a graphic stating that $10 million is pledged to the Palestinian authorities via the World Bank. You did mention that in your earlier response. Elsewhere it says:

Total Palestinian foreign aid is $43 million in 2018-19 to a variety of causes.

You said earlier it was $43.8 million. Am I right so far in all those numbers?

Ms Yu: It was actually $43.8 million for 2017-18. For 2018-19, it was $43 million.

Senator LEYONHJELM: Yes. So $10 million to the Palestinian authority, $20 million to UNRWA—

Ms Yu: Yes.

Senator LEYONHJELM: and the remainder goes to the NGOs?

Ms Yu: That's correct.
Senator LEYONHJELM: Is that right?

Ms Yu: Yes. A different range of things.

Senator LEYONHJELM: Yes. I will come back to that. The purpose of the aid, as DFAT states, is, and I quote:

… a tangible demonstration of our longstanding support for the Middle East process.

Does this mean that each recipient of our aid might be expected to promote the peace process one way or another?

Ms Yu: We hope so. Really, that is the broader objective of our contribution. That comes from the fact that even an Israeli regional corporation minister said as recently as September 2017 that, in order for them to move forward and finally resolve the longstanding conflict, it was important for the Palestinian economy to be growing and to have effective governance. So it's really with that in mind that those contributions are being made by the Australian government.

Senator LEYONHJELM: Well, let me put it another way. If a recipient of our aid were undermining the peace process, would that be a concern to the department?

Ms Yu: I would have thought so, yes.

Senator LEYONHJELM: I understand that some of our aid is earmarked for NGOs under the Australia-Middle East NGO Cooperation Agreement, which is called AMENCA 3. Is that correct?

Ms Yu: That's correct.

Senator LEYONHJELM: I also understand that one of the recipients under that has the name Union Aid Abroad, and there is an acronym APHEDA.

Ms Yu: Yes.

Senator LEYONHJELM: The main recipient of that group's assistance is the MA'AN Development Center based in Ramallah. Is that accurate still?

Ms Yu: That sounds like it's correct.

Senator LEYONHJELM: I have been given material published by the MA'AN Development Center which is highly critical of Israel. It calls Israel an occupying force and accuses it of war crimes. It labels a security fence an apartheid wall and it promotes the BDS campaign. It's also closely affiliated with elements of our Labor Party here in Australia and the Greens, including Senator Rhiannon, who is here. AMENCA was also donating to World Vision until it was found to be funnelling aid to Hamas. Could you—

Senator MOORE: Chair, could I comment? In terms of the last comment, could we just make sure that it is alleged.

Senator LEYONHJELM: Yes, all right. I'm happy to say that. I did say at the beginning that this is information I received. I'm merely quoting from what I was informed. Unless you can tell me that my information is incorrect, my question, on the assumption that it is correct, is: how is AMENCA 3 funding promoting the Middle East peace process?

Ms Yu: Like with all our programs, aid or humanitarian, we do actually have very stringent reporting and review of these programs to ensure that it is actually being used for the appropriate purpose. With regard to AMENCA 3, this is actually an area where we have

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achieved some very good, tangible results that are actually helping the Palestinian people to be much more self-reliant. With regard to those members, they are doing a great job and really focusing on delivering inclusive economic growth in the agricultural sector and promoting people-to-people and institutional linkages. I can certainly provide you with real, good examples of the outcomes of AMENCA 3 which we believe are actually contributing to a peaceful, hopefully, two-state solution.

Senator LEYONHJELM: Yes. My question was specifically in relation to the MA'AN Development Center in Ramallah. Are you able to provide that same level of information to confirm its positive contribution as well?

Ms Yu: Not right now. I'll have to find out a bit more about it. I don't have that level of detail about the organisation you refer to.

Senator LEYONHJELM: All right. The information I have is that you would struggle to find that information. If you do have it, I would certainly be most interested. I would like to turn to Australia's foreign aid provided to UNRWA, the United Nations refugee organisation for Palestinians. Is it the department's view that this aid promotes the Middle East peace process?

Ms Yu: Once again, UNRWA plays a very important role in providing Palestinians with basic services, including education for children. These things, as I stated previously, can only help in moving forward even, as the Israeli minister has said, to resolve what is a longstanding conflict.

Senator LEYONHJELM: Yes. I'm not sure that you answered my question. Are you confident that the aid to UNRWA promotes the Middle East peace process? I know that's what you would like to achieve. Are you confident that it's doing it?

Ms Yu: Well, Australia's contribution is core funding and it's combined with other donors' funds. Once again, over the role of UNRWA there are very stringent and really focused compliance reviews. Yes, we believe the work done by UNRWA is contributing to a better future and towards a peaceful two-state solution.

Ms Adamson: I have been listening to the conversation. I think it's worth reminding ourselves also that we're not going to have progress on a Middle East peace process. It's been impossible for decades. It's most unlikely while we continue to have stagnant economic growth in the Palestinian territories and while unemployment remains, I think on the figure we have, at 44 per cent. So some of the funds that we are giving to UNRWA, as HK Yu said, is to provide essential health, education and protection services. But we also include funding, because this is a focus for us globally, to address gender based violence. It goes to the underlying conditions. I can certainly understand where you and Senator Abetz are coming from, but we believe that it is worthwhile continuing to make a contribution in the way that we have been.

Senator LEYONHJELM: I'm not in dispute in relation to the aspirations. What I am seeking some assurances on is whether Australia's contribution is actually contributing to that aspiration. That's where I'm going with this. I'm not denying that if we can improve the economic situation in the West Bank, or in Gaza for that matter, that that may well be an appropriate use of Australian aid. What I am seeking is assurances—I have some more
information on that—as to whether or not that is occurring, or at least each element of our aid is doing that. I'm not denying that at least some of our aid is contributing to that either.

Ms Adamson: It's worth thinking about the counterfactual, too. If we were not providing this aid, how much worse would the situation be?

Senator LEYONHJELM: Well, are you aware of reports—some of these have been confirmed by UNRWA, I'm told—of connections between UNRWA and Hamas? Are you aware of Hamas leaders being employed by UNRWA? I can give you some examples if you're not aware of them. There's a memo of Suhail al-Hindi, a senior Hamas activist, who supports jihad against Israel and suicide bombings. He was fired just a year ago as a teacher in UNRWA schools, where he had been for 27 years. Are you also aware that, in each UNRWA school, Hamas appoints a representative who runs the Islamic Bloc branch? That representative—he, inevitably—is responsible for enlisting student members and organising activities. These activities include honouring Palestinian terrorist prisoners in Israeli jails. The Islamic Bloc at al-Bahrain middle school, which is an UNRWA school, supports al-Quds, intifada and knife attacks. Do you have any views on that?

Ms Yu: I was not aware of that particular former employee that you mentioned. UNRWA certainly as an organisation has a robust legal framework and mechanisms in place to safeguard neutrality for staff and third party suppliers. Obviously, this is a very important factor for Australia to be part of this. They have a stringent framework to ensure that there's complete neutrality in the people that they employ.

Senator LEYONHJELM: Well, I'm sorry, Ms Yu, but I have information which would present an alternative view to that. There were new textbooks introduced by the Palestinian authority in 2017, I understand, which were adopted in UNRWA schools. Those textbooks show the beginning of Zionism at 1856. The entire presence of Jews in the Holy Land is characterised as a criminal act. A poem about liberation calls for the annihilation of the remnants of the foreigners after eliminating the usurper. A ninth grade Arabic language textbook describes a Molotov cocktail attack on an Israeli bus as a barbecue party. I won't read it out, actually. It more or less repeats that. It seems that there is a barbecue party there with Molotov cocktails on one of the buses in the Psagot settlement. Are you aware of that?

Ms Yu: We are aware of those reports. With regard to the UNRWA textbooks, UNRWA uses the textbooks of the host jurisdictions because obviously children in its schools sit for national exams in those jurisdictions. But all textbooks used by UNRWA schools are assessed through the US funded curriculum review process within UNRWA to ensure that they address issues of neutrality. We are aware of those reports that you've just mentioned. The UK has announced that they will be conducting a thorough assessment of the PA curriculum. Certainly Australia have expressed interest in engaging with them in this exercise.

Senator ABETZ: You have expressed interest, but does that mean we will have officials specifically checking out that which Senator Leyonhjelm has said? Just because there's a vetting process, which is US funded, does not mean that it is US oversighted. Who are the actual individuals who do this assessment? Are we satisfied as to their absolute commitment to the peace process?
Ms Yu: I will answer that question. It is the UK Department for International Development that would be conducting this thorough assessment. We will be participating in it to the extent that we can.

Senator ABETZ: Yes. But previously didn't you say that UNRWA had a US-funded assessment process?

Ms Yu: Yes. That's correct.

Senator ABETZ: Right. So just because it's US funded doesn't mean it's US oversighted. So who are the UNRWA people on whom reliance is had to ensure that that which Senator Leyonhjelm has just read into the transcript does not in fact find its way into the teaching materials? If you could take that on notice for me, I would be much obliged.

Ms Yu: Sure.

Senator LEYONHJELM: I'm equally interested in this area. This issue of what they are teaching kids in UNRWA funded schools has come up before. There have been assurances that things are going to improve, yet the evidence suggests that they haven't improved anywhere near enough. UN Watch published a report in 2017 to the effect that there were 40 new cases of UNRWA school teachers teaching Palestinians, obviously, in Gaza, Lebanon, Jordan and Syria whose Facebook pages incite jihadist terrorism and anti-Semitism, including Holocaust denying videos and pictures celebrating Hitler. Have you heard that report?

Ms Yu: No.

Senator LEYONHJELM: I will go on for a minute or two. I haven't got a lot more. One of the issues of great concern is the allegations that Hamas stores weapons in UNRWA schools and builds tunnels under the schools, particularly in Gaza. I have some information in relation to that if you haven't seen it. I imagine that you have heard of those reports?

Ms Yu: Yes. I have heard of those reports.

Senator LEYONHJELM: Are we investigating whether those reports are accurate and whether our money is facilitating the peace process in the Middle East if it is going towards that use?

Ms Yu: I understand that particular case was reviewed. It was established that it was based on some fake news. In fact, in a lot of those schools, the teachers and the occupants of the schools were not aware.

Senator LEYONHJELM: Were not aware?

CHAIR: Senator Kitching, do you have a point of order or a follow-on question?

Senator KITCHING: No, not a point of order. Do you mind if I ask a clarifying question?

Senator LEYONHJELM: On the same subject?

Senator KITCHING: Yes.

Senator LEYONHJELM: All right. Go ahead.

Senator KITCHING: Thank you. While you are looking at the questions that Senator Leyonhjelm is asking, maybe you can also refer to the UN's Office of Internal Oversight Services, which did a recent report on UNRWA. I think it's dated this year. An article discussing the report says:
The United Nations itself found that UNRWA was particularly vulnerable to "misappropriation, graft and corruption" in its "procurement partner selection, food and cash distribution, hiring and promotions and other areas" and that UNRWA's oversight arrangements were deficient.

You could maybe also reference that in the questions on notice, thank you.

Senator LEYONHJELM: Thank you, Senator Kitching. Ms Yu, you seem to be referring to a single report of the use of an UNRWA school by Hamas for terrorist activities. I have four instances. Although admittedly these notes here would suggest separate instances, they do relate to 2014. Were you thinking of more recent times, or are you going back that far?

Ms Yu: I'll have to take on notice the other cases that you refer to.

Senator LEYONHJELM: These relate to the storage and use of rockets in UNRWA schools primarily rather than instances of tunnels, although, as you said, I have no additional information on that tunnel story. There is one other aspect that I find of concern, though, and that is that Hamas has controlled the UNRWA workers union since 2012. There was an election for the officials of the union apparently in 2012. It was boycotted by Fatah because of Hamas control. That's obviously significant, as you advised Senator Abetz earlier when he was talking to you. Hamas is still regarded as a terrorist organisation.

The matter of the Palestinian authority rewarding terrorists financially for killing Israeli Jews using money given through foreign aid was raised also by Senator Abetz. You advised that a letter was sent two days ago by the foreign minister to the Palestinian authority seeking assurances on that front, so I won't go there again. However, I have been advised that, I think, Denmark raised this matter directly with the Palestinian authority. The Palestinian authority said, 'No. That can't be happening. We use different money for that.' Fairly obviously, that is a ridiculous answer. Money is entirely fungible. Once it transfers what it's used for and which money is used for what purpose, you can't distinguish one from the other. Are you aware of that Danish report?

Ms Yu: I wasn't aware of that report. But, as stated previously, certainly our foreign minister has raised that issue about the fungibility of the funds and asked for an explanation around that to the Palestinian authority.

Senator LEYONHJELM: If you are aware of some of these points, fine. If you're not, perhaps you could take on notice undertaking to explore them. There was a recent Sky News story showing footage obtained by the Australian Jewish Association that exhibited a school play where children at a school funded by UNRWA dress up as Palestinian freedom fighters killing other children dressed up as Jews. Are you aware of that report?

Ms Yu: I'm not. I'm sorry, Senator.

Senator LEYONHJELM: Perhaps I could leave that one with you. There are multiple reports of students—I actually have some documentation here with me, if you're interested—showing that students in UNRWA schools are being taught that Israel does not exist. Are you aware of that?

Ms Yu: No. I'm not.

Senator LEYONHJELM: If you like, I can give you some information on that. If you have your own sources, fine; you won't need it.
CHAIR: Senator Leyonhjelm, you've referred to a number of pieces of material. Are you seeking to table them with the committee or will you provide them directly and separately to the department? I seek a clarification.

Senator LEYONHJELM: I think in the interests of time I'll do it outside, Chair. Palestinian authority textbooks adopted by UNRWA, I am told, talk about the extermination of Israel's surviving Jews. I did mention this earlier. I guess the question is broadly back where I started: is our aid facilitating the Middle East peace process, is it funding anti-Semitic teaching, or is it funding terrorism?

Ms Yu: As stated previously, we believe UNRWA's role is actually assisting with providing a basic services to the Palestinian people in terms of education and health and livelihood opportunities and, therefore, it is playing an important role in maintaining a degree of social and economic stability in the region.

Senator LEYONHJELM: I have no objections, if we are going to provide foreign aid to this part of the world, to the aim of improving the economy of the Palestinian area. I have no objections at all. I'm not questioning that. I'm not questioning even that some of our money might be used for that purpose or it might be actually achieving that purpose. What I am questioning is whether all of it is contributing for that purpose. That's essentially what I am asking you to look at.

Ms Yu: In the areas where we believe it doesn't align with our values, we are further investigating, as the foreign minister has done with her letter. Even amongst the donors we are further investigating and representing our concerns and seeking further explanation from the Palestinian authority in that regard.

Senator LEYONHJELM: I have left you a number of questions on notice. This is a matter of continuing interest to me, so I look forward to hearing what progress you make in terms of finding out further information.

Ms Yu: Of course.

Senator LEYONHJELM: Thank you, Chair.

Senator RHIANNON: I want to start with some questions related to issues to do with Azerbaijan and the Armenian issue. Minister Fierravanti-Wells indicated that Australia was, and I am quoting one of the minister's speeches from your website: … a forthright supporter of Azerbaijan's sovereignty and territorial integrity, and strongly supports Azerbaijan's position on—

and I apologise for my pronunciation—

Nagorno-Karabakh.

Was this consistent with all the core principles of the Organisation for Security and Cooperation in Europe Minsk process, which I understand that Australia has indicated it supports?

Ms Raper: The government's longstanding policy is that Australia supports the territorial integrity of Azerbaijan and does not recognise Nagorno-Karabakh as an independent state. As you note, we're supporters of the OSCE Minsk Group. We do not seek to intervene in the dispute.
Senator RHIANNON: Thank you. In April this year, federal member for Hughes Mr Craig Kelly and a delegation of four other MPs visited Azerbaijan to monitor the election, where Ilham Aliyev was re-elected for a seven-year term with an 85 per cent overall vote. Does the government stand by the comments of Mr Kelly when he described the elections as democratic? I am asking this question because I noted at the time the elections were widely criticised by international observers, including the OSCE—I understand that Australia is a partner in the OSCE—for the failure in that election to follow basic democratic processes.

Ms Raper: I am sorry, Senator, but what election are you referring to?

Senator RHIANNON: The election earlier this year, where Mr Ilham Aliyev, the leader, was re-elected for a seven-year term.

Ms Raper: I don't have any information on that. I will have to come back to you.

Senator RHIANNON: If you could take that on notice, thank you. I understand that DFAT has indicated its awareness of the investigation carried out by the Organised Crime and Corruption Reporting Project into the money scandal known as the Azeri laundromat. Are you in a position to comment on that if I want to ask a question about it?

Ms Raper: Why don't you ask your question and I'll see if I can find the relevant material.

Senator RHIANNON: Is the government aware of the investigations that link these funds that were being investigated by OCCRP to European politicians and political organisations in order to strengthen the profile of Azerbaijan abroad and cover up human rights abuses in that country?

Ms Raper: I think I will have to refer you to my initial comments on what our policy is to support the territorial integrity of Azerbaijan. I can't comment in particular on that question that you've asked.

Senator RHIANNON: Could you take it on notice, because it was specifically about funds? I have another one that you will probably need to take on notice. If you have any information, it would be useful to share it with the hearing. Was any of this money, which is being referred to as the Azeri laundromat scandal, been laundered through Australia? It has been reported that some has been laundered through New Zealand.

Ms Raper: I'm going to have to take that on notice.

Senator RHIANNON: Thank you. I will move on to some questions about Palestine. I am just following up on some of the issues that Senator Richard Di Natale asked earlier. Can you confirm that, given Australia's policy that we should not prejudice the status of Jerusalem, Australian officials will not attend meetings in the new US embassy in Jerusalem?

Ms Yu: I can't confirm that Australian officials will not attend the US embassy. Some of the roles of the post representation is that we actually work with other posts.

Ms Adamson: We have made our decision in relation to our own intentions very clear. We will need to continue normal cooperation and diplomatic discourse with our US colleagues.

Senator RHIANNON: But isn't it a fair summary of Australia's position that nothing should happen that would prejudice the status of Jerusalem?

Ms Adamson: I don't believe that Australian officials holding meetings with US officials in their embassy would prejudice the final status negotiations.

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE
Senator RHIANNON: Why do you say that, considering the extraordinary controversy that there is around this? We are actually talking about the status in Jerusalem.

Ms Adamson: We are. The government made its position clear on that when President Trump announced that intention. We've also made clear our own intentions with respect to our own embassy, which is for it to stay where it is. So our position is clear, but we will need to, in a pragmatic way, continue to work with the Americans as we do throughout the world and, indeed, with other close partners.

Senator RHIANNON: So when you say pragmatic, do you mean that you take it on a case-by-case basis depending on who is attending the meeting, where it's going to be held and that sort of thing? Is that what pragmatic means in this case?

Ms Adamson: It means that we will need to continue to do business with the Americans. I would be comfortable leaving judgements on those matters to my colleagues in our embassy in Tel Aviv. Should they encounter a situation where they feel they want to seek instructions, I have no doubt that they will do that.

Senator RHIANNON: Thank you.

Senator FAWCETT: Can you confirm that members of parliament, ministers and our ambassador at times visit the Israeli parliament, the Knesset?

Ms Adamson: Yes.

Senator FAWCETT: Where is the Knesset located?

Ms Adamson: I'm sure you have visited the Knesset yourself, Senator. I haven't, but I'm sure you know the answer to that question.

Senator FAWCETT: Would you mind putting it on the record?

Ms Adamson: Well, the Knesset is in Jerusalem.

Senator FAWCETT: So the location of their parliament is in Jerusalem.

Ms Adamson: It's not that we've got any difficulty at all—

Senator FAWCETT: Correct. Thank you.

Ms Adamson: in dealing with them, and nor would we with the new US embassy and its personnel.

Senator FAWCETT: So most of the forms of their government—their Knesset, their Supreme Court—

Ms Adamson: Absolutely.

Senator FAWCETT: Their ministries?

Ms Adamson: And our colleagues travel very regularly to Jerusalem for those kinds of meetings.

Senator FAWCETT: Yes. Because that's where their government is.

Ms Adamson: Exactly.

Ms Yu: And it's in West Jerusalem, I understand.

Senator RHIANNON: Thank you. Ms Adamson, do you know of any legal code that would not count the shooting of unarmed civilians as a war crime?
Ms Adamson: I'm going to ask our chief legal officer to answer that question because there are nuances to the answer.

Senator RHIANNON: Yes.

Mr Larsen: Forgive me. I think your question contains a double negative. Could I hear it again?

Senator RHIANNON: Do you know of any legal code that would not count the shooting of unarmed civilians as a war crime? It's not actually a double negative.

Mr Larsen: Well, every circumstance where a person faces fire will depend on the specific circumstances. So it will always be treated on a case-by-case basis. In some instances, it may be a crime. In other instances, it may not.

Senator RHIANNON: So when would it not be a crime to shoot unarmed civilians?

Mr Larsen: I think it depends on the circumstances. I can't answer a hypothetical. It will ultimately depend on all the circumstances and the facts at the time.

Senator RHIANNON: Do you know of any legal code that would not count the shooting of unarmed civilians walking towards a fence when they are many hundreds of metres away from the person with the guns as a war crime?

Mr Larsen: I can't engage in a hypothetical assessment.

Senator RHIANNON: It's not a hypothetical. It's just what has happened in Gaza. It's not a hypothetical.

CHAIR: Senator Rhiannon, I seek a point of clarification. I think you are asking an Australian DFAT legal officer a question. It would be quite appropriate, I think, to ask questions of Australian law. I'm not sure he is the appropriate person to ask about the laws of other nations.

Senator RHIANNON: I don't think you need to protect him. I think it's a very legitimate question concerning the circumstances. This is DFAT. We have representatives there. These incidents occur. They need to be explored. I will ask the question again. Do you know of any legal code that would not count the shooting of unarmed civilians walking towards a fence when they are many hundreds of metres away from the person with the guns as a war crime?

Mr Larsen: It absolutely depends on the particular circumstances. It would be a case-by-case assessment. It would depend on an assessment of the perception of the forces on the other side of the fence or border. It would depend on the nature of the approach. So there are many factors to consider.

Senator RHIANNON: In March this year, it was reported in the Israeli media that Israeli border police were deploying newly developed drones that can drop tear gas canisters against Palestinian demonstrators. The drones can carry up to six canisters at a time. They can drop them individually, in clusters or all at the same time. Developers, I understand, are working to increase the capacity to 12 canisters. What is the government's response to using drones to drop tear gas canisters on people?

Mr Larsen: I might answer that from a legal perspective, but obviously colleagues at the desk will have a more nuanced and sophisticated view. At the end of the day, it's always a question of a case-by-case analysis of the particular circumstances, so it depends on the particular threat. It depends on the particular events. It depends on the intention of both sides.
Senator RHIANNON: But isn't the question here that both sides are not equal sides? This is the case, and this is another example of it. That's not the question, but I think that's fair enough to comment on the context here. Given currently tear gas canisters shot from the canons have maimed people—that's on the record—does the government have any concerns that canisters dropped from the sky with the accuracy that drones can deliver has even greater potential to seriously harm people?

Mr Larsen: We recognise the right of Israel to defend itself, to take reasonable and proportionate action in response to threats. I can't comment on the particular hypothetical you've put to me. Ultimately, any legal analysis or measuring conduct against a code or legal standard will depend on the particular circumstances.

Senator RHIANNON: You've used the word 'proportionate', which is regularly used when there are these discussions. There's such a huge gulf here, considering that we had snipers on one side and on the other side there's protesters in Kissufim, where there were reports of Molotov cocktails and there were reports of kites flying over. There were also tens of thousands of people who were engaged in peaceful action. When you use the word 'proportionate', what do you actually mean by that considering there were snipers on one side who killed well over 100 people?

Mr Larsen: It absolutely depends on the particular circumstances. It depends on the perception of each side as to the conduct of the other. It depends on the facts on the ground. It is quite possible that action can be lawful even where you have civilian casualties.

Senator RHIANNON: So is it proportionate where there were no deaths on Israel’s side but there are well over 100 deaths on the Gazan side as well as over 2,000 people injured? Is that a proportionate response?

Mr Larsen: In my opinion, the question of proportionality doesn't give rise to a debate about the number of deaths on one side or the other. That's not relevant to proportionality.

CHAIR: Senator Rhiannon, I remind you of a point of order that Senator Moore raised about using the word 'alleged'. With Senator Leyonhjelm it was important. Senator Leyonhjelm took the point that these are allegations. You are now referring in the same way that Senator Leyonhjelm was.

Senator RHIANNON: Well, I actually don't agree with that, Chair. Nothing that I have said is an allegation. It has been reported widely and it hasn't been disputed with regard to the figures that I gave or what happened. Has the Australian government made any response or indicated any concerns to the Israeli government about the use of drones as described?

Ms Yu: Not drones as such specifically. As you would know, our foreign minister, on 15 May, issued a press statement expressing her deep regret and sadness over the loss of life. As Mr Larsen commented just then, while we recognise that Israel has legitimate security concerns and needs to protect its population, we call on Israel to be proportionate in its response and refrain from the excessive use of force. Senator Di Natale asked how many times we actually made representations to the Israeli government about this issue. I can provide that information for you. There have been five occasions where we made representation to the Israeli government expressing our concerns around what was happening in the Gaza Strip.
**Senator RHIANNON:** Thank you for making that available. Israel's border police deputy commissioner, Yaakov Shabtai, was quoted in the *Times of Israel* as saying, and I quote him:

> Beyond the fact that this equipment neutralizes any danger to the troops, it enables reaching places that until now we couldn't get to.

I emphasise the words 'it enables reaching places that until now we couldn't get to'. Is the Australian government concerned the Palestinians may now be targeted by the Australians anywhere within flight distance?

**Ms Yu:** We'll have to look further into that.

**Senator RHIANNON:** And if that's a proportionate response.

**Mr Larsen:** I might add to that. Ultimately, I think it's a question of facts and the particular circumstances that the Israeli forces face. Any assessment of the reasonableness or otherwise or the proportionality or otherwise will always be a question of considering the relevant facts at the particular time.

**Senator RHIANNON:** Surely we can ask the question now. Part of the relevant facts is whether this will mean that Palestinians going about their daily business will be the targets of these drones, because that's now possible?

**Mr Larsen:** Senator, that is a hypothetical question.

**Senator RHIANNON:** It's not hypothetical. It's the border police deputy commissioner saying it. He said, 'It enables reaching places that until now we couldn't get to.' It's not hypothetical.

**Mr Larsen:** The answer to the question that I would posit is that ultimately we respect Israel's right to act in self-defence. The actions that it takes, provided they are reasonable and proportionate, are acceptable. Ultimately, any assessment of that depends on the particular circumstances.

**Senator RHIANNON:** If you're the legal adviser, how can you be talking like that when the question was related to unarmed people going about their ordinary business just trying to eke out a living when they can't even return home to their land? These are refugees just trying to live. Now they could be targeted. How could you say that?

**Mr Larsen:** It depends on the circumstances. There are obviously circumstances in which Israel faces risks from particular locations, including Gaza. Israel has a right to respond to those risks in proportionate and reasonable terms.

**Senator RHIANNON:** Has the Australian government sought any reassurance from the Israeli government about how these weapons will be used?

**Ms Yu:** No. Not specifically on those weapons.

**Senator RHIANNON:** Thank you. I want to move on to how DFAT presents Smartraveler on their website. I notice on the map, which you would be well aware of, we've got Israel, West Bank and the Gaza Strip but we have no occupied Palestinian territories. When you read your advice, there's no reference to occupied Palestinian territories. It stands in sharp contrast to similar advice from Smartraveler on the UK site and on the New Zealand site. I'm sure you can't read the writing from there, but you can see my pink highlighting. 'Occupied Palestinian territories' is the term that is used. Why aren't you using the terms 'occupied Palestinian territories' when you give people advice about that region?
Ms Yu: We do not recognise the Palestine state.

Senator RHIANNON: The term that is used is 'occupied Palestinian territories'. I never used the term 'Palestine state'. 'Occupied Palestinian territories' is the term that is used by far by the majority of countries and by our international institutions. While you are considering that, I will add to it because I don't want to be cut off. In 2014, sitting in this room, former senator Brandis declared that the government would no longer use the term 'occupied territory' when referring to Israeli settlements. He described it as a judgemental term and it being inappropriate and unhelpful. So does that mean that, as it's not on the map and there's no description of the occupied Palestinian territories using that term in the Smartraveler, Mr Brandis's declaration in 2014 is now being followed by DFAT?

Ms Yu: I will have to follow up, Senator, on how the Smartraveler map was developed.

Senator RHIANNON: Ms Adamson, would you like to add to this, please?

Ms Adamson: We will need to get back to you.

Senator RHIANNON: Seriously, you just have this wonderful photo. There's dozens and dozens of you here. You know you're coming here to speak about Palestine.

Ms Adamson: We will get it to you as quickly as we can.

CHAIR: Your time is up.

Senator RHIANNON: Thank you.

Senator WONG: I have a range of things I will try to go through. How many guests of government arrangements annually do we generally provide?

Ms Adamson: That's really a question for the Department of the Prime Minister and Cabinet.

Senator WONG: Do you have no involvement in recommending?

Ms Adamson: Of course we do have involvement. But in terms of the actual numbers, that relates to the capacity of CERHOS.

Senator WONG: How many per year do we generally have?

Ms Adamson: I can't answer that question.

Senator WONG: Can someone take that on notice and pass it on to PM&C?

Ms Adamson: It's a question for the Department of the Prime Minister and Cabinet.

Senator WONG: Well, you can send it to them.

Ms Adamson: We can't.

Senator WONG: Yes, you can. That's quite normal. It's a question for PM&C and you refer it to the other department.

CHAIR: Senator Wong, you asked a question and the secretary has answered it.

Senator WONG: It was courteous before I left. Obviously, people have got grumpy while I've been away. I'm happy to respond.

CHAIR: Senator Wong, as the secretary has pointed out, you are certainly able to put it on notice.

Senator WONG: How many recommendations has DFAT made in relation to guests of government this year?
Ms Adamson: We'll have to take that on notice.

Senator WONG: You don't know?

Ms Adamson: Can I say—

Senator WONG: You don't know?

Ms Adamson: Not the number off the top of my head.

Senator WONG: Is there someone here who can tell us?

CHAIR: Senator Wong.

Senator WONG: There are many of you.

CHAIR: Sorry, Secretary. Senator Wong.

Senator WONG: Well, it's a pretty reasonable question.

CHAIR: Senator Wong, you are now speaking over the secretary. She hardly got two syllables out before you started asking another question and another question.

Senator WONG: I don't think it's acceptable that they can't tell me.

CHAIR: Well, if you actually allowed the secretary to answer.

Senator WONG: Well, she said she doesn't know. Can someone come forward who does?

CHAIR: Secretary, can you please answer the question?

Ms Adamson: It is a very reasonable question.

Senator WONG: Thank you.

Ms Adamson: We'll do our best to answer you as soon as possible. What I wanted to say was that obviously guest of government visits are something that we are very keen to see. We regularly put forward recommendations to the Department of the Prime Minister and Cabinet because we recognise that a significant part of our diplomacy is done at leader or foreign minister level or at other ministerial level under guest of government arrangements. There is a difference, as you know, between visiting a country on an official visit and visiting on a guest of government arrangement. So we are avid users, if I can put it that way, and proposers of guest of government invitations. We work very closely with PM&C to develop programs and to implement them. But they are the custodians, if you like, of the numbers. We will do our best to check for you.

Senator WONG: Thank you. Is the recommendation process from DFAT usually via the relevant branch? I'm trying to find the organisation chart. What is the process? Is it each division? For example, would the Indo-Pacific group recommend that it's a good idea if we have a guest of government arrangement for X or Y?

Ms Adamson: I think it would be typically, but I'll expect any colleague who feels that this is not an accurate answer to come and correct me. I think you initially said at the branch level. That would be the level I would expect it to happen. What happens normally is that typically the DFAT geographic branch, but not always, will engage with the international division in the Department of the Prime Minister and Cabinet. We'll get a sense of whether they relate to guest of government visits at head of government or head of state level. We'll discuss what scope there might be to include a visit. You will be aware that when Prime Ministers travel or when the Governor-General travels, they will often—and, indeed, other
ministers will—issue invitations. PM&C takes the issuing of invitations very seriously. Where an invitation is issued, including by previous Prime Ministers, there is a sense of commitment that we need to follow that up and to be able to arrange a visit at a mutually convenient time. So there is a lot of work that goes into this and, if you like, almost some competition to be able to arrange programs for visitors from regions that are important to us. That obviously includes a significant number from the Indo-Pacific.

Senator WONG: Can you take on notice, then, how many recommendations for a guest of government visit, or whatever the appropriate term is, DFAT has made in the last three years? I would like to know how many of those were from Pacific Island countries. I would like to understand whether there have been any occasions where DFAT has suggested or recommended Pacific Island leaders for a guest of government arrangement which has not been proceeded with?

Ms Adamson: I will take it on notice. I will just say that of course if you're looking at a three-year period, there could be several proposals for a visit from the same country.

Senator WONG: Sure.

Ms Adamson: So I just want to be clear with you that we will be as precise as we can be in answer to that question. Mr Sloper, having been in charge of the Pacific division during that period, may be able to give you a sense of the answer.

Mr Sloper: I will add to the secretary's comments. There are a number of ways we can put forward recommendations. On occasion, it's advice to ministers, who may then choose to write to the Prime Minister on heads of government visits. We also deal directly with the international division of PM&C, as the secretary has outlined, to determine what scope there is for gaps, if you like, in the future program, given existing commitments in terms of invitations issued. We may feed advice into that department so it can also put forward advice to the Prime Minister's office. So in terms of responding to you, I can say that we've looked at a range of visits across the region in order of priority. We have conveyed that both to our ministers as well as to the Department of the Prime Minister and Cabinet.

Senator WONG: So you might have a dual track?

Mr Sloper: That's right. In terms of responding to you, we will probably be able to provide advice on the number we have recommended. We may not be able to give the specifics of the advice to ministers.

Senator WONG: No. I understand that. I'm actually interested in how many—you don't actually have to name them—Pacific Island leaders being recommended for a guest of government arrangement which have not been taken up as yet by the government.

Mr Sloper: Because we do it in order of priority, it's not so much a question of rejection. It's a question of when they come forward. I'm only making that point because we—

Senator WONG: Yes. I was trying to think about how to reframe the question then.

Mr Sloper: Right. I can say we had two last year, off the top of my head. There may have been more. We had Nauru and the Solomon Islands. I expect there will be more this year.

Senator WONG: How many are on the priority list?

Mr Sloper: We went through the whole list of countries and then put them in order of priority given the state of our relationship, opportunities to meet elsewhere and what other
visits might occur on a regular basis. That was the point I was going to make about the Pacific. As you would be aware, many of the leaders and our senior ministers transit through Australia. In addition to guest of government visits, we often use that as an opportunity for informal interactions. That can be at the prime ministerial level. It can be the foreign minister level. It might involve other ministers. So it could be hospitality at an individual minister's home, at a restaurant, a formal meeting or even meeting in the airports as they transit through.

Senator WONG: There were two last year. Was that last calendar year?

Mr Sloper: Off the top of my head, there were two. I will confirm if there were further.

Senator WONG: What about the year before?

Mr Sloper: I don't have that here. I have records of incoming visits, but not at the level of guest of government. But I can look at that and possibly come back to you later in the session.

Senator WONG: That would be useful. Is it a rolling list or is it a point in time?

Mr Sloper: The last list we did was a rolling list looking forward in terms of order of priority. We recognise that Prime Minister and Cabinet and then later the Prime Minister's office, I expect, need to consider that against requests from other geographic areas and the capacities of CERHOS to manage those visits.

Senator WONG: If you could come back to me either later or on notice, Mr Sloper, I would appreciate that.

Mr Sloper: Sure.

Senator WONG: Senator Moore might want to come back to this tomorrow in more detail. Senator Fierravanti-Wells in April said, in a speech, I think:

In Australia we had some research done where it showed that about 80% of Australians believe that we should not be spending more on foreign aid or that what we spend is about right. Does the department share the minister's assessment? Can they tell me which research she was referencing?

Mr Byrne: We understand that the minister was referring to a 2017 DevPolicy report on aid spending.

Senator WONG: Dev?

Mr Byrne: DevPolicy, yes. We didn't have any involvement in that research ourselves.

Senator WONG: When did you understand that that was what she was referring to? Before or after she gave the speech or made the comments?

Mr Byrne: I think there are a couple of issues there. The minister, in her prepared speech, which is available on the DFAT website, spoke about the discrepancy between levels of support for the aid program or the aid budget within the development sector versus the views of regular Australians. There were some media reports—

Senator WONG: I’m resisting asking you what a regular Australian is.

Mr Byrne: Some media reports had a different set of words, which I think is what you are referring to.

Senator WONG: I'm trying to ask this question fairly. Was the minister drawing on DFAT talking points when she said that research had shown that 80 per cent of Australians didn't support spending more on aid?
Mr Byrne: No.

Senator WONG: Were you aware prior to her speech that she was going to reference that research? Was the department aware? Was it cleared through you?

Mr Byrne: Not that particular line that was reported in the media, as far as I'm aware.

Senator WONG: And was it only after the comments were reported that you identified which research she was referencing?

Mr Byrne: Yes.

Mr Sloper: I will add to that from the Pacific perspective. It's not unusual for ministers to add additional points to speeches.

Senator WONG: Really? I've never done it.

Mr Sloper: It will come back one day.

Senator WONG: Yes. We can think occasionally for ourselves. It is just a question of whether on this occasion it was a sensible thing to say. But that's not for you to comment on. I'm sure Senator Moore will ask more questions about that tomorrow. I would like to now go to labour mobility. This is particularly in relation to the Pacific, Mr Sloper. I did ask my office to bring together a list of the range of visa subclasses which might be relevant to labour mobility schemes. There seem to be quite a number. I notice there have been renewed calls for a dedicated agricultural visa. The National Farmers Federation and, I think, Mr McCormack, the new Nationals leader, said that that was something that was being worked on. Was DFAT aware of that announcement prior to the Press Club comments that the Deputy Prime Minister made? How is what is being proposed different from the current various visa subclasses which underpin the labour mobility programs?

Mr Sloper: I could respond with two points. Firstly, in terms of when we knew about it, I would have to take on notice whether it was at the time of the announcements or before. We have been in consultation with the department of agriculture.

Senator WONG: You can't remember if he insulted you before or after that announcement?

Mr Sloper: I can't remember. It's fair to say that we have recognised that it's important to the economy domestically for an adequate workforce for the agriculture sector. We are working not only with the department of agriculture, which is leading the core work on this, but also with others on how it fits together with the visa classes, if you want to characterise it like that. In terms of the other labour mobility schemes, and in particular from my perspective and the Department of Foreign Affairs and Trade, we're focusing on how the Pacific schemes could meet that demand in terms of the agriculture sector.

Senator WONG: Well, that's what I'm asking. So you've got the seasonal workers program subclass 403. You've got—I think it's the same subclass, but I'm not sure—the Northern Australia Worker Pilot Program. You've got more broadly the working holiday visas, temporary activity visas, temporary work and short stay specialist visas et cetera. I'm trying to get some problem identification here. What is the gap in the existing, from your perspective, visa classes that you utilise as a very important part of our presence and engagement with the Pacific that the Deputy Prime Minister is pointing to?
Mr Sloper: Sure. I'm not in a position to talk on the individual visa classes, as would you appreciate. That's really a question for home affairs.

Senator WONG: Sure.

Mr Sloper: But, from a departmental perspective, as we go forward in the negotiations on the proposal around the agriculture sector, we are advocating that the Pacific schemes can fill that demand. But that is yet to be decided by government.

Senator WONG: They haven't decided that yet?

Mr Sloper: That is under discussion and work between the agencies.

Senator WONG: Would you agree, if one were to look at comparative advantage in terms of Australia's engagement with the Pacific, that that would be high on the list?

Mr Sloper: I would advocate that, for unskilled labour, the Pacific schemes provide an opportunity to meet that demand. But there is a question about the skills and the labour shortages that are required. The various schemes are consistent with each other in terms of labour market testing. But the schemes that we operate in the Pacific do not go to skilled labour at the moment. Certainly they have TVET qualifications in some of them, but it's not a minimum requirement.

Senator WONG: Did you want to add anything?

Ms Adamson: No. Only semiskilled and unskilled. On skilled, again, home affairs are the keepers of the visas. But the point you make about the importance of these programs to the people of the Pacific and their economy's remittances is one very well made and one that we are particularly seized of.

Senator WONG: Good. Okay.

Mr Sloper: I want to interrupt to return to your question on visits. I can't give you data in terms of guests of government, but I can give you a quick snapshot by year in recent years of visits by Pacific leaders and our portfolio minister counterparts, if you like, inwards and outwards.

Senator WONG: That would be useful. Thank you.

Mr Sloper: So the number of visits by Pacific leaders, including head of state, head of government, foreign minister and trade minister, in 2013 was in two. In 2014, it was six.

Senator WONG: Hang on. This is not guests of government?

Mr Sloper: No. I can't break it down by guests of government. If you want that, I can't give you that now.

Senator WONG: That would be useful. Thank you.

Mr Sloper: So the number of visits by Pacific leaders, including head of state, head of government, foreign minister and trade minister, in 2013 was in two. In 2014, it was six.

Senator WONG: Hang on. This is not guests of government?

Mr Sloper: No.

Senator WONG: This is bilateral—

Mr Sloper: No. I can't break it down by guests of government. If you want that, I can't give you that now.

Senator WONG: Sorry, okay.

Mr Sloper: But I can give it in terms of those groups both inwards and outwards, if you like. From 2013 to 2018, inward visits totalled 72. That's including head of state, head of government, foreign minister and trade ministers. I can break that down by year, if you like, or we can provide that later in more detail. In reverse, going out, when we include our Prime Minister and portfolio ministers' visits to the region, the total is 104.

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE
Senator Wong: Thank you. Because of time, I might move on. I want to quickly talk about the white paper implementation, Ms Adamson. You helpfully provided me with the attachment here, which I think explains the discussion we had earlier in the day. I think she's asking for you, Mr Fletcher.

Ms Adamson: I am.

Senator Wong: I'll wait.

Ms Adamson: Thank you.

Senator Wong: That's all right. You've provided me with this, which I think I understand. It explains our discussion earlier today, Mr Fletcher. I think this could reasonably be described as, in part at least, the implementation of the white paper. Would you agree?

Mr Fletcher: Yes.

Senator Wong: No? I'm asking you how the white paper has been implemented and I'm giving you a positive answer to start with, Ms Adamson, so we can get back on a good track.

Ms Adamson: We can talk, of course, about white paper implementation. But white paper or no white paper, China is a priority. I need a secretary to resource Mr Fletcher's division to enable us to deal with that as a priority. To be honest, I hadn't actually thought of it as—

Senator Wong: There you go. I gave you a nice answer, didn't I?

Ms Adamson: The white paper implementation.

Senator Wong: When you are asked about what you are doing to implement the white paper, you can now refer to this.

Ms Adamson: Well, we've got lots of things we can tell you about on the implementation.

Senator Wong: I don't necessarily want an advertisement for it. I am trying to get a sense of the extent to which there has been internal resourcing or priority changes that have been driven by a desire to implement the white paper. Are you able to perhaps talk me through that?

Ms Adamson: Yes, I can. I will talk you through it at a reasonably high level, if that's all right. I note that Ms McCourt, head of our executive branch, is also available, as is Mr Green, who heads the US and Indo-Pacific Strategy Division. You will recall last time I tabled the departmental organisation chart that I made several points in relation to white paper implementation. The first is that I had decided that we would restructure the department along the lines of groups and, in particular, groups under the supervision of each of the five deputy secretaries and, in particular, to create an Indo-Pacific group, because that sits at the heart of the white paper. There had been several divisions focused on trade and investment. We created a group called trade, investment and business engagement because the business part of the white paper is significant too. That led to some NPPs on our part, which we were successful in—

Senator Wong: Have you funded them?

Ms Adamson: Processed? I beg your pardon?

Senator Wong: Have they funded them?

Ms Adamson: Yes, they did.

Senator Wong: That's good.
Ms Adamson: The government did. So we were successful in the budget process for a number of white paper initiatives. We are also very mindful of the white paper priority of keeping Australians safe, secure and free, so we created a division also which is focused on it called international security, humanitarian and consular group. We created a branch that had been, in effect, a sort of enhanced former policy planning branch that was particularly focused on strategic policy, contestability and futures. As we look at our region, we need to be able to imagine for ourselves a range of different futures. Mr Green's division, though, is really at the heart of that Indo-Pacific group. It is not just putting the US at the heart of the group and our relationship there but also creating the capacity to develop strategies for the Indo-Pacific. I'm sure Mr Green would be happy to talk about those. I'm sure Ms McCourt would be happy to go through some of the specific budget measures that were agreed in the last budget specifically linked to the foreign policy outcome.

Senator WONG: Are we able, perhaps, to get those on notice?

Ms Adamson: The specific things?

Senator WONG: Yes.

Ms Adamson: Yes. They were obviously listed on the budget night, but we'll draw them to your attention.

Senator WONG: Were they in one of the—

Ms Adamson: Yes.

Senator WONG: Okay. I'll look at that. That's fine.

Mr Wood: I will help. Page 101 of budget paper 2 has a specific measure on foreign policy white paper initiatives. In addition, page 153 of MYEFO also had some measures. That was $37.9 million. So there's reference there and there's a breakdown.

Senator WONG: That's fine. I'll look at BP2. Thank you. Do all the deputy secretaries come to estimates?

Ms Adamson: No.

Senator WONG: I noticed Mr Maude is not here.

Ms Adamson: None of the deputy secretaries come to estimates.

Senator WONG: Mr Exell is.

Ms Adamson: He is here as an acting deputy secretary, so we give him the benefit of coming to estimates.

Senator WONG: I bet he's happy about that.

Ms Adamson: He is, of course. He has done an excellent job as acting deputy secretary over recent months.

Senator WONG: He has.

Ms Adamson: No. They keep the home fires burning while I'm here.

Senator WONG: What role does the department have in ensuring other departments' policies and activities align with the white paper?

Ms Adamson: Well, there's a white paper board, but I'm very happy to hand over to—

Senator WONG: A white paper board?
Ms Adamson: Yes. Mr Maude continues to chair it, as he did throughout the development of the white paper process.

Senator WONG: Who is on the board?

Ms Adamson: Well, deputy secretaries from the full range of departments. Almost every department, actually, has an interest in this. It's a very significant part of not only the department's but the government's work, having published a white paper. Mr Green—

Senator WONG: He looks very keen to say something. I was going to move on. You go.

Mr P Green: Thank you, Senator, and Secretary. I could talk you through governance and structures, but you've asked particularly about cross-government mechanisms. In addition to the secretary's board that the secretary has mentioned, I should mention the Indo-Pacific Strategy Interdepartmental Committee, which is chaired by deputy secretary Maude. It involves a range of representatives across government, mostly from national security ministries. It meets more or less on a two-monthly basis to push forward the Indo-Pacific strategy across all interested elements of government. The division that I manage runs the secretariat for that as well as the secretariat for the internal steering committee on Indo-Pacific strategy. We prepare many of the papers. Some of the other papers come from other bits of DFAT or other bits of the Public Service. But it is a mechanism to make sure that the strategy is driven forward in a coherent way across government and that all key stakeholders in government are engaged.

Senator WONG: One of the issues the white paper talks about is geo-economic competition, highlighting that trade, investment, infrastructure development et cetera are being used as instruments of strategic influence. I think you've made some comments about this previously, Ms Adamson. I am interested in how the department's capability in this area, in terms of analyses, policy response and integration of those policy responses into broader foreign policy activities, is being undertaken.

Mr P Green: If I may, that falls to my division to lead on, although there are many parts of the department and across government that make a contribution. One of the new sections created in the new division that I lead is called the Indo-Pacific strategy and geo-economics section. We have in that section one person who deals specifically with geo-economics. As I've said, he is supported more broadly in the group and across the department.

Senator WONG: Where is that?

Mr P Green: My division is called US and Indo-Pacific Strategy Division.

Senator WONG: Where is the geo-economic bit?

Ms Adamson: This just goes down to branch level on the organisation chart. So the sections sit below the branches.

Senator WONG: So you've got one person in one section talking about this?

Mr P Green: Really good people and doing a lot of work.

Senator WONG: I'm sure they are outstanding.

Mr P Green: And coordinating a lot across government, so utilising the skills and competencies not just in the department but more broadly to bring together and focus geo-economic work. Key areas of interest have been the way in which infrastructure is working across the region and the way in which trade arrangements across the region—
Senator WONG: But that is an analytical capability that you're describing. Maybe this is a question to you, Secretary. I'm actually interested in how, if the game is being played differently, we ensure that our people can play it. I know that's a very simplistic analysis, but you understand what I mean?

Ms Adamson: Yes. I do understand what you mean, Senator. Part of the answer is the clarity with which the white paper sought to define the problem, if you like. Part of the answer, not the whole answer—

Senator WONG: Should we call it a challenge?

Ms Adamson: Well, we can call it a challenge. Of course it is a challenge. But there are also opportunities, and I wouldn't want to neglect the opportunities.

Senator WONG: That's true.

Ms Adamson: Part of the answer is structural. Part of it also, though, is capability. That capability issue, if you like, is being dealt with in five strands of work through the white paper. But one of them we are specifically seeking to address through the Diplomatic Academy, which was launched just a couple of weeks ago. It has actually been rolled out. I'm sure the head of the academy, Robyn Mudie, would be very happy to talk to you if you are interested in deeper capability and how we are building it.

Senator WONG: I am.

Ms Adamson: Part of it, of course, is also being looked at through the development of a workforce strategy, looking at the sort of skills and capabilities that we'll need in the years ahead. So our chief people officer and his colleagues have been working on that. It's intimately linked with the capability, training and skills development that the Diplomatic Academy provides. That is, again, intimately linked with the foreign policy white paper. We are doing quite a lot of work. I use the term 'integration'. We are seeking to integrate all of our capabilities, not just within DFAT but more broadly across government. We will need—we do need already—a different set of skills in order to equip us to implement the white paper.

Senator WONG: Correct. That was essentially my next question. What skills do you think are required to understand the nature of geo-economic competition and to respond effectively to it?

Ms Adamson: I will ask Ms Mudie to deal with that in some detail because it cuts across several of the Diplomatic Academy's nine faculties. It is something that we're very seized of.

Ms Mudie: We have established the academy as a professionalised learning and development hub for the department. Our nine faculties, which we have progressively rolled out over the last two years, address the full scale of DFAT operations. The nine faculties cover everything from international policy and strategies through to economic policy, diplomatic tradecraft, legal and so forth. The way we're addressing capability needs is to match the curriculum in those faculties with the workforce strategy of the department. So our curriculum is based very much on our current capability and operational needs.

Senator WONG: Does that answer the question I asked? That's a very good general answer. You've identified the challenge. There are various terms, but I think the white paper used geo-economic competition. What skills do you say are required?
Ms Mudie: The sorts of skills we are teaching across various programs include strategic policy planning, forecasting, analysis, future capabilities and the deep analysis that you need to analyse foreign policy. Our courses cover a range of different subject matters. So we look both at the skills you require and the subject matter to understand the geostrategic environment in which we operate and how to navigate that effectively. We have a very broad-ranging curriculum. For example, some of the courses and programs we offer deal with working with major powers, Australia's interests and security, and dealing with our major partners, such as China, Indonesia, Russia and so forth.

Ms Adamson: And we work with the National Security College at the ANU. Ms Mudie mentioned forecasting and futures work. Of course, some of the work that we are doing—and these have long been traditional skills, but, if you like, they're being reoriented a bit in the department—are negotiation skills. Mr Green may want to add to this because geo-economics is not just something that was referenced in the white paper without real life meaning, if I can put it that way. It does have a real life meaning. It means that our colleagues in what have traditionally been trade negotiation and trade policy areas also need to be thinking in a wider strategic frame.

Senator Wong: Geo-economic competition is more than trade, isn't it?

Ms Adamson: Of course it is. But we can't deny that dimension.

Senator Wong: I don't want to continue to ask questions on this because it's probably a longer discussion and we have a lot to do. I don't feel that I have had a very clear answer to the sort of skills, Secretary, you think need to be inculcated and improved in the department to deal with what has been identified as a new way—

Ms Adamson: I would obviously like to convince you, Senator, because I think we are seized of it.

Senator Wong: I don't know that it has been explained. It may well be that you are doing it.

Ms Adamson: I would be happy to give Mr Green one last shot at it.

Senator Wong: He gave an answer which I think was a very reasonable answer in relation to analysis. I am making a broader point, where you have geo-economic competition as one of the ways in which we understand what is happening in our region. You need your people across the board to understand what is happening and to be able to effectively respond. I'm asking what has to happen across the board in terms of people's skills development and perhaps additional economic analysis in posts et cetera. What is your assessment of the skills which are required?

Ms Adamson: My assessment is that we have got many of the basic skills, but the way they come together in individuals is something that we need to work at. We've often talked about political economy. Now we are going beyond that to geo-economics and the sense of competition that that involves. So we need people who can think strategically. We need to give them—not just them, as we ourselves are engaged at the level of the departmental executive—quarterly horizon scanning. Part of it is focusing on geo-economic competition. As I said, we need to link and better link our workforce plan both to that and to the Diplomatic Academy. We have been doing this work specifically for the last six months. We obviously haven't yet done everything that needs to be done.
Senator WONG: Sure.

Ms Adamson: But I want to give you a sense of confidence that we are absolutely on the case.

Senator WONG: I am not being critical here. As yet, we don't have sufficient capability, but you have a strategy to deal with that. Would that be fair? I am happy for to you hedge that a bit.

Ms Adamson: We have some very good people in the department. We are in the process of—

Senator WONG: Upskilling them?

Ms Adamson: Yes.

Senator WONG: Okay. The workforce strategy basically is centred around the academy plus other work you're doing. What is your sense of timeframes around progress here?

Ms Adamson: We've developed a workforce strategy which is actually centred in the corporate management group developed under the auspices of the chief people officer but in close consultation across the department. So we've actually launched that. We are in the process of implementing it. That's where the Diplomatic Academy at least in part comes in. But we have also, as I said this morning, reduced our staff. We needed to reduce our FTE by 160 in order to meet various savings measures and efficiency dividends. So it is a tough job to ensure that we've got the right people with the right skills in the right jobs. Necessarily there is a process of transition involved in getting to that stage. But we're very clear about what we need to do to get there.

Senator WONG: You don't want to say anything more about timeframes?

Ms Adamson: Well, I'm happy for David Lawrence to talk more about the workforce strategy and its implementation, because we have launched the strategy and we are implementing it.

Mr Lawrence: The workforce plan and strategy was launched earlier this year. It's well underway. We are conducting at the moment an audit of our capability requirements across the department. That is looking at positions and the skill sets and the capability we need to deliver the program, focusing on the goals of the foreign policy white paper. The rejigging of the organisation structure and putting in groups really gave us some focus on where we need to focus our attention for that workforce planning. It gave us some structure to work in. In addition to doing an audit of the capabilities required to deliver the goals of the department, we are also doing an audit of the capabilities that the staff of the department currently have with a view to identifying any gaps and coming up with strategies to address those gaps.

Senator WONG: Who is conducting the audit?

Mr Lawrence: It's through the workforce planning section within one of the branches in my group.

Senator WONG: So an internal audit, not external?

Mr Lawrence: No.

Senator WONG: Question on notice 36 asked—I think it was me—about persons with economic training within DFAT. I think I got 76 in the overseas network and a further 346 in
mixed policy roles. Can you tell me how many posts in the diplomatic network have positions at the economic counsellor level?

**Ms Adamson:** We may be able to get back to you in the session. I may need to take that on notice.

**Senator WONG:** Fine. Can you provide the list of those posts?

**Ms Adamson:** Yes, we can.

**Senator WONG:** Thank you. I want to flick to nuclear weapons. I'm trying to get things done.

**Ms Adamson:** Sure. That's fine. I'm very keen for as many members of my team as possible to have an opportunity to answer your questions.

**Senator WONG:** Give people a rest. I have a few questions about some of the issues we've previously discussed both in relation to the treaty and the NPT. Starting with the NPT, I think we have previously agreed it is the cornerstone of our Australia’s nuclear disarmament framework. Notwithstanding that, would the department agree that there has been a lack of progress on article VI obligations which require parties to pursue measures relating to disarmament?

**Mr Sadleir:** In the area of bilateral arms reductions, there has actually been quite significant progress up to this point between the US and Russia, who are of course the possessors of the largest nuclear arsenals. In the area of multilateral disarmament in terms of movement forward on the article 6 commitment in the NPT, it is proving to be a very difficult climate for further progress because of the very difficult international security situation.

**Senator WONG:** Can you tell me what practical steps to progress non-proliferation and disarmament are being pursued?

**Mr Sadleir:** Yes. We provided a useful summary of that in response to a question on notice recently. I will give you a summation of them. Clearly, we are doing our best to work towards achieving negotiations on a treaty to prohibit the production of fissionable material, a so-called fissile material cut-off treaty. We're also seeking to promote the entry into force of the comprehensive nuclear test ban treaty, the CTBT. We are collaborating with countries to overcome the technical and other challenges of verifying nuclear disarmament. Remember that that is a very complex and difficult task. We're actively working to enhance the transparency of nuclear arsenals.

We're also doing everything we can to actively implement UN Security Council non-proliferation related sanctions. Of course, we're maintaining a robust safeguards regime, including promoting the additional protocol, the IAEA additional protocol, as the standard for safeguards agreements. We're engaging with the nuclear weapons states to address disarmament issues, notably transparency and reporting, including through the cross-regional non-proliferation and disarmament initiative, which brings together representatives from a range of different views on disarmament, including prohibition treaty supporters and prohibition treaty opponents.

We're doing our best to try to foster a successful NPT review cycle, which of course culminates in the 2020 NPT review conference. As part of that, we're trying to suggest ways in which the review process can be strengthened in the future to make it more effective.
Finally, we're doing everything we can to promote progress and dialogue on practical issues through established and inclusive UN nuclear non-proliferation and disarmament dialogues, including in the Conference on Disarmament and the UN Disarmament Commission. I was just going to make the point that, of course, none of this in the difficult climate that we're in necessarily will lead to rapid progress, but it is consistent with the progressive approach we take, which is a step-by-step approach to nuclear disarmament.

Senator WONG: Thank you. There has been some discussion publicly and, I think from memory also in estimates, as to the effect, particularly on the NPT, of the nuclear ban treaty. I wonder if you can articulate why you have concerns, which I think you've previously indicated, that the ban treaty has a negative effect on the NPT? There are those who would assert otherwise, so I would like to understand your position.

Mr Sadleir: Thank you. I will try to step through that for you. We start with a proposition that the actual text itself is fundamentally flawed because no states possessing nuclear weapons participated in the negotiations and no such state is likely to join. So the ban treaty will not accomplish its stated purpose because it doesn't include the nuclear weapons states. Of course, that is a contrast with the NPT, where certainly the five acknowledged nuclear weapons states—the P5—are members of the NPT. Secondly, we are concerned that the prohibition treaty doesn't contain viable mechanisms for verification of disarmament. That's something that is left for future processes. It also creates a safeguard standard which actually is weaker than the current gold standard. Now, I could ask my colleague from ASNO to make some remarks on that, but the essence of it is that the gold standard for IAEA safeguards is a package known as the IAEA comprehensive safeguards agreement and additional protocol. The comprehensive safeguards agreement was a product of the 1970s, when nuclear programs reflected different forms of technology—less advanced forms of technology. Therefore, it's very much focused on nuclear accounting. The additional protocol which emerged after the first Gulf War actually is a document which allows the IAEA inspectors to generate information and to look for concealed and covert nuclear weapons programs. I might as a courtesy allow my colleague from ASNO to make any comments if I've mangled that. The basic message is that the minimum standard set in the prohibition treaty is not that gold standard. It's actually—

Senator WONG: I'm happy for you to flick to him. Can you address, though—if it's more than a technical point, what is important in policy terms—the implications of having different safeguard standards.

Dr Kalish: Mr Sadleir is correct. The gold standard in our view is the CSA, the comprehensive safeguards agreement, in an additional protocol. The ban treaty does not mandate the use of an additional protocol for non-nuclear weapon states, only a comprehensive safeguards agreement. As he correctly stated, the CSA fulfils the requirement of determining the correctness of declarations in relation to nuclear materials whereas the AP, the additional protocols, intended to determine the completeness. One of the reasons—

Senator WONG: In other words, whether you have—

Dr Kalish: Whether you have undeclared activities, yes.

Senator WONG: Undeclared. So the Iraq situation?

Dr Kalish: Yes, exactly.
**Senator WONG:** What are the implications of having a lesser standard?

**Dr Kalish:** The implications are that the IAEA does not have adequate verification activities in various countries—so rights in relation to inspections in various facilities.

**Mr Sadleir:** I will jump in. The significance of this is that if you are going to get to a point where you have global zero, those states that are abandoning their nuclear weapons programs and capabilities need to be able to trust that no-one else will be able to break out or disarm on the one hand and then covertly create weapons programs on the other. Then when you get to zero, you want to be able to stay at zero. You want to have the assurances that go with that. That means that non-proliferation verification is vital, but so too is disarmament verification, which are two separate categories of challenges. Indeed, the latter is even more technically challenging. What the ban treaty doesn't do is grapple with them.

I should go on, if I may. I know I'm taking quite a bit of your time. I would like to go on and point out that these are not the only concerns. For example, article 18 of the prohibition treaty in effect states that it accords priority to the ban treaty if existing international agreements are not consistent with it. It says:

The implementation of this treaty shall not prejudice obligations with regard to existing international agreements where those obligations are consistent with the treaty.

What this means is that the ban treaty takes precedence over the NPT. Indeed, there's a possibility that it could also take precedence over the CTBT depending on whether or not the ban treaty or the CTBT entered into force first. So what you have is a situation where you are creating two parallel regimes, one of them without nuclear weapon states and with weaker standards and flaws, and you have the possibility of a situation where a country could join the prohibition treaty and perhaps forum shop or cherry pick as it goes forward. Senator, if I may, I should stress—this is a very important part of the equation—that the treaty quite consciously targets countries that rely on US extended nuclear deterrence.

**Senator WONG:** I will come to that. I think the verification point is quite an important one. Can someone explain in very simple terms why verification is such a vital part of this system? I think you did essentially. States need to trust if they are disarming that no-one else can break out. States need to trust, if they have disarmed and they wish to stay disarmed, that no-one else is essentially stockpiling weapons. Is that a simple explanation?

**Mr Sadleir:** Senator, I think you captured that very well.

**Senator WONG:** It was a little clumsy. Is that basically the logic?

**Mr Sadleir:** That's basically it. Thank you. Could I also make the point that, of course, the most vulnerable period is when you move to a minimisation point. The objective is to get nuclear weapons states and possessors at some point to a minimisation point. But when there's a small number of nuclear weapons is when the trust has to be very strong. Unless you have the conditions that enable that, plus the assurance through verification that this will be sustained, it makes no sense for weapons to be abandoned.

**Senator WONG:** Have we dealt sufficiently with what has been described as enforcement?

**Mr Sadleir:** That's the other aspect to the prohibition treaty. If you look at the treaty, there really isn't any enforcement mechanism of a substantive nature. As a result—
Senator WONG: To play devil's advocate, tell me why that differs from the NPT.

Mr Sadleir: Well, the NPT envisages that at some later point you'll be able to bring down numbers and reach agreement on these issues. It never purports to prohibit or to have a sanction which allows prohibition. In the case of the ban treaty, it purports to be prohibiting. I will just check and see whether my colleagues have anything to add to that.

Dr Kalish: I think that's sufficient.

Senator WONG: You reference the US. Can you explain whether or not signing the ban treaty or ratifying it, I should say, would be compatible or incompatible with our alliance with the United States? If so, in what way?

Mr Sadleir: I can. I will step you through it, if it's okay. Please tell me if I'm taking up too much time. The essence is that the prohibitions contained in article 1 of the prohibition treaty are fundamentally inconsistent and incompatible with Australia's alliance relationship with the US. I notice I said previously in estimates that successive Australian governments have acknowledged the importance to Australia of the US alliance, including the protection afforded by extended US deterrence. Australia's security is underpinned by the ANZUS Treaty, United States extended deterrence and access to advanced US technology and information. Both Australia and the US derive important strategic benefits from the alliance, with capability, intelligence and technological partnerships providing access to advanced technologies and equipment; access to submarine and satellite communication systems; access to intelligence and reconnaissance collection and information; shared research and development; shared professional skills and development; the provision of ballistic missile early warning information; collaboration on monitoring of arms control treaties; collaboration on monitoring of earthquakes and other seismic activity; joint operations of radar space surveillance installations; and coordination in the areas of cyberspace and counterterrorism.

Article 1(e) of the ban treaty is a broad prohibition. Some commentators have described it as a catch-all provision that forbids a state party under any circumstances to assist, encourage or induce in any way anyone to engage in any activity prohibited to a state party under the treaty. This is particularly the case if you look at article 1 when read in conjunction with article 1(a), which prohibits developing, testing, producing or otherwise possessing nuclear weapons. Because the use or threat explicitly or implicitly to use nuclear weapons is prohibited by the ban treaty under article 1(d), any assistance, encouragement or inducement in any way to anyone to threaten or use nuclear weapons is also prohibited by the treaty. That's article 1(e). This would prohibit any assistance to US deterrence and even reliance on US extended deterrence.

If you bear with me, the basis of Australia's US alliance is the ANZUS Treaty. But a lot is built on that foundation. The practical substance of the relationship is the many separate interlocking structures, understandings, agreements and joint activities and facilities. Through this architecture, Australia furthers our own strategic interests and makes an important contribution to US national security, strategic decision-making and global stability. We do this, as senators know, by hosting and supporting some of the most sensitive critical strategic US capabilities. These include systems that relate to intelligence collection, ballistic missile early warning, submarine communications, nuclear detonation, detection and satellite based communications. The architecture, including the joint defence facilities at Pine Gap, is
mutually beneficial and multifaceted, entailing deterrence missions and arms controls verification.

For example, Pine Gap contributes to ballistic missile early warning, making a significant contribution to Australian, US and global security. At the same time, the facility also contributes, and would contribute in the future, to the monitoring of compliance with arms control, non-proliferation and disarmament agreements. Since beginning its operation in 1970, Pine Gap has evolved from its original Cold War mission, just as the ANZUS Treaty has evolved from its original Cold War mission focused on Soviet ballistic missiles, to meet a range of new demands. Pine Gap provides early warning of ballistic missile launches across the globe. It helps provide reassurance against the possibility of a surprise missile attack. It supports the ability to respond appropriately in the event of an accidental launch.

Another example is the joint geological and geophysical research station in Alice Springs, which monitors nuclear explosions in support of the comprehensive test ban treaty. The joint geological and geophysical research station helped to detect and locate North Korea's sixth nuclear test in September 2017 as well as preceding tests. The role played by the joint facilities, which are integral in Australia-US defence cooperation and support the US strategic architecture, is incompatible with the provisions in articles 1(a), 1(d) and 1(e) and possibly article 1(g) of the ban treaty. It would seem impossible, not practical, for Australia to restrict roles under the alliance to non-nuclear missions, including deterrence alone.

Senator WONG: I want to ask about that. You have given us a long answer.

Mr Sadleir: I apologise.

Senator WONG: It's actually useful, because this is an issue of public discussion. I think it's useful for DFAT to articulate—I appreciate that you've done that—the issues as you've described. One of the issues that is raised and presents itself as a result of that answer is non-nuclear weapon activities, which are included in the list that you outlined. Does the treaty impact upon non-nuclear weapon activities? Your list about the range of operations that we undertake with the United States obviously covers both activities which might be associated potentially with nuclear deterrence. But there might be a whole range of activities which outsiders might say are not. I would like you to explain why it is that the treaty might impact upon what might be strictly described as non-nuclear weapon activities.

Mr Sadleir: This is an area where, if possible, I would like to either refer that question to Defence or take it on notice. Because it is such a complicated and sensitive area, I want to make sure that I'm giving you accurate advice coordinated across government which also doesn't stray into the classified domain.

Senator WONG: Obviously, I don't want you to stray into the classified area. If you need to do that for those reasons, fine. Can we not have the run-around, though, please?

Senator Payne: I will assist.

Senator WONG: Thank you. I think this is an issue of public interest.

Senator Payne: I can provide you information in support to augment Mr Sadleir's answer as provided.

Mr Sadleir: I may say that we have tried to provide a lot of detail here. I hope that indicates that we are trying to explain.
Senator WONG: Yes. I was going to move on, if that's okay, Chair. I want to quickly deal with Iran. I think this has been clear from public statements. The Australian government continues to support the JCPOA?

Ms Adamson: Yes, it does.

Senator WONG: Is the government satisfied that Iran has satisfactorily met its obligations under the JCPOA?

Ms Adamson: Yes, we are.

Senator WONG: Has the IAEA reported any failures by Iran to date to comply with that?

Ms Adamson: No.

Senator WONG: My recollection is that there has been public comment by the minister and/or the Prime Minister. Has the Australian government's position in relation to the JCPOA been communicated to the US administration?

Ms Adamson: Yes, it has.

Senator WONG: Have we indicated a position in relation to President Trump's decision not to recertify Iran's compliance with the agreement?

Ms Adamson: We have expressed regret at that decision.

Senator WONG: Apart from the public statements which were made, have those views been communicated through other means?

Ms Yu: Yes. There have been a number of representations made about expressing our regret.

Senator WONG: Are you able to give me any further detail on that?

Ms Yu: One was quite recent. The US Washington post—a post in Washington DC.

Senator WONG: Not the paper?

Ms Yu: No. Not the paper.

Senator WONG: I just recently watched the film so it's in my head.

Ms Yu: One of our colleagues made a representation to the US State Department and expressed our position that the JCPOA was still the best option and expressed our regret at the US's decision.

Senator WONG: Anyone else?

Ms Adamson: We've also been in close touch with members of the E3, the European 3, parties to that agreement, talking about ways in which it might be able to continue to operate. Obviously, France, Germany and the United Kingdom are very keen, as parties to the agreement, that it should.

Senator WONG: Have the concerns or regrets been communicated by Ms Bishop to the administration?

Ms Adamson: Yes.

Senator WONG: Can you tell me in what form?

Ms Adamson: Without going into detail, they have been conveyed by the foreign minister to her counterpart.
Senator WONG: Thank you. Are you able to tell me what impact you think this decision by the administration may have on the stability of the region?

Ms Yu: That's something that we are monitoring very closely. Obviously, with the new US sanctions, which we don't actually know the details of currently, there will be further implications in terms of economic relationships with Iran.

Senator WONG: I was asking a slightly different point. I was asking what are the—

Ms Adamson: Yes. It is concerning what impact this may have on the stability of the region.

Senator WONG: And the coherence and faith in the multilateral system.

Ms Adamson: That too, yes.

Senator WONG: Nuclear proliferation. Has the department or the government undertaken an assessment of what effect this decision may have on proliferation risk?

Ms Yu: These are certainly issues that we are considering closely. Mr Sadleir is at the table.

Mr Sadleir: We've certainly been considering the impact in the region, given some of the statements coming out of other countries in the region, including Saudi Arabia. They are public statements. Clearly, there are risks associated here if there is a breakout in terms of Iranian nuclear activity.

Senator WONG: Is that more or less likely now?

Mr Sadleir: In some senses, it depends on events with respect to the JCPOA. But the risk of nuclear breakout in general perhaps is a little bit more likely.

Ms Adamson: We have obviously been urging Iran to avoid provocative responses. We've been talking to all of the parties. We want obviously to avoid provocative responses that escalate a situation. We also obviously hope that engagement between Iran and the international community will continue.

Senator WONG: Ms Yu, I think you said that the precise impact of US sanctions was unclear. Is that because they have not been identified and outlined in detail?

Ms Yu: That's correct.

Senator WONG: So we as yet are not able to make an assessment of any impact on any Australian companies?

Ms Yu: No.

Senator WONG: What is the timeframe for that?

Ms Yu: The US has announced with 90 to 180 days of warning that the wind-down period will be coming. So we expect that it will be after that.

Senator WONG: I was going to move to Timor-Leste, but I think my colleague has one question on Iran.

Senator KITCHING: Did President Rouhani accept the invitation from the Shanghai Cooperation Organisation to go to their forum, which was issued after the US left the JCPOA?

Ms Yu: I'll have to take that on notice.
Ms Adamson: We can check. The forum has not yet been held. It's shortly to be held.

Senator KITCHING: I'm just asking the question.

Ms Adamson: We will check on that.

Senator KITCHING: Thank you.

Ms Adamson: We'll do our best to check given we're not a member ourselves.

Senator KITCHING: Thank you.

Senator WONG: I will move to Timor-Leste and maritime boundaries and revenue sharing. I guess Mr Quinlan is in Indonesia, so I can't ask him.

Ms Adamson: He is now, but Mr Larsen will be able to step in, I'm sure, and fill those shoes.

Senator WONG: I wasn't proposing to re-traverse the agreement as to the maritime boundary. I am interested in what engagement, if any, in the context of that or subsequent to that the department is having regarding the development of the Greater Sunrise area. So what engagement with the JV companies, if any—I know they have had elections—have the officials and the government of Timor-Leste had?

Mr Larsen: As you know, the Conciliation Commission issued its report on 9 May. It made clear that there was no resolution to the question of development of Greater Sunrise. There are a number of outstanding issues in relation to the treaty which need to be settled. That involves engagement with companies and transitional matters which will support ratification. The department responsible for resources has continuing carriage with the Greater Sunrise joint venture.

Senator WONG: So you're not engaged on that?

Mr Larsen: Not in detailed terms, no.

Senator WONG: The only reason I'm pushing back slightly—I know that you do a lot—is that, now that the maritime boundary is resolved, it is the most pressing issue in the bilateral relationship.

Mr Larsen: It is a fundamental issue. I will ask Ms Heckscher to comment as well.

Senator WONG: Maybe you don't like superlatives.

Mr Larsen: It's a fundamental—

Senator WONG: From their perspective.

Mr Larsen: It's a fundamental issue dealt with by the treaty. The treaty provides a pathway for an arrangement for the development of the Greater Sunrise resource. Certainly as we move towards the conclusion of the conciliation process, a very great deal of time was devoted to engagement between the Australian government, the Timor-Leste government and the Greater Sunrise joint venture. That engagement didn't produce a result which was acceptable to the government of Timor-Leste, so it remains an issue.

Senator WONG: I think the public documents have an alternative of 70 to 30 revenue or 80 to 20 revenue. Has that issue yet been determined, or is that what you're referencing when you say we're not finalised yet?
Mr Larsen: That's a provision that exists in the treaty. So you have a mechanism for the development of the Greater Sunrise resource which is established by the treaty. It's a resource sharing arrangement. Ultimately—

Senator Wong: I know that. I'm just asking if it's been resolved.

Mr Larsen: No. It has not.

Senator Wong: I'm trying to get out of the legalities into the substantive. Certainly given the election result and which party has won a majority—the coalition obviously in alliance—this is the key issue from their perspective. Certainly I think anybody who is engaged with the particular political leaders, including Mr Gusmao, would agree with that. I'm trying to understand if the substantive issue from Timor-Leste's perspective is the development of the fields of the resource and LNG processing. What is Australia doing in that space? I want to understand whether we're engaging on it or not.

Ms Adamson: You are absolutely right to characterise it in the way you have from the point of view of Timor-Leste.

Senator Wong: Sure.

Ms Adamson: I suppose the fact of the matter is that it is for the joint venture partners on whatever commercial basis they decide. This is now essentially a commercial negotiation. Of course, we want to see it satisfactorily resolved. So it's not that we're not deeply interested in it. This is my own take on it, but it is actually beyond our ability as a government other than to encourage, of course, a decision to be reached. That's why the treaty—

Senator Wong: I'm not suggesting we alter the fundamental way in which we provide assistance. Governments can encourage and governments can facilitate. Governments can bring people together. I am asking who has responsibility for that, if that's regarded as a priority?

Ms Adamson: The commission gave it their very, very best shot.

Senator Wong: No, us.

Ms Adamson: That's important. We engaged with the commission deeply on this. But now that the commission has published its report, it is really a commercial matter. Of course, we understand that there are a range of benefits, obviously, that would flow to Timor-Leste in particular were the Greater Sunrise field able to be developed on either basis. But the new government is in the process of being formed. I think the view of our embassy in Timor-Leste will be that it will take probably some time before they are in a position to be engaging on this and making judgements on it. But we would very much like to see some kind of practical agreement reached that brings that field online, as it were.

Senator Wong: Is the department aware of any other nation which has expressed interest in providing assistance to support the building of an LNG plant or associated infrastructure in Timor-Leste?

Ms Adamson: I am aware of reports that at least one other nation is interested. But I'm not able independently to verify them.

Senator Wong: How are you aware of that?

Ms Adamson: Through media reports.
Senator KITCHING: How many ministers have visited Timor-Leste in the last couple of years?

Ms Adamson: I think the answer to that is none, but I will invite Ms Heckscher to consult her voluminous brief. I do know, however, that the foreign minister is very keen to visit and that we have been waiting for the election period to be over before she does that. I'm sure Ms Heckscher will enlighten us.

Ms Heckscher: I'm sorry. I actually thought I had that information. It is some time. I thought I had it in here, but I'm struggling to find it.

Senator KITCHING: That's okay. I'm happy to have it on notice.

Ms Adamson: We'll come back to you.

Ms Heckscher: I'll come back to you on that. As the secretary said, the foreign minister has, even in the last day or so, said that she is really keen to visit as soon as possible.

Senator KITCHING: Thank you.

Senator WONG: I will now turn to the current code of conduct negotiations in the context of discussions between ASEAN and China regarding the South China Sea. I think we have previously had discussions about this. Can someone just remind me of the status of those discussions and negotiations in relation to a code of conduct? Are you waiting for me, or am I waiting for you?

Mr P Green: I am sorry. You are waiting for me.

Senator WONG: I'm ready now.

Mr P Green: I know you are.

Senator WONG: You will be pleased to now work out what we don't need to ask you.

Mr P Green: Thank you. There has been some movement towards a code of conduct for the South China Sea. The first round of negotiations between ASEAN and China was held on 1 to 2 March in Vietnam. The second round is expected to take place in June in China. While Australia is not a party to the negotiations, we have a clear interest in how issues in the region are managed. Our position is that any code of conduct should not prejudice the interests of third parties or claim to impede the rights of all states under international law, including UNCLOS; reinforce existing regional architecture—notably, the East Asia Summit and ASEAN centrally—and strengthen parties' commitments to cease actions that would complicate or escalate South China Sea disputes, including militarisation. An effective code of conduct could help manage disputes in the South China Sea, but it will not resolve them. We therefore call on states to clarify and peacefully resolve their overlapping claims in the South China Sea based on international law, including UNCLOS.

Senator WONG: Is that formulation one that has been articulated publicly prior to this?

Mr P Green: I doubt that it has been articulated as fully as that.

Senator WONG: One of the points that wasn't included, I think—and I'm exploring why—is a requirement that the code be 'legally binding'. I don't think that was included in your list.
Mr P Green: That's correct. Much depends here on the context of the code of conduct. Whether a code of conduct would be legally binding or not would depend to some extent on what its operative provisions were.

Senator WONG: Do I understand from what you have said that a precondition as to legal bindingness is no longer the government's position?

Mr P Green: It all depends on what the operative provisions are. Ideally—

Senator WONG: What depends on the operative provisions is essentially a legal and qualitative assessment, isn't it? It's what the effect of the code is and whether it's any good, right? That isn't the question I've asked. We have previously heard the government ministers articulate that it had to be legally binding. I think it might have been in the Singapore or the Shangri-La speech or one of the speeches that either the Prime Minister or the foreign minister made. It's not in the list. I think there may be arguments as to why that is the case, so I'm open to the discussion. But I want to understand whether this is a change in position and when that change occurred and why.

Mr P Green: It is a slightly different articulation of our position. Our views—

Senator WONG: Evolve?

Mr P Green: Evolve. They evolve in response to developments. There is a connection, I am sure you will understand, between the nature of the operative provisions and the degree of binding character that they would ideally have.

Senator WONG: I was going to ask you what sort of requirements we would have. Essentially it is your list. That would be the current Australian government's view about what good looks like in the context of a code of conduct. Is that a reasonable assessment?

Mr P Green: Correct. And it is our understanding that we are not a party and, therefore, we do not know what is taking place with any high level of resolution inside the negotiation.

Senator WONG: When did this evolution of position happen?

Mr P Green: I would have to take that on notice.

Senator WONG: We have a public articulation. We have a lot of trade that transits through the South China Sea. Obviously there is a great deal of focus on events. If we are changing position, and if our position is evolving, and there may well be meritorious or pragmatic reasons for that, it is a reasonable question to ask who decided that they would change and that the position would evolve and why.

Mr P Green: I would like to take that on notice.

Senator WONG: Okay. You're entitled to do that. If the content of the code were arguably less than the obligations under existing international law, is there a risk that, in fact, it would be contrary to our interests to have it legally binding?

Mr P Green: That is not inconceivable.

Senator WONG: What support, assistance or advice do we provide to particular ASEAN members regarding these negotiations, if any?

Mr P Green: I think it would be wrong to describe it as support. We engage with all of the parties to the code of conduct.

Senator WONG: Yes, we do, demonstrably.
Mr P Green: We speak about it and we express views.

Ms Adamson: To all parties.

Senator WONG: I will leave that.

Senator FAWCETT: Secretary, there has been a bit of media recently about the Canadians looking to have some blocking—a bit like our FIRB process—of a Chinese acquisition of an engineering company. They referred to Australia. I think their Prime Minister did during his discussion on it. We obviously welcome the increased robustness of our FIRB process. Do we have dialogue with other nations on such things?

Ms Adamson: Sorry, I beg your pardon?

Senator FAWCETT: Do we have dialogue with other nations around our FIRB process or what they are doing with theirs?

Ms Adamson: I think it is fair to say that other countries are interested in the various mechanisms that are used by capital importing countries. Of course, Australia is a capital importing country. We have welcomed foreign direct investment for decades—in fact, even a century. That is what has helped build Australia. Many countries have similar systems. Ours is one that is based on a case-by-case application. As you know, the Treasurer makes a decision on whether the transaction is in the national interest. Other countries from time to time seek advice about how our system works. We are always happy to describe it.

But we are very clear, and I want to be very clear with you, Senator, that we don't intervene in the investment decisions made by other countries. We've got a longstanding commitment ourselves to an open and non-discriminatory foreign investment policy. Of course, we have had very significant investment over the decades from the United States and the United Kingdom, the Netherlands, Japan, the Republic of Korea and others. China obviously has become a more important investor. I think it ranks at No. 5 at the moment. It simply has a five per cent share of the stock of foreign direct investment in Australia, so it is not very significant in the overall scheme of things. Clearly, it attracts some public attention. If I understand the link correctly in the case that you mentioned, Australia did approve the acquisition of John Holland by this Chinese company, CCCI. That was in 2015. John Holland has since won a number of contracts; I think several are in Senator Payne's home state.

Senator FAWCETT: Sure. But the inference in the article was that somehow we had been part of the Canadian process. My understanding is that whilst they might look at our processes to see what they can learn from them, they make their own sovereign decisions.

Senator Payne: We do not intervene, as you would be aware, in the investment decisions made by other countries. They are matters for them.

Senator FAWCETT: Sure. Thank you.

Senator WONG: I might go to a couple of questions about India.

Ms Adamson: Ms Heckscher has come back with an answer to the question asked by Senator Kitching a few moments ago. Then Ms Klugman can answer your questions on India.

Ms Heckscher: I just checked. September 2013 was the last ministerial visit to Timor. It was by the then minister for international development, Melissa Parke. There has been ministerial level and prime ministerial level contact since then but not a visit to Timor. For example, Minister Bishop met Agio Pereira, then minister in the office of the Prime Minister
for the delimitation of borders and agent of the conciliation process, Xanana Gusmao, and Aurelio Guterres, then minister for foreign affairs and cooperation. That was in the context of the maritime treaty. And both the Prime Minister and Senator Cormann met then East Timor Prime Minister Alkatiri in November 2017 in Perth. But the last visit was 2013.

Senator KITCHING: The reason I ask is there was a report very late last night on the ABC about Xanana Gusmao and the new government wanting to ratify the border agreement with Australia. There were comments about the finalisation of the agreement on the pipelines. That would be helpful.

Ms Adamson: Obviously the agreement will be signed. Ratification is the next step.

Senator KITCHING: Yes. That's right. Thank you.

Senator WONG: Ms Klugman, I think you previously told us that there was a quadrilateral dialogue convened at senior officials level in November last year.

Ms Klugman: That's correct.

Senator WONG: I think when I previously discussed this with you, you were consulting with partners on the timing of a second meeting. Has a second meeting been held?

Ms Klugman: A second meeting has not been held.

Senator WONG: Has a second meeting been agreed?

Ms Klugman: We are in the process of finalising timing for a second meeting.

Senator WONG: Are you able to give me some indication of your level of confidence of a second meeting, Ms Klugman?

Ms Klugman: I'm confident that the four countries are keen to meet again. I'm confident that the process will continue.

Senator WONG: Obviously there has been a lot of public commentary about this. Are you able to tell me whether there have been any representations by other nations in the region about the non-quadrilateral partners?

Ms Klugman: I could, but it would be better if I pass to my colleague Phillip Green, who has coordination lead on the quad.

Mr P Green: I don't think that any country has made what could correctly be described as a representation to Australia.

Senator WONG: We're not going to get into this again. We had this last time.

Ms Adamson: We did.

Senator WONG: Can we agree on a neutral noun, please?

Senator Payne: On a what?

Senator WONG: We got into Mr Fletcher saying formal non-representation because he didn't want to tell me what China had said about something. Can we say communication or indication? I don't mind. Can we just agree on a noun that people—

Mr P Green: There is plenty of dialogue.

Senator WONG: Okay, dialogue.
Mr P Green: Frankly, Senator, it's more frequently instigated by us than by other parties. There's a discussion. For the vast majority of it, it's interest and wishing to understand at a deeper level without any moral content, if I can say that.

Senator WONG: Moral?

Mr P Green: But the clear answer, which I hope you will accept, is that I'm not aware of any country making a representation to Australia in a negative way about the quadrilateral.

Senator WONG: What has the feedback/dialectical/representation—we'll just use alternatives—been from Indonesia, for example?

Mr P Green: From Indonesia?

Senator WONG: Yes.

Mr P Green: I was in Jakarta myself two weeks ago. I had an exchange over a range of Indo-Pacific issues. The quad came up relatively briefly. I led on that discussion. My Indonesian counterpart asked me a couple of simple, factual questions.

Senator WONG: Is that the only response/dialectical/discussion in which Indonesian representatives expressed a view?

Mr P Green: I'm sure there are others. I think it's characteristic that they have an interest. They want to understand more. They want to have our perspective on it. They are essentially gathering information.

Ms Adamson: I think it would be fair to say that the way Mr Green has described Indonesia's position is probably, to varying degrees, replicated across the region. Governments are interested to know what it means. Of course, one thing it most definitely does not mean is any diminution of the importance that we attach to the role of ASEAN in our region or, indeed, within regional institutions. But I would regard that sort of discussion really as being of a clarifying nature: What is this? What will it do? Would it have any impact on ASEAN or current structures? The answer is no, it would not.

Senator WONG: Would that also be China? Have we had any engagement with China over it?

Ms Adamson: We have. I think our foreign ministry spokesman on it, Mr Green, may be able to answer this, or Mr Fletcher. In a general sense, the Chinese position could be characterised as one which is keen not to see new mechanisms develop that might seek to contain China. Of course, the reality is that countries meet in various combinations, including China, with partners. Some of its partners are in various different settings. We do too. I think there has been that sort of general language which might appear a bit obtuse to people who aren't following it closely. China would have no objection to four countries meeting. What they would object to is any attempt, were that to develop in future, to contain China.

Senator WONG: Thank you. Ms Klugman, is responsibility for the quadrilateral discussions within your division?

Ms Klugman: No. It isn't. As part of the restructuring that the secretary was describing earlier today and the advent of Mr Green's division, the coordination role has gone to his division. His division works closely with the divisions that cover India, Japan and the United States. So that's how we do it.
Senator WONG: Thank you. I want to talk about the Malabar exercises. I assume the department had some role in engaging with India in relation to Australia's willingness or interest in participating in Malabar.

Ms Klugman: Yes. Australia has made known to India on a number of occasions over the past two or three years our interest in being invited to take part in the Malabar exercise, which began, as you know, as a bilateral exercise between India and the United States and now involves Japan as well.

Senator WONG: And those representations were both at the high commission end and here in Canberra?

Ms Klugman: Correct.

Senator WONG: Our high commission?

Ms Klugman: More of the representations would take place in India because that's where we customarily have access to the higher level Indian officials and ministers who are decision-makers on these sort of things.

Senator WONG: Obviously Australia wasn't invited on this occasion. Can you outline the reasoning that was provided to us for that decision for the non-invitation?

Ms Klugman: We haven't had a definitive response from India that would shut down Australia's future participation in Malabar or a similar mechanism—a similar joint exercise. We were not, though, invited on this occasion.

Senator WONG: So there's no point me asking on notice if you could provide an indication of what has been communicated on that. Is that right? What reasoning has been communicated? I think your evidence is that we haven't had one.

Ms Klugman: We haven't. India, happily, listens to us when we express interest. They don't shut the conversation down. But we were not invited to the latest iteration of that exercise.

Senator WONG: I want to turn now to the India economic strategy.

Ms Klugman: Very happily.

Senator WONG: You could table it if you want to. My recollection is that this arose out of the visit by the Prime Minister, Mr Turnbull, to India in 2017. They agreed, did they not, for an India strategy to be undertaken?

Ms Klugman: Correct. With one twist. This was an Australian initiative. You are absolutely correct, Senator, that Mr Turnbull, the Prime Minister, announced it when he was in India in April.

Senator WONG: So it wasn't actually agreed with Prime Minister Modi?

Ms Klugman: No. It is an Australian enterprise.

Senator WONG: So it was an announcement—

Ms Klugman: Correct.

Senator WONG: alongside it, which, given what was happening on the free trade agreement, is probably smart. There is a question on notice; I can't recall whether it was from me, Senator Kitching or Senator Moore. You told us that Mr Varghese expected to finalise the text of the strategy for the submission to the department in April. There are also media reports
that Mr Varghese was in Canberra on 8 May to give someone an update on the strategy. Has the department received the strategy?

**Ms Klugman:** Yes. We have received the strategy.

**Senator WONG:** When did you get it?

**Ms Klugman:** On 27 April 2018, Mr Varghese delivered the text of the strategy. It's currently with a design firm for professional printing. We're doing the design of a website in association with the report as well.

**Senator WONG:** When will the strategy be made public?

**Ms Klugman:** That is a decision for government.

**Senator WONG:** Has the strategy gone to cabinet? It is a date question.

**Ms Adamson:** Not yet.

**Senator WONG:** Thank you. It is intended. Can you tell me anything about what is in it?

**Ms Adamson:** Lots of good stuff.

**Senator WONG:** Any recommendations about future funding priorities?

**Ms Klugman:** There are recommendations included in Mr Varghese's report.

**Senator WONG:** And the decision about the date of release is still not made?

**Ms Klugman:** It is still not made.

**Senator WONG:** Can you give me an update as to the total costs associated with the production of the strategy?

**Ms Klugman:** Yes, I can. The total cost for the project—and we still have a few more things to spend—is approximately A$1.5 million.

**Senator WONG:** What was that in reference to?

**Ms Klugman:** The total cost of the project.

**Senator WONG:** To date?

**Ms Klugman:** In total. That is our estimated cost. Most of that has already been spent.

**Senator WONG:** So that includes the design work that you described earlier?

**Ms Klugman:** Correct.

**Senator WONG:** You estimated the cost at $1.5 million?

**Ms Klugman:** Correct.

**Senator WONG:** That includes whatever was provided to Mr Varghese?

**Ms Klugman:** Correct.

**Senator SINGH:** I want to ask a follow-up question in relation to that. You said at the outset that this was an Australian enterprise. Has the Indian government been consulted or involved in any way, shape or form in the process?

**Ms Klugman:** Senator Singh, it is an Australian enterprise, but it is something that the government and the author, Peter Varghese, were very keen to involve India in. It was a deliberate decision for the Prime Minister to make the announcement when he was in India. Mr Varghese has set up a structure for his report, which includes a really good Indian
reference group that he has been engaging with. Some of the individuals on that Indian reference group are current and some of them are former Indian government senior officials.

Senator SINGH: Thank you.

Senator WONG: In the time we've got, I was going to move off India, if that's okay. I want to go to an issue about which I have been given a bit of a run-around. Senator Payne, you might want to comment. I have asked a number of times about the letter from the DPRK which was released to the media with a comment from the foreign minister. An answer to question on notice 33 was given after the last time. I want to go through the history of this. In October last year, I asked whose decision it was to make the letter public. Senator Brandis at the time said he took that question on notice. The response then referred me to the minister's office. I then again asked in the last round of estimates in March this year if Senator Payne, also representing Ms Bishop, could take the question on notice. She did so. I got an answer that said, 'DFAT does not know how the media came by the letter.' Well, we know that DFAT doesn't know. It was a question taken on notice for the foreign minister's office and for the foreign minister. I'm asking the minister.

You can't just keep ducking in responding to this by saying that the department doesn't know. We have established now on three estimates rounds that the department doesn't know how this letter from the DPRK was made public. It magically appears in the press with a comment from the foreign minister. I have the run-around three estimates in a row about how that happened. The foreign minister does have an obligation via you to answer questions. I can't keep being handballed to the department where they tell us again they don't know. Of course they don't know. They've told us that.

Senator Payne: Senator Wong, you want me to?

Senator WONG: I want to know the foreign minister's answer. The department has said they don't know. This letter was released to the media. The department didn't even know about it until they saw it through the media. That was the evidence, I think, in October from Mr Fletcher. If you want to take instructions over the break, Minister, that's fine. I understand it's not your portfolio.

Senator Payne: Let me do that.

Senator WONG: Thank you. While we are on the DPRK, do you want to give us an update, if you haven't done so already, on the current situation in the Korean peninsula and the prospects of what I think the minister and many others have described of complete verifiable and irreversible denuclearisation?

Mr Fletcher: Senator, a very good question. North Korea and the United States are still talking about a summit meeting on 12 June in Singapore. We are not absolutely certain whether that will go ahead. We are more confident now than we were last week that it will proceed.

Senator WONG: Why is that?

Mr Fletcher: Because North Korea has a very senior person in Washington at the moment talking to the Secretary of State. There are people in Singapore doing the logistics. It seems that the North Koreans and the Americans are prepared to meet in Singapore as scheduled. But it has been confusing, I would admit, the last couple of weeks on that point.
Senator WONG: I'm glad you were confused too, Mr Fletcher. It makes me feel a little less worried. I asked you a second question, which was the prospect of denuclearisation and your assessment of that.

Mr Fletcher: Frankly, we're sceptical. But anything can happen, really. This could be a significant hinge point for the future of the peninsula. There seems to be, at face value, a willingness on the part of the north to talk about things that they haven't been prepared to talk about before. Unfortunately, the track record in the north doesn't give you a lot of confidence that they mean what they say. But the leader of North Korea is only in his 30s. Maybe he's serious. We have to test that.

Senator WONG: To what extent has Australia been engaging with the United States in relation to this negotiation?

Mr Fletcher: We've been engaging in it as heavily as we can and as frequently as we can both in Washington and other places where we can talk to not only the United States but with all the parties involved.

Senator WONG: Is there an Australian position you could outline publicly?

Mr Fletcher: I think the foreign minister has made clear what our position is—that we support the comprehensive, verifiable, irreversible denuclearisation of North Korea. Until concrete steps are taken towards that, we support the maintenance of maximum pressure through UN sanctions and other measures.

Senator WONG: I notice—

CHAIR: There are two more minutes.

Senator WONG: I will try to make it. I notice there has been public discussion about the US military presence on the peninsula. Have we expressed any view about that?

Mr Fletcher: Not to my knowledge.

Senator WONG: How did you understand the reference to the Libya model that I think the national security adviser outlined in an interview?

Mr Fletcher: How I do understand it? If the Libya model were followed, North Korea would agree to relinquish its full nuclear capabilities. But for North Korea to do that is a much bigger task than it was for Libya, given the extent of the North Korean program.

Senator WONG: And your assessment of the demolition or deconditioning—I can't recall—of the nuclear test site?

Mr Fletcher: I think our assessment is that that site was already at the end of its useful life.

Senator WONG: I will stop.

CHAIR: Thank you.

Senator WONG: But not forever.

CHAIR: You will be back after the dinner break. I will now hand over to Senator Rice.

Senator RICE: I have 15 minutes?
CHAIR: Yes.

Senator RICE: Great. I will whip around the world in 15 minutes. I want to start in the Philippines. I want to know what the current status of Australian government assistance to the Philippine National Police is in the light of the ongoing murderous war on drugs. It's now estimated that 20,000 people have been killed.

Ms Heckscher: You asked a question about what assistance we are providing to the Philippines. Do you mean government assistance?

Senator RICE: Particularly to the police—for example, any training programs that we currently undertake with the Philippine National Police or any other development assistance that is provided to them.

Ms Heckscher: Questions about police-to-police cooperation would be a matter for the Australian Federal Police to respond to.

Senator RICE: In terms of overall foreign aid and assistance, do you know whether there is aid that would end up being directed towards the police?

Ms Heckscher: I'm just looking for my material on development assistance to the Philippines to see if I can actually locate anything on police. We have quite a large development assistance program with the Philippines. It's quite wide-ranging. It covers things like support for human rights activities and the like. We have things like the partnerships for peace program that supports long-term stability and development in conflict areas of Mindanao. I'm just looking to see if I can find anything on police specifically. I actually think that is a question that needs to be put to the Australian Federal Police.

Senator RICE: Is there any vetting system that the Australian government has to ensure that the Philippine National Police units that are implicated in the unlawful killings are not beneficiaries of Australian government assistance?

Ms Heckscher: All of Australian assistance is provided through credible partners and is carefully managed and monitored. Again, any questions about police-to-police collaboration needs to be put to the—

Senator RICE: Yes. But is there any vetting system in terms of any aid to make sure that it is not going to police implicated in the unlawful killings?

Ms Heckscher: Well, I can't answer questions about what assistance might be provided directly by the Australian Federal Police to their police counterparts.

Senator RICE: No. But beyond the Australian Federal Police assistance, is there any other Australian government assistance? Is there any vetting to ensure that any of that assistance doesn't get funnelled through to police who are implicated in the unlawful killings?

Ms Heckscher: As I mentioned, there are a lot of governance structures in place in relation to Australia's aid programs that keep an eye on exactly where the aid is going, which is to credible partnerships through credible partners. So those processes are in place with our Philippines development program as they are with every program we have.

Senator RICE: Could you then take on notice as to what vetting systems are in place, if you can ensure that and can assure us that development assistance is—
Ms Heckscher: I can provide you some information about our general aid governance structures in relation to the Philippines. Any questions about collaboration and assistance to the police in the Philippines will need to be put to the Australian Federal Police.

Senator RICE: I am interested in broader aid to make sure that it's not going through to those police. Has the Australian government taken any action to protest about the prosecution of Senator Leila de Lima and to advocate for her release?

Ms Heckscher: We have ongoing contact with the Philippines on a whole raft of human rights issues. We consistently raise our concerns about human rights issues through a number of mechanisms. For example—

Senator RICE: I am sorry, but I have very limited time. I am wondering if there has been particular advocacy about the prosecution of Senator Leila de Lima.

Ms Heckscher: This is actually a process that has been underway for a little while. I would have to look back and see if we've made anything specific in the past. Are you talking about the very recent events concerning her?

Senator RICE: Yes. I am also interested to know whether any Australian diplomats visited her in prison where she currently is?

Ms Heckscher: I will need to get back to you on those specific questions.

Mr Exell: I will add a response to the question you asked earlier about assurances of funding for police. I want to provide comprehensive assurance that we have a three-tiered system that looks at the program investments, annual reporting, independent assessment and then spot-checks on the actual program to make sure that funding goes where it's meant to go.
I want to come back very quickly on the assurance that you are after. We are very clear on the activities we are supporting and where that funding goes towards those activities.

Senator RICE: Thank you.

Ms Heckscher: I'll come back to you with a specific response to the question that you asked, Senator.

Senator RICE: Has the government made any representations regarding the deportation of Australian nun and human rights worker Sr Patricia Fox?

Ms Heckscher: That is a consular issue so I will call upon our colleague.

Mr Todd: Could you repeat your question, please?

Senator RICE: Has the government made any representations about the deportation of the Australian nun and human rights worker Sr Patricia Fox?

Mr Todd: The Australian government, under our consular services charter, continues to provide consular services to Sr Fox. We are not able to intervene in the legal processes or the visa processes of a foreign country.

Senator RICE: Have you made any representations more broadly, given the political nature of the reasons behind her deportation?

Mr Todd: Consistent with our consular services charter, the Australian government maintains a consistent position that it is unable to intervene in immigration matters or legal matters in a foreign country. We continue to provide extensive support to Sr Fox, but we are not in a position to intervene in the immigration laws of a foreign country.

Senator RICE: In the context of human rights, the fact is that you've been making representations on human rights issues. Has Sr Fox been mentioned in the context of that engagement and those representations on human rights issues?

Ms Adamson: I would like us to check that and get back to you, if you don't mind.

Senator RICE: I understand that Australia has committed $20 million over four years to support recovery and long-term peace and stability in the southern Philippines. I'm interested to know how much of that has been used for the rehabilitation of the city of Marawi.

Ms Heckscher: As you mention, to date—that is, 18 May—Australia has committed $24 million to support the response, recovery and long-term peace building efforts to Marawi. The Philippines has established a whole-of-government taskforce, Bangon Marawi, to lead recovery and reconstruction efforts. Through the World Bank, we have committed $2.3 million over the period 2017-19 to support technical assistance and advisory services to the Philippine government taskforce to help develop a comprehensive rehabilitation and recovery program for the city. Our support is focused on bringing international planning and engineering experience in a post-conflict scenario. The World Bank, with Australian funding, is drawing on staff who have relevant post-conflict reconstruction experience in the Middle East. Our support will also help mitigate the risk of further conflict arising from disputed land claims, for example.

The World Bank is also working to establish a multi-donor trust fund as a platform to enable government, in international cooperation, to support Marawi's reconstruction. Australia has allocated $2.2 million to this trust fund to support small-scale development projects in vulnerable communities and to promote economic activity and community cohesion. In
addition, Australia is funding international and local NGOs that are trusted by local communities and clans to ensure local views and interests are incorporated into reconstruction plans. This has already had a positive impact on the reconstruction plans for the city centre. Through Australia's Partnerships for Peace program, we've also committed $3 million over the period 2017 to 2020 to fund projects that promote moderation and tolerance to counter the extremist influence that gave rise to the Marawi siege.

**Senator RICE:** Have there been Australian personnel helping on the ground in Marawi? I have been informed there hasn't been engagement with communities and civil society organisations on the ground.

**Ms Heckscher:** You mean not Australian governmental staff but other NGOs and the like?

**Senator RICE:** Yes. Or people being funded by the Australian government to undertake rehabilitation works there—so working with civil society. The criticism I have heard is that there hasn't been much engagement and that the people on the ground don't know that Australia has been involved in giving aid to help with the rehabilitation.

**Ms Heckscher:** I think I'll need to check on the exact involvement of Australians in those programs.

**Senator RICE:** In my little time left, I want to quickly move to West Papua and the concerns about the human rights situation and what the Australian government's current concerns are about human rights in West Papua.

**Ms Heckscher:** Of course, the Australian government takes human rights matters in Indonesia very seriously. Our embassy in Jakarta closely monitors developments in the Papua provinces, including through regular visits. The embassy has very good access to a large network of contacts spanning police, government officials and activist students et cetera. It visits regularly. For example, Australian officials visit regularly. In 2018, so far, Australian officials from our embassy have conducted eight visits. In 2017, we had 26 visits. So it has been a consistent pattern. I can go all the way back to 2013.

**Senator RICE:** No.

**Ms Heckscher:** We go very regularly. We use those opportunities to engage very closely in the human rights situation in Papua. For example, Attorney-General Brandis made an official visit to Papua in 2016 and met with local human rights activists as well.

**Senator RICE:** In the department's view, which Indonesian agencies are the worst perpetrators of human rights abuses? Is it the Indonesian police or the military?

**Ms Heckscher:** I'm not in a position to answer that.

**Senator RICE:** Are you detecting any shift in the types of human rights abuses being committed?

**Ms Heckscher:** We've seen some improvements. We've certainly seen a commitment by the Indonesian government to the situation in Papua. For example, President Widodo has visited Papua on a number of occasions since becoming president. Most recently, actually, we very much welcomed Indonesia's hosting of an official visit to Indonesia by Zeid Ra'ad Al Hussein, the UN High Commissioner for Human Rights in Jakarta, which was in February 2018. He called on President Widodo and met with cabinet ministers. In his press conference,
he also mentioned that the Indonesian government had invited him to visit Papua. So there is an ongoing commitment by the Indonesian government to addressing concerns in Papua.

**Senator RICE:** But you acknowledge there is ongoing oppression and ongoing human rights abuses. It is still ongoing despite that.

**CHAIR:** It being just after 6.45 pm, we are now suspended for the dinner break. We will resume at 7.45 pm.

**Proceedings suspended from 18:46 to 19:45**

**CHAIR:** The committee will now resume. Senator Patrick, over to you.

**Senator PATRICK:** Thank you. I have some questions in relation to the alleged hacking into travel itineraries of Australian diplomats, which relate to an article by Rory Callinan that appeared in *The Australian*. Mr Spackman, can DFAT explain how sensitive travel itineraries for named Australian diplomats ended up in the possession of hackers linked to the Pakistani military?

**Mr Spackman:** What I can confirm is the document in question that was referenced in that media article was not a DFAT document.

**Senator PATRICK:** It's come from elsewhere?

**Mr Spackman:** I can confirm that.

**Senator PATRICK:** Does it still raise questions in relation to security of Australian diplomats, noting that their destination was Quetta in Pakistan?

**Mr Spackman:** No, we don't believe so.

**Senator PATRICK:** Is there any investigation on foot in relation to that document at all?

**Mr Spackman:** We have investigated in our cyber security area and we can confirm that it is not a DFAT document.

**Ms Adamson:** And, therefore, does not represent any compromise of our systems.

**Senator PATRICK:** I think the document might have been linked to some software or spyware involved in a company at a Sydney address. Is that your understanding?

**Senator PATRICK:** I think that was the insinuation. It was brought to the media by a software company in America but that was, we believe, the origin of that spyware, yes.

**Senator PATRICK:** Has anyone in Australia questioned that company at all?

**Mr Spackman:** We did contact the Australian Cyber Security Centre when we were made aware of the article. These things are notoriously difficult to identify whether they do actually originate in Sydney or anywhere else. We believe we have investigated as much as we can at this point.

**Senator PATRICK:** So you're satisfied there is no other information that got leaked, because the leak wasn't a DFAT leak?

**Mr Spackman:** Correct. We are comfortable.

**Senator PATRICK:** Moving across to Vanuatu. There was a report in Fairfax Media reporting that China had approached Vanuatu about establishing a military base in the South Pacific. Mr Sloper, are you familiar with that report?
Mr Sloper: I am familiar with the report and we referred to it earlier in discussion. Unfortunately, you weren't here, but I could repeat that now.

CHAIR: For the benefit of Senator Patrick and the officials, if senators do go through evidence that has already been given, if the Senator is willing, we can refer to it and get the Hansard to them.

Senator PATRICK: If I ask these questions, I'm very happy if you simply say that it's been covered already. The Fairfax story referred to preliminary consultations between China and Vanuatu, and that was sourced to officials within the Australian government. Have there been consultations?

Mr Sloper: Senator, there weren't consultations in terms of the characterisation of the media article—that is, we weren't directly involved. Subsequent to the article, we approached both the Chinese and Vanuatu government, and they told us that they were not planning a base, and we welcomed that advice.

Senator PATRICK: Because the Prime Minister clearly came out suggesting that there was considerable concern.

Mr Sloper: Our Prime Minister?

Senator PATRICK: Yes.

Mr Sloper: We reiterated the view of the government in the earlier evidence.

Senator PATRICK: So you're absolutely satisfied that the story has no substance or basis?

Mr Sloper: That's right.

Senator PATRICK: Have you been looking at the use of soft power by foreign governments in Vanuatu at all?

Mr Sloper: Not specifically in Vanuatu. We do look at how our other partners project themselves in the region, and we also look to how we can strengthen our own soft power.

Senator PATRICK: I looked at a parliamentary research paper—Senator Xenophon had asked for a research paper that looked at East Timor—and noted that over time the Chinese had been doing a lot in East Timor and that there was perhaps a more hostile view of Australia than China, and that may have been tied in with the treaty negotiations. Are you worried in any way, shape or form about whether or not that is happening in Vanuatu?

Mr Sloper: The Chinese presence in the region has been growing in terms of its economic power, trading and investment, but I mentioned earlier today that we judge that no one country can address the development challenges facing the region, and we welcome the engagement not only by China but by other partners in the region. We talk to them and all the other donors and cooperative partners about the basis of that engagement. We want to address the challenges identified by the Pacific island countries and work jointly with them in an open and transparent manner.

Senator PATRICK: What do you think the objectives might be of that, sort of, soft-power approach by the Chinese in this area?

Mr Sloper: I imagine that both for China and for other countries engaging it's to strengthen their relations. I think there's been reporting about a number of countries
approaching China about strategic partnerships, and that is something we ourselves have done. They're now a major trading partner for some of the countries in the region.

Senator PATRICK: I might segue into Timor. Are you familiar with that?

Mr Sloper: No.

Senator PATRICK: That's not your area of expertise?

Ms Adamson: I'll ask Ms Heckscher to talk about East Timor.

Senator PATRICK: Thank you very much for your help with that. What is the state of play in regard to the conciliation process under the UNCLOS treaty between Australia and East Timor?

Mr Larsen: The conciliation process has concluded. The conciliation commission issued their report approximately three weeks ago and have ended their involvement. The treaty has been signed. The treaty was signed by Timor-Leste and Australia on 6 March. Work is now under way to allow for ratification of the treaty.

Senator PATRICK: DFAT initially tried to prevent the United Nations Conciliation Commission from proceeding—is that correct?

Mr Larsen: Initially there was an argument about the competence of the commission to consider some of the issues. The commission ruled in favour of its own competence.

Senator PATRICK: Jurisdictional competence?

Mr Larsen: Correct. The commission ruled in favour of its own competence and Australia accepted that. Australia proceeded on the basis that we would engage in the conciliation process in good faith thereon.

Senator PATRICK: It is compulsory, isn't it?

Mr Larsen: It's a compulsory conciliation process. We had a technical legal argument concerning how Timor had sought to bring us into the conciliation. The conciliation was under UNCLOS. The conciliators were appointed pursuant to Permanent Court of Arbitration arrangements. The request for conciliation was prosecuted by Timor-Leste, and Australia accepted the finding of the conciliation commission, that it had jurisdictional competence.

Senator PATRICK: What were the total legal costs involved for the Commonwealth in respect of that?

Mr Larsen: The final legal costs have yet to be resolved, because the commission only finished its work a few weeks ago, but it's very substantial and spread across a number of agencies.

Senator PATRICK: What amount has been invoiced thus far?

Mr Larsen: I will have to check the precise amount invoiced for the Department of Foreign Affairs and Trade. Three departments shared the cost: the Department of Foreign Affairs and Trade, the department of industry and the Attorney-General's Department. From recollection—but I will confirm the figure—the amount paid by the Department of Foreign Affairs and Trade is in the vicinity of $1.5 million. I will check that, Senator. There are many different components to it, some of which we know and some of which we don't know.
Senator PATRICK: Thank you very much. Minister, I wonder if I were to ask Foreign Affairs to provide me with the cost across portfolios, rather than individually, would that be permissible from your perspective?

Senator Payne: The cost of?

Senator PATRICK: The cost of the litigation we were just discussing.

Senator Payne: Do you mean what it cost AGS or whomever represented the Commonwealth and so on?

Senator PATRICK: Yes.

Senator Payne: We can take that on notice here and we'll facilitate an answer.

Senator PATRICK: Just for convenience, rather than asking each department.

Senator Payne: Understood.

Senator PATRICK: Thank you very much. Does involvement in the conciliation commission, despite your initial technical objection, mean that in future our maritime boundaries can be subject to compulsory dispute settlement procedures under UNCLOS?

Mr Larsen: The provision does exist under UNCLOS, and so, for the circumstances allowed for jurisdiction to be exercised, yes, that's a possibility.

Senator PATRICK: Australia's now in a position where it cedes to that concept?

Mr Larsen: Australia had always accepted the notion of a conciliation under UNCLOS; it's contained within the treaty document. The dispute over competence related to particular aspects of this particular dispute. As I said earlier, the conciliation commission ruled against Australia and we accepted that ruling, and we participated from then on.

Senator PATRICK: I seem to remember that one late night on a plane I read that treaty. Countries can insert, if you like, their view on exceptions to that treaty, can't they?

Mr Larsen: The basis on which Australia disputed the conciliation process at the outset really reflected the circumstances which Timor-Leste were seeking to bring before the conciliation. That was the basis, rather than any particular—

Senator PATRICK: Sure. Do we have any exemptions in that UNCLOS treaty?

Mr Larsen: Not to the best of my knowledge.

Senator PATRICK: What are the implications for Australia of a future maritime boundary delimitation between Indonesia and East Timor in terms of compulsory conciliation?

Mr Larsen: The interests of Indonesia were very carefully taken into account in the positions put by Australia. The final delimitation agreed between Timor-Leste and Australia recognises and respects the arrangements that we already have with Indonesia. The treaty which has been signed allows for some adjustment to the boundary lines in recognition of the fact that there will need to be further negotiations between Timor-Leste and Indonesia directly. We have worked very hard, I think, to ensure that nothing in the existing Australia-Indonesia arrangements is in any way undermined by the treaty.

Senator PATRICK: My understanding is that there have been some Indonesian parliamentarians, and indeed maritime specialists, that have publicly suggested that there would be?
Mr Larsen: We've engaged quite closely with Indonesia throughout the process and we kept Indonesia briefed on developments in the conciliation. I participated, along with colleagues and our lead negotiator, Gary Quinlan, in a prebrief of senior Indonesian officials prior to the treaty being made public. We have subsequently engaged with the Indonesians. There has been some reference on the Indonesian side to their need to look at the technical outcomes of the Timor-Leste-Australia arrangement with a view to determining its impacts on Australia-Indonesia arrangements. On the Australian side our very firm view is that, aside from elements of the treaty which specifically contemplate mechanisms that allow for Timor-Leste-Indonesia negotiations with respect to their own boundaries, there is no reason this treaty would be a basis for reopening the arrangements we presently have with Indonesia.

Senator PATRICK: Is the department aware of any reports of parliamentarians or maritime law specialists in Indonesia talking about the possibility of reopening discussions?

Mr Larsen: There has been a longstanding discussion in some quarters in Indonesia in relation to the seabed boundary treaty between Australia and Indonesia. That treaty has been signed but not ratified. Both sides adhere to its terms, but some quarters argue that Indonesia might wish to look at opening some provisions of that treaty.

Senator PATRICK: In some sense it is a risk. Parliamentarians can be scallywags from time to time both here and overseas, and a parliamentarian may eventually end up being in government.

Mr Larsen: Any treaty is only as good as the commitment of the parties to observe its terms. You might have some remedies if the treaty were breached in one way or the other, but it is always open to members of an opposition, analysts or media to speculate about whether or not a country should reopen its existing commitments.

Senator PATRICK: There were proceedings in The Hague that made a ruling in respect of Australia's not interfering with communications between East Timor and its lawyers. Am I characterising that correctly?

Mr Larsen: There are some issues associated with some Australian lawyers and Timor-Leste. Those issues are the subject of separate proceedings, and it would be inappropriate for me to comment on them.

Senator PATRICK: Isn't there an order in place at the moment?

Mr Larsen: An arrangement was made with respect to some documentation, but there is no binding order.

Senator PATRICK: Did Australia comply with that order?

Mr Larsen: I'd have to take that on notice.

Senator PATRICK: I think that's Timor out of the way. I have a couple more if that's alright.

Senator GALLACHER: Bring back Nick; he was quick.

Senator PATRICK: Sorry?

Senator GALLACHER: It's alright; I'm being facetious.

Senator PATRICK: During the media reform negotiations with former Senator Xenophon last year the government agreed to do a review into short wave.
Ms Adamson: Yes.

Senator PATRICK: I'm getting some nods from the secretary; that's good. I spoke to ACMA over the last couple of days. They said they're still working on the terms of reference. Are DFAT familiar with the review?

Mr Byrne: We are familiar with the review. It will be a joint review between DFAT and the Department of Communications and the Arts.

Senator PATRICK: What's its status at the moment? There are no terms of reference, but are you doing any preparation work associated with it?

Mr Byrne: As per your exchange with the Department of Communications and the Arts earlier in the week, we are very close to finalising the terms of reference and working on the project plan for conducting the review.

Senator PATRICK: Do you have a feel for how long that review will take once it has commenced? Have you provided any input to ACMA?

Mr Byrne: We expect it will be concluded this year.

Senator PATRICK: I have a question in relation to Armenia.

CHAIR: Mr Byrne, I understand you had a clarification to make on an answer to Senator Wong.

Mr Byrne: Senator, after our earlier exchange about Minister Fierravanti-Wells' speech in London on 16 April, a couple of my colleagues suggested to me that there might have been some ambiguity in my responses.

Senator WONG: I thought it was pretty clear, but if this is one of those clarifications, I accept.

Mr Byrne: Perhaps it was clear, but I want to be very clear that the department prepared the speech delivered by Minister Fierravanti-Wells in London. We had seen the speech. It is on our website. What I was referring to—and what you were asking about, I think—were her separate comments reported in the media.

Senator WONG: I understood that; thank you.

Senator PATRICK: Is the government aware of threats by the Turkish government to ban Australians from attending the Anzac Day Gallipoli centenary services after NSW affirmed recognition of the Armenia genocide?

Ms Raper: No such threat was made by the Turkish government as far as we are aware.

Senator PATRICK: There was a report on the ABC that suggested that had occurred.

Ms Raper: None were communicated to us as a department.

Senator PATRICK: It was the ABC; they normally fact-check everything. Was that a cough, Minister?

Senator Payne: Yes, very hot tea.

Senator WONG: Most certainly more than some.

Senator PATRICK: Have there been any attempts at all by the Turkish government to interfere with Australia's commemoration of the Anzac Day celebrations at Gallipoli?
Ms Raper: No, there haven't been. We enjoy very good cooperation with the Turkish authorities on all that happens at Gallipoli every year.

Senator PATRICK: There is contention over recognition of the Armenian genocide. Has that been raised at all with the Turkish authorities in relation to Gallipoli?

Ms Raper: As far as I am aware the Turkish government has not sought to connect those two issues.

Senator PATRICK: I understand we don't use the term 'Armenian genocide'. Is that correct?

Ms Raper: That's correct.

Senator PATRICK: The US government use the Armenian term 'Meds Yeghern'. Are you familiar with that?

Ms Raper: I have heard that term, yes.

Senator PATRICK: Is Australia inclined to move towards using that, noting our most important ally uses it?

Ms Raper: The federal government has had a longstanding position for many years that we are deeply sympathetic to the Armenian people and recognise that those events took place, but we don't recognise those events to be genocide as defined under the 1948 convention.

Senator PATRICK: That's clear in my mind. Would Australia consider moving towards the US position?

Ms Raper: Our position remains as I've just stated, and there are no plans to change that position.

Senator PATRICK: That's it from a foreign affairs perspective, but I would like to ask some questions about travel costs. I'm not sure if the CFO is around. This will not take very long. Good evening, Mr Wood.

Mr Wood: G'day, Senator.

Senator PATRICK: There's a fairly massive disparity in government officials' use of Qantas over Virgin. That's been revealed in figures provided to me by the Minister for Finance. Across government in 2016-17, there was $201 million to Qantas and $61 million to Virgin. From averaging the number of tickets and costs, it appears that Virgin is considerably cheaper than Qantas, and we have a policy of lowest fare. I've got DFAT's figures here. The minister was very generous in what he gave me, but it's so small that it's almost impossible to read. Your numbers appear to be—

Senator Payne: That's actually age, Senator!

Senator PATRICK: That's true! The glasses are supposed to help! DFAT's numbers appear to be $3,330,000 to Qantas for domestic travel and $942,000 to Virgin. I'm just wondering if there is any explanation that you would be able to offer in respect of the disparity between the two.

Mr Wood: I've got slightly different numbers, but they are in that similar ratio. Roughly, something like 85 per cent is Qantas and around 15 per cent is Virgin. Consistent with practice across government, we have a policy called lowest practical fare, and everyone who travels is required to comply with that requirement. The most-cost-effective and lowest
practical fare to get to the location is chosen. If the lowest practical fare isn't selected, they
need to give a reason why and seek delegate approval, and that happens in about 0.2 per cent
of cases that we have. So in about 98.2 per cent of cases people do select the lowest practical
fare. In my own experience, sometimes I might fly one way on Virgin and another way on
Qantas given requirements to get back for a meeting, so it might be around the timing of
flights, but other than that, I think we probably take on notice a more detailed response.

 **Senator Patrick:** The secretary of Defence, for example, took my question as a
reminder to perhaps go back and have a look at that. I might add that I did see the secretary on
a Virgin the other day, so thank you, Secretary, for looking out for the taxpayer.

 **Ms Adamson:** Actually, it was my own personal cost on that occasion, but I do regularly
fly Virgin for work as well. Could I ask you something though? You may know on the basis
of the statistics that you've given us, but quite a lot of this department's travel is actually
linked to international travel, and that may be part of the answer to your question. Of course,
Virgin is part of the Star Alliance Group, so it is not as if there are no connections to onward
international flights, but Qantas and One World probably gives us more options. I hesitate to
put that forward as a complete answer to your question, and of course we will look at it, but in
our case a significant proportion of our travel is linked to travel overseas. Of course, there is a
little less of it now there are some direct international flights from Canberra.

 **Senator Patrick:** Senator Gallacher had a quick supplementary.

 **Senator Gallacher:** But you're using the whole-of-government website; is that
correct?

 **Mr Wood:** Correct.

 **Senator Gallacher:** I don't book my own fares; I just say, 'Get the cheapest fare to
the closest time I want to go,' and I end up 80 per cent of the time on Virgin, not Qantas.
There would be an algorithm or method to see, without going and talking to people, what your
people are actually doing. My understanding is you have to untick the cheapest available fare
and go to another one. If that's happening on a lot of occasions, then the policy has not been
adhered to.

 **Mr Wood:** It's the lowest practical fare, and 98.8 per cent of cases people are selecting
that.

 **Senator Gallacher:** You can prove that by statistics? Can we have on notice that
you can prove that from your website?

 **Mr Wood:** Correct. In terms of people identified, correct.

 **Senator Patrick:** I have the same experience, Senator Gallacher, in that I say cheapest
and often end up on Virgin, but the secretary has made a good point. I've asked this question
across a number of departments, but this international travel is unique to DFAT. Your
international travel is, if I'm reading this right—Mr Wood's probably got bigger numbers or
better eyes—$28 million in international travel.

 **Mr Wood:** That's pretty correct, yes. It's in that vicinity.

 **Senator Patrick:** So by far DFAT—and one would expect this—has a much larger
international travel expense. I don't have the breakdowns of Qantas versus Virgin and, as I
discussed—Defence gave the hint yesterday—maybe Star Alliance as well. I wonder if you
could provide a breakdown of Qantas, Virgin Australia and perhaps others on notice for 2016-17. My bias towards Qantas and Virgin Australia is because they are Australian airlines, so I think there is a case to argue that you can pay slightly more because of the flow-back benefits. Thank you very much.

**CHAIR:** Thank you, Senator Patrick; you are right on time. Senator Wong.

**Senator WONG:** On time, Senator Patrick. I'll try to flick through a few of these.

**Senator PATRICK:** Military precision, Senator Wong!

**Senator WONG:** Military precision! I'll remind you of that at some point! First, I just want to confirm that it's not permissible for Australian diplomats or diplomatic missions to publicly support Australian domestic political campaigns.

**Ms Adamson:** That sounds a perfectly reasonable to me.

**Senator WONG:** Party political.

**Ms Adamson:** Yes, party political. But I'll ask Andrew Byrne. Is this social media?

**Senator WONG:** You never know. I might get there.

**Ms Adamson:** We'll have him here just in case.

**Senator WONG:** I asked an in-principle question. Do you want me to say it again?

**Mr Byrne:** Yes, please.

**Senator WONG:** Is it permissible for Australian diplomats or diplomatic missions to publicly support Australian domestic party political campaigns?

**Mr Byrne:** I think that's a conduct and ethics question, but I'm guessing the answer would be no.

**Senator WONG:** You're guessing.

**Ms Adamson:** The answer would be no. With the way you phrased it, the answer is no.

**Senator WONG:** Thank you. I'm sure, because you are always well prepared, as are your officials—

**Ms Adamson:** Yes. I know where you're going.

**Senator WONG:** Pardon?

**Ms Adamson:** I think I know where you're going. We could put it in a sealed envelope!

**Senator WONG:** Well, it was extraordinary. We had the official Twitter account of the Australian High Commission to the UK retweet three tweets from Georgina Downer announcing she was standing for the Liberal preselection of the seat of Mayo. I'll read them to you. You can tell me if this is appropriate for the Australian High Commission to retweet:

I have decided to nominate for Liberal Party preselection for the seat of Mayo. As someone who grew up and spent the first two decades of her life in Mayo, was married in Mayo, and whose family have lived in the Adelaide Hills for over a century, I am coming home.

It is appropriate for that to be retweeted by the Australian High Commission?

**Ms Adamson:** Could you give me the date of that tweet?

**Senator WONG:** It was 11 May.
Ms Adamson: It would not have been appropriate for Alexander Downer, as a serving diplomat or APS officer, to have sent that tweet—

Senator WONG: I’ll come to that explanation.

Ms Adamson: He was no longer employed by us at that stage.

Senator WONG: It is retweeted by the account.

Ms Adamson: He did.

Senator WONG: I will let you come to that explanation; I just want to establish the facts. You agree, do you not, that it is not appropriate for the Australian High Commissioner to the UK to retweet that tweet?

Ms Adamson: The Australian High Commissioner to the UK did not retweet that tweet, because he was not—

Senator WONG: Would you like the attachment

Ms Adamson: He was no longer High Commissioner.

Senator WONG: The world saw. I’m happy to table this. I’ll table this.

Ms Adamson: By all means. As soon as the Australian High Commission in London saw that—

Senator WONG: I’m relaxed about making sure you get the opportunity to explain—

Ms Adamson: That is correct.

Senator WONG: You are disputing the fact that the Twitter account named ‘Australian High Commissioner to the UK’ retweeted that tweet?

Ms Adamson: That is not appropriate.

Senator WONG: Thank you. And you agree that that is not appropriate?

Ms Adamson: That is not appropriate.

Senator WONG: Thank you. Second tweet:

Like so many young South Australians, I went interstate and overseas to seek out job opportunities. Now I am coming home to use those experiences and give back to my community.

That’s also by Georgina Downer, second in the thread, also retweeted by the Australian High Commissioner to the UK’s official account; also, would you agree, not appropriate?

Ms Adamson: Not appropriate.

Senator WONG: Thank you. Third and final tweet:

I respect the full and democratic preselection process that the Liberal Party offers to its members in Mayo. I look forward to participating in that process with the other candidates who nominate for preselection.

That was also retweeted by the official account of the Australian High Commissioner to the United Kingdom; also, would you agree, not appropriate for that account to so retweet?

Ms Adamson: Correct.

Senator WONG: Is this 'born to rule' gone mad; that a person thinks they can use Australian high commission accounts to retweet their daughter's political campaign?
Ms Adamson: I can't speculate on whether the retweeter knew what account he was on. As soon as it came to our attention, it was stopped. That was the only practical action that we could take—

Senator WONG: Which was to delete it?

Ms Adamson: No; which was to change the Twitter handle so that the current Australian high commissioner was able to access the account and the former high commissioner was not able to access it.

Senator WONG: Okay, let me ask about that. How did DFAT become aware that it had a diplomatic mission retweeting a Liberal hopeful—I noticed she didn't tweet about the fact that she lives in Victoria, but that's another issue! When did it come to DFAT’s attention that the Australian High Commissioner to the UK was retweeting campaign tweets for a Liberal Party hopeful?

Mr Byrne: I can answer that. We understand that Mr Downer sent the tweets at around noon London time on Friday, 11 May. Within about 90 minutes, the high commission staff in London had become aware of the tweets. I'm not sure exactly how they became aware—

Senator WONG: It got some response!

Mr Byrne: It got some response from a number of journalists: Latika Bourke, Lisa Miller and others. It took the high commission in London about 90 minutes to be alerted to this. Within another five minutes, they'd contacted Mr Downer and alerted him to the error. Ten minutes after that, they changed the password on the account and deleted the offending tweets.

Senator WONG: Is that the time frame? I was advised it took some hours, but that may not be entirely—

Mr Byrne: This is information from our mission in London. They are quite precise with their timings; as precise as they can be under the circumstances.

Senator WONG: Ms Adamson, I think you said he wasn't the high commissioner when he was doing this?

Ms Adamson: That's right.

Senator WONG: How long had he not been the high commissioner?

Ms Adamson: He ceased being the high commissioner, I think, on 27 April.

Senator WONG: And this occurred on 11 May?

Ms Adamson: Yes.

Senator WONG: So how come he still has access to the official account two weeks later?

Ms Adamson: He hadn't used it in the interim.

Senator WONG: That wasn't the question.

Ms Adamson: How come? I deduce that the high commission did not change the means of access when he ceased being the high commissioner.

Senator WONG: Did Mr Downer, when he was contacted by high commission staff, offer any explanation as to why he thought it was appropriate to use an Australian government diplomatic account to retweet this?
Ms Adamson: We don't have that information. You're assuming he thought it was appropriate—

Senator WONG: I thought that was Mr Byrne's evidence.

Mr Byrne: No, I'm not aware of what Mr Downer's reaction was when he was contacted.

Senator WONG: I'd like that information. I'd like to know, when he was contacted by staff and advised of this, what explanation he offered. He must have known he was doing it from the high commission account, unless he has his own account.

Mr Byrne: He does have his own account.

Senator WONG: Did he say it was a mistake? Or did he just say, 'Oh, yeah, you know'? Do we know?

Mr Byrne: I don't know.

Senator WONG: Do you have processes for changing passwords to social media accounts when staff depart?

Mr Byrne: We do. Clearly, those processes weren't followed on this occasion. On the following Monday we sent a reminder to all of our staff across the global network who manage social media accounts reminding them of the need to change passwords every time somebody who has had access to a social media account departs the mission.

Senator WONG: Can you come back to me on what explanation Mr Downer offered?

Mr Byrne: I'll take that on notice.

Senator WONG: You haven't asked? No-one from DFAT in Canberra has—

Ms Adamson: We can ask our colleagues in London overnight whether there was an explanation given.

Senator WONG: But no-one from Canberra has sought an explanation; is that right?

Mr Byrne: We've been working through our mission in London, who are dealing directly with Mr Downer.

Senator KITCHING: Did he think it was his personal account?

Ms Adamson: We don't know that.

Senator KITCHING: Because the name would give it away.

Senator WONG: You usually know where you're retweeting from or which account you're in. There's a little picture.

Senator KITCHING: Did he have another account?

Mr Byrne: Yes, he has his own Twitter account.

Senator WONG: Just very quickly: have we had any update as to the US—

Senator Payne: At the very least, it's paternal enthusiasm.

Senator WONG: Come on! Even you, with the partisan hat on, wouldn't think it's appropriate. You're here as a Liberal Party minister but even you, as a member of the Liberal Party—

CHAIR: You might want to clarify that, Senator Wong!
Senator WONG: As a member of the Liberal Party, I'm sure you wouldn't think it's appropriate.

Senator Payne: I'm very grateful to the promotion you're giving Georgina Downer's campaign. As a South Australian, that's extraordinarily generous of you!

Senator WONG: We all enjoy the fact that she is coming home for a consolation prize after not obtaining preselection in two Victorian seats that she has indicated she sought preselection in.

Senator Payne: Well, we're not all natural stars, are we?

Senator WONG: South Australians are extraordinarily happy about that.

Senator Payne: Stars in the firmament indeed!

Senator WONG: Can I turn to the US ambassador. I don't plan to spend a lot of time on this, Secretary Adamson. I just want to know if there is any update on the appointment of the US ambassador to Australia?

Ms Adamson: No.

Senator WONG: So no expectation as to time frames?

Ms Adamson: I'm sure we'll be advised as soon as a decision is made. We had been given to understand that it will be as soon as possible.

Senator WONG: You'd been given to understand? Can I ask how?

Ms Adamson: Through contacts with the United States embassy.

Senator WONG: Are we getting any information about the DPRK letter, which was put out at a very politically convenient time?

Senator Payne: As I understand it, the foreign minister's office has indicated that they are not aware, given that it was an open letter to multiple places.

Senator WONG: They're not aware? It just magically appears in an article with her—

Senator Payne: It was an open letter to multiple places. The foreign minister's office does not know in that case whence it came.

Senator WONG: It magically appeared in a paper with comments from the foreign minister at a very convenient time in terms of what the foreign minister was being asked about? Okay. Mr Wood, I did flag via the secretariat that I had some questions about the profile of the ODA budget. I referred you to Budget Paper No. 1, statement 6, page 6-12. This is Table 4.1: Trends in the major components of foreign affairs and economic aid sub-function expenses. This is an accrual table; correct?

Mr Wood: Correct.

Senator WONG: The figures will differ from the cash figures you gave me before. I want to understand what this tells me about the profile of the aid spend. If you look at the ODA component, in the top line, you've got $3.34 million for 2017-18; $3.5 million for 2018-19; then a million-dollar increase to $4.625 million in 2019-20; and then a decline to $3.5 million over the next two financial years. I want to understand what drives that significant spike. If your answer is going to be 'multilateral replenishments'—why don't you tell me that first, and then I'll come to the PBS.
Mr Wood: As they say in the movies, I knew this day would come! There is a really complicated reconciliation between Budget Paper No. 1 and the figures that we report for our ODA budget.

Senator WONG: But you report in cash, don't you?

Mr Wood: Correct. We have a fairly detailed table. It might be useful if I provide this table. It includes the initial component of our multilateral replenishment. There are some big multinational replenishments forecast in 2019-20. These relate to the World Bank International Development Association and the Asian Development Bank as well. We subtract that figure but then we add back and amortise the average component to get the cash number. We also add to that foreign aid line ODA from other government departments because that is not included in that foreign aid. Essentially, the table takes you through that and tells you which items are added to that number to get to the figure of $4 billion that I gave you this morning.

Senator WONG: To what extent does the table reflect 3.7 in the PBS, at page 59?

Mr Wood: It reflects a couple of things—firstly, program 1.2 and program 1.3 from the portfolio budget statements. It also includes items from our aid budget summary in relation to adjustments that we make and also other government departments.

Senator WONG: This one is still a cash table.

Mr Wood: I was just showing how the numbers reconcile. You have numbers from Budget Paper No. 1. I was showing in that table how you go from Budget Paper No. 1 to the headline ODA figures that I gave you this morning. It's a combination of a number of programs—

Senator WONG: What does 'excluding bill 2' mean?

Mr Wood: That's the multilateral replenishments. The figures in Budget Paper No. 1 include that. But to get to our—

Senator WONG: Yes, but what's 'bill 2'?

Mr Wood: That's just a reference to the appropriation bills. This is just our working copy, but I was happy to provide it because—

Senator WONG: So this reconciliation is essentially the accrual figure—no, that's not right, because the accrual figure is $4.65 billion in 2019-20.

Mr Wood: Yes.

Senator WONG: So you are telling me how you get from—

Mr Wood: Yes.

Senator WONG: Okay, I understand. What is the concessional investment discount at table 3.7 on page 59?

Mr Wood: Is this Budget Paper No. 1?

Senator WONG: Sorry, it's page 59 of the PBS. It is $401,760 in 2019-20.

Mr Wood: I would need to take that on notice to confirm that. That would relate to the concessional element of our International Development Association commitment but I would need to come back to you the precise figure. Senator, I've got an expert next to me.
Mr Tinning: Some of the International Development Association is in the form of grants so it counts differently in the budget statements relative to loans. The concessionality relates to the grant element of IDA.

Senator WONG: Surely it relates to the investment element?

Mr Tinning: The grants and the investments are treated differently in the accounts.

Senator WONG: Yes, but surely the discount relates to the investment element, no?

Mr Tinning: My understanding is that's correct.

Senator WONG: That's not what you first said. You said the grants attracted a concession. Can someone, on notice, explain to me what the concessional investment discount is and how it operates? How do you get to the 401? Given it is only in one year, it's a little confusing to me. I have only just got this table so this may obviate my question. The accrual figure 4.6 is higher because that's when the obligation to the various MDBs for replenishment falls, right? So that's when the obligation accrues so therefore the accrual table reflects it. To what extent does the government have discretion over when the payments are actually made?

Mr Tinning: In the case of IDA and ADF, the replenishment schedules are fixed by the World Bank and the Asian Development Bank so we have limited discretion. There is an agreed encashment schedule that each donor should follow. We do have the capacity to renegotiate those encashment schedules should we choose but, if we do, we have to take the net present value of those encashment schedules.

CHAIR: Can I ask a question, Senator Wong? What are multi-lateral replenishment expenses? Tell me at the end, so I can follow.

Mr Tinning: We are talking about replenishing the concessional arms of the World Bank and the Asian Development Bank.

CHAIR: Thank you. And thank you, Senator Wong.

Senator WONG: So if we negotiate them, we don't get a benefit, essentially?

Mr Tinning: If we accelerate the schedule, we pay less. If we decelerate the schedule, we pay more.

Senator WONG: Do we often do that?

Mr Tinning: We've done it a couple of times in the past.

Senator WONG: How often? When? Can you take that on notice?

Mr Tinning: I will take that on notice.

Senator WONG: You said two of them—I can't recall. Are there others where there is more discretion associated with the payment plan?

Mr Tinning: Yes, so the multi-lateral development banks and the GEF—Global Environment Facility—have encashment schedules but other global funds such as the Gavi and the Global Health Fund have more discretion. They don't have encashment schedules.

Senator WONG: On notice, are you able to make sure you give me which ones there is discretion and which ones there isn't? Is that okay?

Mr Tinning: Yes, or we can do it now. So IDA, ADF and GEF have no discretion.
Senator WONG: When you say 'the others', I want a comprehensive list. That's why I'm asking you to put it on notice. Can we just do that?

Mr Tinning: Yes, no problem.

Senator WONG: Can you give the proposed payment plan on notice in relation to each of them or is that set out somewhere?

Mr Tinning: That's publicly available and we can give it to you.

Senator WONG: Can you consolidate them for us, I would appreciate that. This might have been resolved by your table as well, PBS 61. Cash is much easier to deal with. Are you able to explain to me why—and I think your table does this—there isn't the jump in the 2019-20 year in the administered cash flows?

Mr Wood: I think it's essentially that—

Senator WONG: It's that table.

Mr Wood: reason, because there's a fairly flat level schedule amortisation schedule.

Senator WONG: On page 62 there's also a capital budget item, administered assets and liabilities bill, $462 million. Is that part of the replenishment, or is that something else?

Mr Wood: It does relate to the investment component of that future IDA replenishment.

Senator WONG: How is that reflected in this reconciliation table? This doesn't include capital items.

Mr Wood: That will be the case. Again, we're happy to confirm that.

Senator WONG: Yes. I want to understand where that 462 is, how it operates, how that affects the ODA budget and, in particular, whether that is responsible in any way for the 2019-20 spike.

Mr Wood: Sure.

Senator WONG: You can't tell me? You're not sure?

Mr Wood: I would like to come back and confirm that.

Senator WONG: I have asked about profilers replenishment schedule in cash terms across the forwards, but that essentially is the question you took on notice earlier—correct?

Mr Wood: That's correct.

Senator WONG: Thank you. That was a lot of fun, wasn't it. I'm going to ask a few questions in relation to the Magnitsky Act, and I know my colleague Senator Kitching will explore it further. I wanted to understand—because obviously a number of parliamentarians, including me and others, have been approached by interested members of the public and others about this. Can you explain to me why we say we shouldn't have such legislation in Australia?

Ms Raper: I'm looking for the right page.

Senator WONG: Do you want me to rephrase the question?

Ms Raper: I'm just looking, sorry.
Senator WONG: No worries.

Ms Raper: I think the short answer is that we don't think that there is a gap in the way that we're currently approaching the issue that needs to be filled.

Senator WONG: I'll try and give you some time, Ms Raper, to find the brief. But I suppose, Secretary, the distinction is between something that may not technically be legally required because of the different legal system—it's getting late, so it's not the most eloquent way to explain it. We don't need it in order to found particular actions in the way that the US system might require. There's a distinction between not necessary and not helpful. I'm trying to understand which category this falls into.

Ms Raper: My response is that these relate to the Europe and Latin America's division and Russia, so I can only speak to that issue. Certainly when it comes to Russia, we feel that we have all the authority we need to implement the sanctions that have been put in place since 2014.

Senator WONG: So to someone who writes to us, and who I'm sure has written to the minister, saying, 'We should have a Magnitsky Act for all of these reasons,' the answer is, 'It's not necessary because we can implement the full gamut of sanctions without such regulation'?

Ms Raper: That's correct.

Senator WONG: What would the harm be?

Ms Raper: It would be a lot of work—for what gain? We're not seeing that there's a need for it.

Senator WONG: I think that might be it from me. I'm going to hand over to my colleague. You've breathed a sigh of relief!

CHAIR: If that is it from you, could I just—

Senator WONG: Mr Wood was going to give me my other table.

CHAIR: He was, and he might be able to do that. You had asked earlier this afternoon—

Senator WONG: I don't think you should go away, Ms Raper, because I think my colleague will have questions afterwards.

Ms Adamson: About work on the agriculture visa?

Senator WONG: Yes.

Ms Adamson: We can answer that question. You asked when DFAT was advised of work on an agriculture visa announced by the Deputy Prime Minister in a speech to the National Press Club on 19 April. Our checking suggests Mr McCormack did not mention this work in his speech but was reported as referring to it in media, but I can tell you that DFAT was advised on 19 April of the proposed work. This was in the form of a letter from the Minister for Agriculture and Water Resources to the foreign minister. The letter was signed the day before, prior to the speech. The Press Club speech was on 19 April. You asked about that. Whether Mr McCormack mentioned it in media at the Press Club or at some other point on that day I'm not sure, but we received his
letter on the 19th and we continue to work with the Department of Agriculture and Water Resources and other agencies on the most effective way to meet job demand in the agriculture sector.

Senator WONG: I'll try my luck with Mr Wood. I gave him all these questions on accrual accounting.

CHAIR: Once a finance minister!

Senator WONG: I've forgotten most of it!

Mr Wood: Senator, earlier today you asked for that table to be expanded to include the budget information. I will be able to table that in the morning.

Senator WONG: That's fine.

Mr Wood: I'll just give you a brief holding response. On page 26 of our portfolio budget statement, we break down our appropriations into country programs and regional programs. You can see that has a bit of a profile over the forward estimates.

Senator WONG: But you aggregate regions. You just go country program, regional program.

Mr Wood: Yes.

Senator WONG: I want to know which parts.

Mr Wood: Correct.

Senator WONG: Thank you.

Mr Wood: All I was saying was that the numbers will reconcile to those, so you can see the link to the PBS.

Senator WONG: That's fine. I'm afraid I can't be here tomorrow, but I'm sure my colleagues will get it for me.

Mr Wood: No problem.

Senator Payne: Madam Chair, I think the secretary had some responses to questions that she was going to provide.

Ms Adamson: One of them, Senator Kitching, was one of your questions in relation to the Shanghai Cooperation Organisation and whether Iranian President Rouhani was going to attend. We have been able to confirm there is information on his website that he will attend.

Secondly, Senator Rhiannon asked about the occupied territories nomenclature in the travel advice. She was drawing on British travel advice. Our own Smartraveller travel advisory has been titled 'Israel, the Gaza Strip and the West Bank' since it was first created, on 1 August 2000. Since then we have referred to the region in this way. The US and Canada also use the West Bank and Gaza in the title of their travel advisories. The Australian government's position with regard to the legal status of the Palestinian territories did not change following the referred marks by then Senator Brandis.

We were also asked by Senator Di Natale about the four Australians who were not able to enter from Amman in Jordan to Ramallah to attend the conference on Jerusalem. We were made aware of the difficulty that they encountered on 10 April, through the head of Australia's representative office in Ramallah. She directed the Australians, by email, to our
travel advice and advised, per our travel advice, that the Australian government is unable to intervene on behalf of travellers who do not meet Israeli's entry or exit requirements.

Finally there was a question Senator Rhiannon asked about Australia's representations to Israel on the violence on the Gaza Strip perimeter. We raised concerns about the situation on the Gaza Strip with Israel on five occasions—on 16 April, 4 May, 17 May, twice, and 30 May, through our deputy head of mission in Israel. So we've done it on a number of occasions. I won't provide more detail.

Senator WONG: On that issue, were the five instances of this issue being raised all DHOM to—

Ms Adamson: No, they were on some occasions Canberra—a director in the Middle East Branch raising concerns with the Israeli deputy chief of mission.

Senator WONG: Are you able to table something, or do you want to just read through what the five are?

Ms Adamson: I can just do that very quickly if you're interested.

Senator WONG: Okay, let's do that.

Ms Adamson: On 16 April, a director in the Middle East Branch was in a meeting with the Israeli deputy chief of mission. On 4 May, the same director again raised concerns with the deputy chief of mission and another colleague. On 17 May, a director in the Middle East Branch raised concerns about the situation and called for Israel to investigate incidents on the Gaza Strip perimeter during a phone call with the Israeli deputy chief of mission. We said Israel's investigation should be demonstrably impartial, thorough and transparent. Then, on 17 May, our ambassador to Israel raised concerns about the Gaza violence with the Israeli Ministry of Foreign Affairs deputy director. Then, on 30 May, it was our deputy head of mission in Israel with the head of the international division in section of the Israel Defence Forces responsible for the Palestinian Territories.

Senator WONG: Thank you.

Ms Adamson: We can come back on Azerbaijan as well.

CHAIR: Yes, please.

Ms Raper: This is just to answer questions that Senator Rhiannon raised earlier. She asked about the election in Azerbaijan in April, and she asked if we were aware of the OSCE's views. I can confirm that DFAT is aware of the OSCE's views on the conduct of the election of Mr Aliyev as President of Azerbaijan in April 2018. We had also seen the public comments from Mr Kelly on the election. We note that he observed the election in his private capacity, along with a number of other Australian parliamentarians, and his comments do not necessarily reflect government policy. The Australian government has not taken a position on the conduct of the election but, consistent with standard diplomatic practice, congratulated Mr Aliyev on his re-election.

Senator Rhiannon also asked about the Azerbaijan laundromat, including possible links to Australia. DFAT is aware of reporting from the Organized Crime and Corruption Reporting Project on what is described as the Azerbaijan laundromat. However, we're not aware of such money being transferred to Australia. In line with our usual practice, if we were given any
information pertaining to potential extraterritorial crimes, we would refer the information to the Australian Federal Police.

Ms Adamson: Finally, in relation to Senator Wong's question about what Mr Downer said when he was asked about his retweets, the answer that we've just been given by staff at our high commission in London is that Mr Downer said he tweeted from the Australian High Commission account by mistake.

CHAIR: Excellent.

Senator KITCHING: Could I ask another question about President Rouhani attending the Shanghai Cooperation Organisation. Did you say before that that was going to be in September?

Ms Adamson: No, it's coming up quite soon, I think.

Senator KITCHING: I'm happy for you to take this on notice: what are the implications of his attending and of Iran being represented there?

Ms Adamson: The implications for whom?

Senator KITCHING: For us, for example. If there's a closer relationship formed, is it a—

Ms Adamson: Between Iran and China?

Senator KITCHING: Yes.

Ms Adamson: China, of course, founded the Shanghai Cooperation Organisation and regularly hosts it for countries in that region, extending across to Iran.

Senator KITCHING: But it would be the first time Iran has attended.

Ms Adamson: Well, the Chinese have been very keen to expand the Shanghai Cooperation Organisation. Obviously, if membership were to be permanent, we would want to look at what the SCO was saying, what it was doing and plans for further expansion.

Senator WONG: I'm just going to say that I apologise that I can't be here tomorrow for personal reasons. Thank you, secretary, to you and your officials.

CHAIR: Thank you, Senator Wong.

Senator KITCHING: I will go back to the Magnitsky legislation. I think before there was a discussion around Russia. But the legislation itself wouldn't be limited just to that country; it could affect any person who had committed a gross violation of internationally recognised human rights or was engaged in significant corruption. That's correct, isn't it?

Ms Raper: Yes. The way it works in other jurisdictions, other countries, is that it is broader than one country.

Senator KITCHING: Senator Wong asked what's the downside of having it. I think what you were referring to were the sections in the Autonomous Sanctions Act. That does address some of the issues but perhaps not all. Maybe we could explore that. I'm happy for you to take that on notice as well. But would it not be a foreign policy tool that would be useful?

Mr Larsen: I think the key in this particular instance is that the current Australian regime covers the field and our sense is that further legislation is not required.

Senator KITCHING: The United Kingdom's act is the cancellation of UK visas for gross human rights abuses bill. I would imagine, unless you can tell me differently, that their system
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might not have been thought to have any gaps either yet they have been able to legislate to have Magnitsky style legislation, as has Canada and various other smaller jurisdictions—for example, Estonia et cetera. It's not really a visa restriction tool, because I agree that is covered. Although we probably don't tend to use that for politicians, for example, or where there's a possibility that Magnitsky style legislation might be used. I'm still not clear why we couldn't have it as well as the other legislation, because other jurisdictions have, obviously, had the same coverage that we do, but have managed to legislate to have it, for example, the United States.

Mr Larsen: The view, as I understand it, to date by successive governments has been that Australia's autonomous sanctions regime satisfactorily deals with the sorts of matters that the Magnitsky act would conventionally deal with. If you look at how our autonomous sanctions regime operates, individuals can be identified who are subject to sanctions. Those sanctions can have an impact on their right to enter Australia and other matters as well. My understanding of successive government positions has been that the existing Australian regime adequately deals with what it is that the Magnitsky act seeks to do in other jurisdictions.

I would make the observation that insofar as we're talking about visas and other such matters, that's a matter for the Home Affairs department. From a foreign policy perspective, my understanding is that the autonomous regime that we have, which enables us to put sanctions in place in relation to both entities and individuals, provides the sort of cover which those proponents of the Magnitsky act claim that we should have—our existing regime does deliver that.

Senator Kitching: Under the global Magnitsky Act, names or other personal information are published, but currently the department does not publish such information. By saying, 'We're going to have a review of this individual and we're going to identify this individual,' is that not sometimes useful, as a line in the sand?

Mr Larsen: Different jurisdictions deal with these issues in different ways. Clearly, a good number of jurisdictions, including the United States and others, have gone down the route which is advocated by the proponents of the Magnitsky legislation. That would be open to the Australian government. I would note, however, that successive Australian governments have not felt that it's necessary.

Senator Kitching: It hasn't been around that long, the Magnitsky legislation, so there probably haven't been successive governments.

Mr Larsen: The proposal for such legislation, I think, has been around—I stand to be corrected, Senator. I may well be wrong.

Senator Kitching: It relates to Sergei Magnitsky. That was in 2012. Is the key issue whether an Australian government would be willing, in response to, let's say, egregious human rights abuses or massive corrupt activities abroad, to utilise such a tool? And is that necessary in the legislative regime?

Mr Larsen: I think it's clearly the case, in circumstances of egregious human rights abuses, Australia already imposes sanctions on particular individuals, and further individuals could be added to our various lists. In relation to corruption, it possibly would be open for our regime to provide such sanctions. Indeed, if you look at a number of the individuals who are
listed under our autonomous sanctions regime, corruption will have been, I believe, a factor in the rationale for their listing, on occasions. So I think we already have a regime that delivers much of what the proponents of the Magnitsky Act would have us put in place. It is obviously open to the government or any future government to give this further consideration.

Senator KITCHING: I wonder if it gives another avenue to apply such legislation to senior officials in various jurisdictions who might otherwise not be affected. Therefore, that's why I say it's really a foreign policy tool rather than, for example, a technical visa issuing-or-not tool, if that makes sense. I think there is a symbolism in it, but sometimes that can be quite useful in a legislative sense. I'm interested in that as a way of Australia endorsing certain internationally recognised human rights and the violation of those rights, and saying, 'We do not want these people here.'

In the UK they can seize property, which is a very serious way to deal with someone and not something we would be able to do under our existing legislative regime.

Mr Larsen: Different jurisdictions deal with these matters differently. The United Kingdom's circumstances are reasonably particular, especially in relation to Russia or Russian citizens. In the Australian context, although the application is far more broad, there are circumstances in which you can have court orders made to seize assets of individuals, and of course it is open to a government reflect on whether the types of remedies that you're identifying, which might apply to respond to human rights or other abuses of one sort or another it would be open to consider whether more can be done legislatively in Australia.

I would make the observation, however, that our current autonomous sanctions are broadly based—they give the government a broad based power. It is, of course, a power exercised by the foreign minister, so it has a very important foreign policy component, and—

Senator KITCHING: How many people have been affected by the autonomous sanctions act?

Mr Larsen: I will have to get you a precise number, but I can do that.

Senator KITCHING: That would be very useful. Has the number of people affected been greater more recently? I think we're just more aware now than perhaps when—it came in in 2011, so it has only been around for a few years. If you could do it from the inception of the act that would be useful.

Mr Larsen: Certainly—very happy to do that.

Senator MOORE: I have one follow-up question. It is a general one, and it may be on notice. This has been a topic of discussion, and in a number of recent inquiries that we've been involved in people have raised this legislation. Is there a place where agencies such as DFAT talk with their comrades from the UK and the US and various other jurisdictions to consider legislative responses—a professional sharing of opinions and options—so that this kind of thing is discussed? I'm just not sure where that occurs in this space?

Mr Larsen: The answer is yes, we do have those sorts of discussions. In fact, I'm a member of an international law group which has representatives of lawyers from a number of different foreign ministries. We do from time to time consider the Magnitsky Act, as a matter of fact, but also other legislative responses in the international law and domestic space. Of course, as you'd appreciate, we have any number of bilateral consultations, both legal
consultations and general bilateral relationship consultations, with partners across the globe where matters such as this certainly could be on the agenda.

Senator MOORE: And the best practice experience shared, the way that Senator Kitching was looking at those options. I knew that would be the case. Is it possible to get some detail—it wouldn't cover anything—of the kinds of organisations in which members of DFAT are participants?

Mr Larsen: I can certainly give you the ones which I participate in as the lawyer for DFAT. I think the challenge we face is that there will be a multiplicity of other possible fora.

Senator MOORE: If we can get on notice a list of the legal groupings where these discussions occur. That would be very useful.

Mr Larsen: Delighted, of course, Senator.

Senator MOORE: Thank you, Chair.

Proceedings suspended from 21:08 to 21:20

Senator SINGH: I have two areas of interest that I want to ask about. To ensure that the right officials will be around, one of them will be about Tibet, and the first one, which I'm going to ask about now is to do with Manus Island.

In relation to Manus Island, I refer you to an ABC story on Friday, 6 April and ask you if that ABC story is correct in its report:

The Australian Government is helping develop a tourism industry on the Papua New Guinean island it detained asylum seekers on.

That is, Manus Island.

Mr Sloper: You referred to an article, but I wasn't sure what the question was.

Senator SINGH: I'm asking if that's correct, whether the Australian government is helping develop a tourism on the Papua New Guinean island it detained asylum seekers on, as quoted in that article?

Mr Sloper: I am aware of the article, but I'm not aware of particular programs we're doing to support the tourism industry. I can take on notice whether one of our national programs which is operating in a number of provinces has activity relating to the tourism sector. That is, we don't have a dedicated program within Manus on tourism. I saw the report. I'm not aware of any specific programs at the high level. We may have individual investments that relate to the promotion of tourism. They wouldn't be targeted to Manus alone, if that was the case. I can take on notice and return to you—in fact, I'll try to do that by tomorrow.

Senator SINGH: Thank you. The article goes on to say the Australian government is:

… funding a study via aid contractor Abt Associates to review the tourism industry on Manus Island, "identifying its various strengths, weaknesses, threats and opportunities for growth".

Are we actually funding such a study?

Mr Sloper: I can only repeat what I said. Abt Associates is certainly one of the contractors who operate in Papua New Guinea. I'm not aware about a specific initiative on tourism, but I undertake to come back to you with that.

Senator SINGH: If you're taking that on notice, can you take on notice what the cost of the are contract is and how long the contract, obviously, is for. I wanted to ask you also, but in
light of your previous answer you may need to take on notice—I'm not sure, but hopefully not—whether the department is aware that on the website of CIBTvisas, which describes itself as 'the largest and most well-established travel visa company in the world', warns on its PNG page:

Travel to Manus Island for tourist purposes is not permitted. Application forms showing evidence of entry in Manus Island will be rejected.

Are you aware of that website?

Mr Sloper: I'm not aware of that website.

Senator SINGH: Is the department aware of or does it have any understanding of PNG's visa policy for Manus Island?

Mr Sloper: I am aware that media are required to ask to travel there, but my understanding is they have been permitted to travel there upon request and that's, for example, how a number of correspondents who report in the Australian media have travelled there and secured stories.

Senator SINGH: How do you explain where this idea came from?

Mr Sloper: I'm not familiar with the website, so I can't speculate on that.

Senator SINGH: I'm not talking about the website; I'm talking about the Australian government funding.

Mr Sloper: There are two points. I'm not aware of the specific restrictions on travel to Manus, but I can take that on notice, as you requested. I wouldn't be surprised if there is some funding about the private sector, not just for Manus but for a number of other areas within Papua New Guinea. We are trying to support economic growth within Papua New Guinea, and tourism is one of the options many islands in the Pacific have to promote.

Senator SINGH: Are you aware if our mission has been involved in this?

Mr Sloper: According to what you have given to me in terms of the advice around the article, I've undertaken to check that, but, if we are supporting tourism, I'm happy to explain that to you, and I wouldn't be surprised if we are.

Senator SINGH: Well, are you aware if PNG requested this to be funded?

Mr Sloper: I can't speculate on that until I return to you with the information.

Senator SINGH: So can you take on that notice as well?

Mr Sloper: Indeed. Our program in PNG is governed by the principle that we agree on the priorities with our partner governments, as it is elsewhere in the Pacific.

Senator SINGH: I'd like to know where this initiated from—whether it was from PNG or whether other organisation approached DFAT or—

Mr Sloper: I understand the question; I'm happy to return to you on that.

Senator SINGH: I'll move on to Tibet then. This is probably for Mr Fletcher. Can the government provide an update on the case of Tashi Wangchuk, which I asked about at the last estimates?

Mr Fletcher: Yes. He had been tried. He's subsequently been sentenced, late last week, to a five-year prison term.
Senator SINGH: So, as far as the court hearing went, which I understand was on Tuesday, 22 May, did the Australian government send a representative to that hearing?

Mr Fletcher: No.

Senator SINGH: Is any public statement going to be issued from the Australian government or the embassy in Beijing on the outcome of his sentencing?

Mr Fletcher: We made representations in Beijing to the Chinese foreign ministry, actually on 22 May.

Senator SINGH: How were those representations made?

Mr Fletcher: The political counsellor at the embassy called on the International Organisations Department, which deals with human rights matters in the foreign ministry, and had a meeting in which we raised all of our concerns.

Senator SINGH: And did that include calling for his release?

Mr Fletcher: I am not certain of that.

Senator SINGH: Can you take that on notice?

Mr Fletcher: Yes, I can.

Senator SINGH: Will Australia call for his release?

Mr Fletcher: I'll take that on notice.

Senator SINGH: Will the government renew its support for the Australian All-Party Parliamentary Group for Tibet's efforts to visit Tibet this year?

Mr Fletcher: Yes.

Senator SINGH: Will the foreign minister raise this issue directly with the Chinese ambassador in Canberra?

Mr Fletcher: I don't know. We will give that consideration.

Senator SINGH: Can you take that on notice?

Mr Fletcher: Yes.

Ms Adamson: We can certainly raise it on your behalf with the ambassador. I think Mr Fletcher's hesitation was only in relation to committing the foreign minister to something, but I'd be very happy to raise it, if that's acceptable to raise it on your behalf, with the ambassador. He's currently I think in China, but, on his return, I or one of my deputy secretary colleagues would be very happy to raise it on your behalf.

Senator SINGH: Thanks, Ms Adamson. That would be appreciated.

Senator KITCHING: I have some questions about Afghanistan and Iraq and, in particular, the elections. I will start with Afghanistan, which is 20 October this year for the houses of parliament. Firstly, has the deadlock between President Ghani and Chief Executive Abdullah been resolved?

Ms Klugman: The national unity government is still in place, with Dr Abdullah as chief executive and President Ghani as president. When you talk of a stalemate, there have been times over the last year or two years where there have been obvious issues and tensions between those two. They were rival candidates at the last presidential election, as you well know. But I wouldn't describe the current situation as a stalemate between Dr Abdullah and
President Ghani. The executive machinery of that government is moving along, is operating. They are looking towards elections, both parliamentary and presidential, as you know, over this year and next year. The current date for the parliamentary elections—and this date has been deferred on four occasions—is 20 October.

There's still quite a bit of work to do between now and then, but there has also been some sign of progress. Voter registration is happening. It started in about the middle of April and it will continue through into August. The registration rates have been lower than we might have expected, but there is still some time to go. Registration has been disturbed—security's an area, as it will be for voting. Also, you might have seen a number of attacks at voter registration centres, including one in Kabul that killed 50. So, there are a lot of challenges ahead. The government is operating. They are looking towards parliamentary elections first and then presidential perhaps in April next year.

Senator KITCHING: In recent elections the electoral system hasn't worked as well as we might like, if I can put it like that. I was recently in Afghanistan and met some of the embeds we have, and there are some US embeds as well. What are we doing as a coalition, and what is Australia doing particularly, to ensure that the electoral system is working well? I'm also interested in what NATO is doing or perhaps not able to do.

Ms Klugman: There has been a lot of international support for elections and for the institutions and the machinery that are essential for credible and fair elections in Afghanistan. A time will come where Australia, like others, will be asked for support for the running of elections. UNDP is leading a coordinating mechanism at the moment, so I imagine that this coming election, or elections, like the last ones, will require funding and other support from outside. But these elections are very much in the hands of the Afghanistan state. We will help and they will do. NATO and Operation Resolute support in Afghanistan has been working with the Afghanistan national defence forces and with others in the Afghan system on security planning. As I said, security's obviously an issue for the elections. So, there is a lot of help coming from outside already by way of material support and advice. We'll see that stepped up further as we get closer to the business end of holding the elections themselves. When you talk about the method of voting, there is still debate about the method of voting, about the electoral system. There have been no substantial changes to the electoral system from the system that adhered last time elections were held. It's a single, non-transferable vote. It's not a preferential system.

Senator KITCHING: I want to ask about that. I think in the last election there was, for example, ensuring that people didn't vote twice by marking the hand. Are those processes in place? And moving back from that, is there going to be a step-up in aid to ensure that people actually register to vote? And if that finishes in August, that doesn't leave that much time to ensure that as many people as possible who are able to vote do register. Are we going to be asked quite quickly, do you think, to assist in that?

Ms Klugman: Support is already flowing in. I would need to come back to you on notice to understand—because it's Afghanistan, and international support comes in through quite a few different channels—how international support and indeed Australian support is touching on those essential processes that are underway at the moment, particularly the voter registration process. The integrity of the poll will rely on the integrity of the voter lists. But I can come back to you with more detail about how it's funded.
Senator KITCHING: That would be very helpful, and also I guess I'm interested in what NATO particularly is doing there and whether there's a full range of support that they have given to many jurisdictions for elections and whether that's occurring in Afghanistan. I'm also interested in whether AEC, as it does in Papua New Guinea—and Mr Sloper's given testimony here before about that—would the AEC expend some resources for Afghanistan? I think that will do. I'm also interested, obviously, in the percentages of men versus women in the registration.

Ms Klugman: I've got some of those for you.

Senator KITCHING: Thank you.

Ms Klugman: I was looking at them and found them interesting myself. As I said, registration has indeed been slow. As at 15 May, 13 per cent of the estimated 12 million potential voters had registered; 28 per cent of those are women—28 per cent of 1.6 million. So, we are watching things like that.

Senator KITCHING: So you'll come back to me with some—

Ms Klugman: I'll come back to you on international support. On AEC, I'm not aware of any AEC support. Our support, like other international support, would be through our aid program. Also, as you say, the NATO deployment will be providing some level of support to the electoral process, and we are part of that NATO plus deployment. So I can come back to you on that as well. But it won't, as far as I know, involve the AEC.

Senator KITCHING: I met with the Afghan ambassador to Australia after I came back and we did discuss election observers. Will you cover that as well—not necessarily just Australia, but who might be there? If that election is marred once again and its integrity is marred, then I think that is a problem.

Ms Klugman: You are absolutely correct.

Senator KITCHING: I have questions on Iraq. Has the department made an assessment of the outcome of the recent elections?

Ms Yu: As you know, Iraq held their election on 12 May. We suspect that it will be a while before they can actually form government. Initially, we were pleased that it was very peaceful and that it seemed a fair election. It also showed ISIL's inability to disrupt elections like that. But, of course, recently we've heard that there have been allegations of fraud. We are deeply disappointed to hear that, and we believe that it's really important that the investigations are conducted promptly, thoroughly and transparently.

You asked whether Australia provided assistance with this process. We very much took great interest in how this was happening, and our embassy staff actually observed over 25 polling booths on the day. We also had one of our officers seconded to Iraq's electoral commission. We also had the Iraqi Electoral Commission come out and talk to Australia as well. There was a range of assistance provided. As you know, we also have the humanitarian package, a multi-package. I can follow up for you, but it's not clear whether this goes to the heart of the election process. But certainly we have programs around reconciliation, where it's really about institutional and community based reconciliation and social cohesion activities. We allocate funding for activities such as that as well.

Senator KITCHING: Will you come back to me on that?
Ms Yu: I'll come back to you in detail about whether that also covers the election process or whether it in any way supports that.

Senator KITCHING: This is probably another whole other topic of conversation, but I'm also interested in how the Kurdish population was affected in those elections and how—because of the different parties who have been successful—how that is going to affect the Kurdish peoples in Iraq.

Ms Yu: It is really hard to say at this stage.

Senator KITCHING: And it's probably not a discussion for quarter to 10 at night. But I am very interested in that as well. Are you able to give me something on that? I'm interested in what the department is thinking about that.

Ms Yu: We can certainly provide you with the latest results and how that's looking.

Senator KITCHING: Thank you.

Senator GALLACHER: The Washington embassy and the expo in Dubai. Mr Nixon is here. I think Mr Wood might need to come to the front, too. I saw a tweet from the ambassador in Washington, pen poised, signing the lease of the temporary chancery. Do you want to put on the public record what that lease value is?

Mr Nixon: Senator, we've leased temporary accommodation in Washington DC to accommodate the embassy during a period of demolition and construction of a new embassy. That lease is for a space in a building located at 1145/17th Street, Northwest, Washington DC, being a building known as the National Geographic building. I'll perhaps take on notice and confirm what the exact cost of that lease is over that period.

Senator GALLACHER: It's not a publicly available figure? You have been here all day. There was a tweet where he was gloriously signing the lease. I just want to know the value of it.

Mr Nixon: Senator, as I said, I can provide that figure on notice.

Senator GALLACHER: You can't provide it today?

Mr Nixon: I would like to confirm that I've got the right number there.

Senator GALLACHER: It's a five-year lease, isn't it?

Mr Nixon: I believe the cost of that interim lease is a figure of $5.104 million over that term.

Senator GALLACHER: Over four or five years?

Mr Nixon: That's over a four-year period.

Senator GALLACHER: And the cost of the refurbishment of that leased facility was?

Mr Nixon: There is a budget allowance for the temporary fit-out costs—something in the order of $9.593 million.

Senator GALLACHER: So, my figure, not yours: about $14 million for four years worth of temporary chancery.

Mr Nixon: Correct.
Senator GALLACHER: Thank you. I understand also that the state of the 1601 Massachusetts Avenue building is such that it is now scaffolded in cladding. It has got some cloth cladding around it.

Mr Nixon: For some time there has been concern about the external facade of that building and for that reason to minimise any risk to staff at the embassy, visitors and the general public, there has been some temporary hoarding erected around the building.

Senator GALLACHER: Is that hoarding displaying any signage?

Mr Nixon: I believe that Qantas has a logo of some description on that hoarding.

Senator GALLACHER: Is that a normal arrangement that a public embassy or facility would have a public company or a private company for that matter advertising on it?

Ms Adamson: It's a piece of eye-catching public diplomacy by the ambassador. I will be there next week and I will be able to check, but I think they're on the second or possibly the third iteration of this. It has become much talked about throughout Washington DC. I think we discussed it actually in the first estimates after I became secretary, so, in November 2016.

Senator GALLACHER: I understand it has been there.

Ms Adamson: It's a good thing.

Senator GALLACHER: It's a piece of public diplomacy.

Ms Adamson: Yes.

Senator GALLACHER: We're incurring $14 million worth of expenses to do a temporary chancery. We haven't talked about how much it will cost to build a new one. Are we getting any revenue out of this advertising from Qantas?

Mr Nixon: I don't believe that there is revenue itself being generated from it. I believe that Qantas in fact paid for the cost of the actual banner itself.

Senator GALLACHER: So is that defraying our costs? Are we getting anything out of this other than Qantas getting a logo advertising their business on 1601 Massachusetts Avenue? If you Google a billboard in that area, it is anywhere between $1,500 and $3,500 a month to advertise a public company in that area.

Ms Adamson: It's advertising Australia; it's advertising New South Wales and Sydney. There happens to be a Qantas plane, with its normal tail livery in the frame, as it were. It's very much projecting a very positive and attractive image of Australia and Australian sunshine during the Washington winter, for example.

Senator GALLACHER: Is it an arrangement that the department is seeking to expand elsewhere?

Ms Adamson: I think it's unique to its particular site. Should we ever find ourselves in a similar position and a similar proposal, I'm sure you'd look at it.

Senator GALLACHER: Should we be suggesting to the Speaker and the President that the scaffolding around the centre of parliament at the moment, which has been up for a number of months, should be appropriately logoed with the Qantas logo as well?

Ms Adamson: I think Qantas has already got a good share of business in and out of Canberra, as we discussed earlier. The routes out of the states are obviously—

Senator GALLACHER: But it's not unusual?
Ms Adamson: No, it's not, but a number of our embassies—including the high commission in London—have images of Australia. Occasionally, companies are involved in the sponsorship of—

Senator GALLACHER: And revenue-producing. I think Lord of the Rings or one of those—

Ms Adamson: Harry Potter.

Senator GALLACHER: I don't follow it personally, but they produce revenue out of that icon building in London. But there's no revenue out of this?

Ms Adamson: I'd need to check that, Senator.

Senator GALLACHER: It might be defraying the cost of the banner, which we would have had without a logo. Is that the extent of it?

Mr Nixon: That is my understanding, Senator.

Senator GALLACHER: It's simply that the ambassador thought it was a reasonable—

Ms Adamson: I think the ambassador thought that, otherwise, the embassy was an eyesore and he was looking at ways to turn something that was an eyesore into something that was attractive to Americans and would encourage them to visit Australia.

Senator GALLACHER: There was no thought about whether we could defray our $14 million worth of additional costs on the temporary chancellery by charging for the advertising space?

Ms Adamson: I'd have to check that. It was well before the details of the temporary chancery were established. I think he was looking to solve an immediate problem, and he did.

Senator GALLACHER: All right. I go to the pavilion in Dubai. We know from the expediency motion that has gone through the House of Representatives—here it is—that it is not an uncommon thing for the department to come to the Public Works Committee. In fact, previous Australian pavilions at world expositions, at Seville in 1992, in Hanover in 2000 and in Aichi, were exempt from referral to the Public Works Committee on the grounds of urgency. I've struggled to understand exactly why you get yourself in this situation. I understand that, in this case, there were approximately 12 months delay in the budget, but we're talking about 2020 for the operation of it. If you were to satisfy me, which you probably didn't—you did satisfy the committee—wouldn't it have been appropriate, when you were putting that briefing to the committee, for: advisability of the work; the cost-effectiveness of the proposal; if it's revenue producing, the amount of revenue the work would produce; and the current and prospective value of the public work? None of that is contained in your submission. I could ask a simple question. We did this in Shanghai a number of years ago—not that long ago—and there was the ability for you to go straight to market without completing all of the Public Works Committee referral processes. Does anybody want to tell us what actually eventuated out of Shanghai? Did you generate $200 million worth of business? What was it all about? All I'm asking for is that you address the need for advisability of the work, the cost-effectiveness of the proposal and, if it's revenue producing, the amount of revenue the work will produce, the current value and the prospective value. If it's 2,500 square metres of pavilion, which is worth the cost of taking it down after 180 days, we should be very clear that that's what we're doing: we're spending a considerable amount of
taxpayers' money. Whatever happens happens. I'd like someone to underpin the economics of all this.

Mr Byrne: As you're aware, the government took a decision last year to participate in Expo 2020 Dubai, which runs from October 2020 to April 2021. You've also noted that, as is often the case, the timing with which governments tend to make decisions about these things often puts us in a position of having a very tight project time line between commencement—between getting the green light, essentially, that we're participating—and the opening day of the Expo. As we explained to the Public Works Committee, even with a compressed project time line, we have very little slack in the project if we're going to be ready on 20 October 2020.

In terms of the value—

Senator GALLACHER: That's actually what you've said. But look at the size of the pavilion—and there a number of differently sized pavilions. I understand that the Dubai authorities said it's an 18-month period that you need to build in, but that depends on which size you are building. There are several sizes. What are you? An extra large or something, are you?

Mr Byrne: We're proposing a pavilion of around 2½ thousand square metres, as you said.

Senator GALLACHER: But there is a menu of sizes of pavilions on their website and, presumably, the largest ones are the ones that are taking 18 months?

Mr Byrne: To some extent I think that's right, Senator. It's not just about the construction period, it's the procurement process and it's mobilising the construction and so on. You're right; there's no absolute fixed time line for construction of this pavilion. As it is, we're looking at compressing that time line substantially. We are also conscious that as the Expo draws nearer there is going to be increasing competition for resources and labour in Dubai. We are already seeing that with most of the tier 1 construction firms already fully committed for that period.

In terms of your question about value for money and return for the Commonwealth: our experience in the Shanghai Expo and in all previous Expos is that it's extremely difficult. In fact, we think it's impossible to monetise precisely the value of the return to the Australian taxpayer for these things. Most recently, in Shanghai, we did conduct an extensive lessons learned and evaluation at the end of the Expo. We were able to point to the number of visitors that had passed through, and I think it was in the order of several million visitors that passed through the Expo. The Australian pavilion was rated amongst the top five most attractive pavilions. We hosted hundreds of business functions and it was a great promotion for Australian tourism, education and so on. And it was a great opportunity to project Australia's image into Shanghai and into China.

What we can't do, though, is attribute—or very rarely can we attribute—say, a specific business deal or a specific increase in the volume of tourists or the number of students coming to Australia to our presence at that Expo. That's just, unfortunately, the reality of this business. We're not alone in that; we talk to like-minded countries which have the same challenge.

Senator GALLACHER: I appreciate your frankness there. So what underpins the decision? You could take the view that it's like a global sort of beauty parade: New Zealand
wants to do this, but we can't be behind New Zealand so we have to do a little more. Then in Milan, I think that China put up a million square feet or something. They spent an enormous amount. So what underpins the economics of it?

**Ms Adamson:** It's a calculation about the value, particularly to our bilateral relationship. This government's policy is not, in fact, to participate routinely in these things. It withdrew from the international expositions—

**Mr Byrne:** The BIE—

**Ms Adamson:** The Bureau International des Expositions in 2000 and—

**Mr Byrne:** It took the decision in 2014 and we withdrew formally in 2017.

**Ms Adamson:** Right. We don't feel compelled to do it. We only do it where there are particularly compelling reasons, if I can put it that way. In the lead-up to Shanghai, those related in particular to China being our largest trading partner to projections about our future relationship with China. Of course, last year 1.3 million Chinese visited Australia and were the single largest contributor in terms of overnight spend. As Mr Byrne said: to what extent can you link that back to Expo? It lifted Australia's profile very significantly at the time. I keep going back to counterfactuals, but, had we not done it, the Chinese would have queried within their own system our commitment to the relationship. In the case of the UAE—

**Senator GALLACHER:** It is a vastly different trading relationship though.

**Ms Adamson:** It is, but the UAE is our largest trading partner in the Middle East. There are 133 flights a week between Australia and UAE airports in Dubai and in Abu Dhabi. The UAE is a significant investor in Australia. There is Defence basing at Al Minhad, for example. So we have a significant sort of equity in the relationship and, although it was the government's position of principle not to participate in these things, because, as Mr Byrne says, it's very difficult to prove in the way that you and your committee would like us to be able to that it's value for money for the taxpayer, nevertheless the calculation is that we need to participate in a way that is credible for a country of our size given the importance of the relationship that we have with, in 2010, China, and, in 2020, the UAE. But we don't do these things routinely. We do them because our close and important trading partners are very, very keen that we should.

**Senator GALLACHER:** I appreciate your frankness on all of that, but I go to some specifics about the process? I note that the 2010 Shanghai World Exposition was granted dispensation from the committee to proceed and that it approached the market for construction before the PWC completed its inquiry, why wasn't that done this time? Why couldn't you have done exactly the same thing this time?

**Mr Byrne:** Are you talking about the concurrent documentation process?

**Senator GALLACHER:** Yes.

**Mr Byrne:** As we explained to the committee—

**Senator GALLACHER:** You know how that works, don't you? You put your proposal to the committee. The committee considers it and asks the questions, and then it is agreed to make a decision. You can ask at that time to have concurrent documentation prior to the referral through the parliament, which probably would have been simpler, quicker and easier than an expediency motion.
Mr Byrne: I know we discussed this very briefly in our discussion with the committee a few weeks ago. We were operating on the basis of our understanding of the committee's procedures. I'm going to very quickly out of my depth in technical terms here, but one those parameters we understand is that we need a P80 level of confidence before we can—

Senator Gallacher: That's yours requirement, not ours. The PWC doesn't tell you need P80; that's your guidelines.

Mr Byrne: Right. That's the basis on which we were operating. As you know, we don't have a design yet.

Senator Gallacher: Because you'll have it in December. But that is your guideline, not the PWC's guideline. It's gone through as an expediency motion. I wanted to say on the public record, because we didn't have the opportunity through the committee process, that these things are really hard to quantify in economic terms. The act is very clear. What's the reason for the work? Is it going to have any prospective public value? All those need to be answered, and they haven't been answered through an expediency motion. So that's why we're following it up here. I can understand your answer on that part of it, but does the fact that it's now happened four times indicate that perhaps— I mean, if I was to ask Mr Nixon what the square metreage cost of this is, I know the answer, but I don't think anybody out there in taxpayer land knows the answer at the moment, and it would probably get a headline if the answer was spelled out here tonight. That's the level we're talking about. It's a significant investment and it's a scary amount of money per square metre for a pavilion. It's 2½ thousand square metres, so it's going to be pretty large, but it doesn't get cheaper; it seems to get more expensive with the office of overseas property.

Mr Byrne: I might let Mr Nixon off the hook here. It is not being managed direct OPO. As we explained to the committee, there were a number of cost drivers that do mean the cost per square metre will be significant. We've tested those—

Senator Gallacher: Is it publicly available to the taxpayer?

Mr Byrne: Not at this stage. We are going through a procurement process at the moment.

Mr Wood: We would be happy probably at the next estimates to talk in more detail given the current status of those contract negotiations. As you are—

Senator Gallacher: Okay, so I'll ask a more generic question: what was the cost per square metre of Shanghai?

Mr Byrne: I'll have to take that on notice. I have the cost of the total Australian participation at the expo, which is $83 million. But I don't have with me the proportion of that which was the construction of the pavilion itself, nor the square metreage of it.

Senator Gallacher: But the brutal measurement of these projects is the cost per square metre.

Mr Byrne: Yes.

Senator Gallacher: That means it adds up all the transport costs, all the contingency costs, all the airfare costs and all the accommodation costs and divides it by your floor footprint, and that's what you end up with. It's quite a significant sum.

Mr Wood: In terms of the cost, as Mr Byrne said, Shanghai in 2010 was $83 million. We're looking at a lot less than that. We can come back once we've got the details on the

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square metres to give you that precise amount. We do know, for instance, that New Zealand will probably spend about the same or slightly more for less—

Senator GALLACHER: You can go on the web. New Zealand is up there. They're spending $53 million. They've got a website showing what they do.

Mr Wood: Correct. That's publicly available, and that's for 2,100 square metres, which is less than Australia. For the next estimates, we should hopefully be able to talk publicly in more detail.

Senator GALLACHER: You can do the sums there. New Zealand is spending approximately $5,000 a square metre. We might be spending less; is our answer. In-country management consultants will be engaged, obviously?

Mr Byrne: Yes.

Senator GALLACHER: You're not able to say what cost because this is a matter in progress?

Mr Byrne: We've engaged an in-country management consultant for an initial period. We're actually going to market for consultants to take us through to the opening and operation of the expo. I can't give you the figure for the current contract, but I can certainly take on notice the figure for the longer term contract. We'd prefer not to reveal that at the moment, as we're about to go to tender on that.

Senator GALLACHER: Okay. The expediency motion doesn't mention a dollar amount, does it?

Mr Byrne: For Australian participation in the expo overall?

Senator GALLACHER: Yes. It just says that 'the following work be carried out without having been referred to the parliamentary Public Works Committee'.

Mr Wood: As you know, it is referred to in the budget papers as 'not for publication due to commercial in confidence'.

Senator GALLACHER: That's one of the other flags. The committee, generally speaking, wants to cooperate. But, if the flag is, 'We can't test it for public value or prospective value or any revenue producing', and then it gets referred around the committee and there's no way we can test it. Then we find out that it's the fourth time it has happened. You can understand why some people on the committee have a very jaundiced view of your work in this area and think it should improve—and there are a number of such people.

Ms Adamson: Senator, this isn't a complete answer to your question and I think I understand why you've asked the additional questions. Australian governments and this department are loath to commit Australian taxpayers' money for this sort of thing unless it's absolutely necessary. I've had not direct but incidental involvement in both Dubai and Shanghai, and I know that the instinct was not necessarily to do it, but the reasons to do it and the cost of not doing it, if you like, mount over time. If we always did these things, readily committed to them and weren't as concerned as we are about the cost of them, we would probably get in earlier, we would probably have lower costs, we would be in the market earlier and we would be able to do it in a different sort of way. But, traditionally, Australian governments—and 2010 obviously was the previous Labor government—the current coalition...
government, no-one wants to commit to these things too readily and inevitably they're done only when we absolutely have to.

Senator GALLACHER: The expediency motion clarifies a number of issues which I've raised: that the Public Works Committee have been briefed—and we have been briefed on it; and that the Public Works Committee will receive 'regular briefings and updates'. So you're committed to giving us regular briefings and updates as well as an implementation report?

Mr Wood: We committed in that meeting to brief you every three months and update you. We are absolutely strongly committed to that.

Senator KITCHING: I want to ask some questions about partner travel for the foreign minister's travel. This was travel to CHOGM and Europe. Does the department have any guidelines about who is allowed to be declared as a partner for the purposes of official travel?

Ms McCourt: The guidelines relating to international travel of ministers are set by the Department of Finance. Our policy aligns with theirs.

Senator KITCHING: That's for the purposes of official travel?

Ms McCourt: Yes—overseas ministerial travel. In fact they're called Guidelines on Overseas Visits by Ministers. They're available on the Department of Finance website.

Senator KITCHING: Does the foreign minister ever take a partner with her on official visits?

Ms McCourt: You were mentioning the United Kingdom, particularly.

Senator KITCHING: Yes.

Ms McCourt: The Minister of Foreign Affairs, as I think you're aware, went to the United Kingdom for CHOGM. Mr Panton went under separate arrangements and was at CHOGM at the same time.

Ms Adamson: At his own expense.

Senator KITCHING: So there's no need for any approval for his travel, because it was separate?

Ms McCourt: The Department of Foreign Affairs doesn't have any separate process. The process of ministers' travel is through the Department of Finance. It is according to the Department of Finance guidelines. Mr Panton travelled separately.

Senator KITCHING: Not on the same flight, for example?

Ms McCourt: I don't have details of the flights.

Senator KITCHING: Has the minister received approval from the Prime Minister for Mr Panton to accompany her as her official partner on overseas visits?

Ms McCourt: I don't know that that's a question that I can answer, as a DFAT officer.

Senator KITCHING: Is that for PM&C?

Ms McCourt: Or the foreign minister's office. Can I just point out, as the secretary mentioned, that it was a private arrangement. It's not something that came to the department as an issue at all.

Senator KITCHING: So if the foreign minister was doing some travel and her partner was with her, would he ever attend briefing sessions, for example?
CHAIR: I just had a point of order from Senator Fawcett. I think that does sound like a hypothetical question. Can you rephrase it?

Senator KITCHING: Has Mr Panton ever attended any official briefing sessions?

Ms Adamson: Perhaps I can help you with that. The foreign minister is very proper indeed, and so is the department, about the arrangements for briefing her. We are equally proper in ensuring that any classified briefings or any information that is for her is given to her alone.

Senator KITCHING: There was a report that the official costs for Mr Panton's travel have amounted to $32,000. Is that correct?

Senator Payne: What do you mean by 'there was a report'? Where?

Senator KITCHING: I'm just going to find that for you.

CHAIR: While Senator Kitching is looking for that number, can I ask you to clarify this. As far as you are aware, has the foreign minister always complied with all required ministerial guidelines and probity in terms of her travel and her husband's travel?

Ms Adamson: From the department's point of view, yes, but the actual compliance, of course, is not a matter for the department so much as for the Independent Parliamentary Expenses Authority and the Department of Finance. I have never, as secretary, observed any improper request, action or behaviour on the part of the foreign minister in relation to Mr Panton.

CHAIR: Is it unusual for foreign ministers to travel with their partners?

Ms Adamson: No. It is quite usual. Many countries do it routinely, and in the case of CHOGM, where the foreign ministers have a particular role in the lead up—I shouldn't say CHOGM; I should say the Commonwealth Heads of Government Meeting.

Senator GALLACHER: I heard that the foreign minister, on her morning run in Korea, was so fast that she left her security detail behind. That probably breached protocol.

Ms Adamson: They have to work hard to keep up, let me put it that way—as indeed would I!

CHAIR: Coming back to my question before the interjection, it's not unusual for Australian foreign ministers representing Australia, or in fact foreign ministers from any country, to be accompanied by their partners?

Ms Adamson: It is not unusual in the foreign ministerial world for foreign ministers to be accompanied by their spouses. If you look back at the history of Australian foreign ministers, there would be few, if any, who would always have been accompanied by their spouses, but almost all of them would have been to an event like the Commonwealth Heads of Government Meeting, where it is almost expected that spouses will be present, where there is a spouse program hosted by the spouse of the hosting head of government. It is entirely normal; in fact Australia would have stood out had our foreign minister not been accompanied by Mr Panton.

Senator FAWCETT: Would it be unusual, though, that the foreign minister didn't claim taxpayers' money, unlike Senator Carr, for example, who I think in the first seven months expended some $120,000 of taxpayer money for his wife. I believe Ms Bishop doesn't claim taxpayers' money for any overseas travel for her partner.
Ms Adamson: You are certainly correct that Mr Panton travels at his own expense. To my knowledge no additional costs have been incurred to the department through his travel.

Senator FAWCETT: It sounds like exemplary conduct to me.

Senator KITCHING: The Independent Parliamentary Expenses Authority and the Department of Finance show that the foreign minister has claimed more than $32,000 in family travel since 2015. What's that?

Ms Adamson: That doesn't relate to overseas travel. I think we've traversed this ground before.

Senator KITCHING: So there is no overseas costs associated with the foreign minister's partner?

Ms Adamson: That's correct. It was our evidence last time, and it remains my evidence on this occasion.

Senator KITCHING: I'm going to come back to a question about that, but I just want to finish these questions. The minister has declined to declare the financial interests of Mr Panton on the grounds that he is not in fact her partner, but the minister does take Mr Panton with her on official visits, and you have just given evidence that it's expected that partners would go on these trips—the official business trips. We've established that it's quite usual. If the minister does take Mr Panton with her, and as you say that's quite normal, but in fact the minister hasn't declared the financial interests of Mr Panton on the register, so are any of his costs, including security as an example, covered by the department because he is with her on official overseas trips?

Ms Adamson: I think we've answered this question before. Security is not provided to Mr Panton. It is provided to the Minister for Foreign Affairs, where indeed it is provided. The details are really a matter for the AFP.

Senator KITCHING: While there were travel, I just want to go to question 31 from the 2017-18 additional estimates. The foreign minister was in New York and went from New York to Kentucky—so, it was a sort of a side trip. The response back was:

The Department of Foreign Affairs and Trade had no prior knowledge of the Foreign Minister’s visit to Kentucky in September 2017 and did not provide logistical or other support.

When you say the department 'had no prior knowledge', when did the department first become aware of the side trip, the trip to Kentucky?

Ms McCourt: My understanding is that the embassy was notified when they were departing—

Senator KITCHING: Departing?

Ms McCourt: to go on to the trip to Kentucky—the side trip—which was an entirely private matter. There was no organisation or anything done by the embassy.

Senator KITCHING: In fact the embassy did have prior knowledge of the trip to Kentucky?

Ms McCourt: No. My understanding is that, as it was happening, it was notified to the embassy. That's my information.

Senator KITCHING: I see. So, as they were going out the door—
CHAIR: It was a private trip.

Senator KITCHING: they said, 'By the way, we're going to Kentucky. See you all later.'

Ms McCourt: It was an overnight trip on a Saturday night, yes.

Senator KITCHING: I think, from the last estimates round, the foreign minister travelled on that trip to New York and Washington. Was there sort of an unexplained gap in the program? It was an overnight trip, so was it two days and a night? There was a gap in the program. There must have been.

Ms McCourt: Sure. It was a Saturday night, so it was a weekend—

Senator KITCHING: A Saturday night.

Ms McCourt: and going between the New York program and the Washington program.

CHAIR: Heaven forbid the foreign minister had an overnight trip on a weekend! Goodness me!

Senator KITCHING: In relation to the response to the QON, whose decision was it to use that language in the answer?

Ms McCourt: It was drafted by our area. Our area is responsible for overseas ministerial travel. Mr Purtell is quoted in the question, and he's my predecessor.

Senator KITCHING: So Mr Purtell would have drafted the response?

Ms McCourt: He is not the director responsible for the area, but I certainly was engaged in the discussions in relation to that answer. I believe it is absolutely accurate.

Senator KITCHING: Last week in PM&C estimates we had a discussion around the Statement of Ministerial Standards and the standards that apply to gifts that are received. There are different levels of gifts. There was a little bit of confusion, but I think $750 from a government source is the limit—

Ms McCourt: Yes.

Senator KITCHING: and $300 from a private source.

Ms McCourt: Yes.

Senator KITCHING: Eventually there was agreement that PM&C might have a role in collating gifts that ministers receive et cetera, or the information around them, but it was up to the department or the agency to monitor that. Let's say something cost $1,000 and the minister wanted to keep it, so they paid the difference plus the GST component. Does DFAT have a register of the gifts that the foreign minister has decided to keep and, I guess, receipts of the difference in the amounts?

Ms McCourt: I have read the transcript of that discussion and I think PM&C answered the questions in two capacities: (1) as the recipient of the declarations, which are outlined in the Department of Finance—

Senator KITCHING: You mean the paperwork?

Ms McCourt: Yes, that's right. Even though the Department of Finance guidelines are the home for this, the declarations are with Prime Minister and Cabinet. But they were also talking about it in their capacity as holders of a register for the Prime Minister, as I understand the evidence from the transcript. The DFAT system is slightly different. DFAT has a role for
overseas gifts only, not gifts received domestically, and typically, when gifts are received overseas, post will retain possession of those gifts while there's a process of consideration about what will happen to those gifts and whether they should be retained at post, retained by DFAT or retained by the minister. Normally what happens—I can't say it happens every time, because there might be some exceptions—is post would email a form to my area with some details of the gift, and that would then be sent to the minister's office for a decision about what the minister wants to do with that gift. We don't hold a central register of gifts in DFAT in the same way that PM&C seems to do for the PM's gifts.

**Senator KITCHING:** Let's say a minister wants to keep a gift. Let's say it's worth $1,000 and it's from a government source. Who is collecting the money? Are you ensuring that the requisite paperwork is completed?

**Ms McCourt:** In the case of the ministers that DFAT looks after?

**Senator KITCHING:** Yes.

**Ms McCourt:** That is done by the offices of the ministers.

**Senator KITCHING:** So, it's in the office itself. The money goes to the Receiver of Public Moneys. Who ensures that a cheque or whatever is sent to them? Who does that?

**Ms McCourt:** As I explained, DFAT's role is, taking receipt of the gift at post, feeding the information through to the minister's office, and then the minister's office will make that decision, make any declarations necessary and pay any moneys necessary.

**Senator KITCHING:** Who's doing the valuation?

**Ms McCourt:** Typically, the post would provide a valuation if requested. There may be instances where—and I think this was the Prime Minister and Cabinet advice as well—the office or responsible person might do a Google search or something. But, in the case of foreign gifts, it's often our posts which are well placed to make an estimate of a gift.

**Senator KITCHING:** The post itself will do a valuation?

**Ms McCourt:** An estimated valuation.

**Senator KITCHING:** Is it kind of like getting three quotes—you might look for three different sources for something? How do you do that?

**Ms Adamson:** It's done locally. Gift giving, perhaps regrettably, is an essential part of diplomatic culture. We do not, in Australia, have a gift-giving culture in quite the same way. Indeed, I know it might sound a bit impolite, but we discourage others from giving gifts to us on the basis that we do not have a gift-giving culture. However, that gets us so far, and the rules of course are always that a gift can be accepted where it would be rude or would cause offence to refuse to accept it. Our posts are quite practised at being able to value on the wholesale value—because that's the basis on which it's done—you know, things which may look quite expensive and splendid to our eyes but are manufactured locally in large numbers and perhaps come in at a significantly lower cost than these thresholds. It's as much science as we can muster. It's a little bit of art, and we—

**Senator GALLACHER:** Is that what happened with the $57,000 Rolexes which Mr Goodenough determined were actually not fake?

**Ms Adamson:** I can't comment on that. I'm answering a question about the process. We do it to the very best of our ability. If there was any doubt about something that might be quite
significant, our posts would probably make discreet inquiries. This all has to be handled with a degree of discretion. On the other hand, sometimes foreign ministries and others will check to see what our thresholds are before deciding on a gift and will ensure that whatever gift they give is below the threshold. There is a whole industry around this, but we do understand the importance of getting it right, and our posts overseas are quite practised at it.

**Senator KITCHING:** And any amount over goes to the Receiver of Public Moneys, and then PM&C collates that under the ministerial standards? I think that was—

**Ms McCourt:** According to the Department of Finance guidelines, the declaration goes to the Department of Prime Minister and Cabinet and then they—

**Senator KITCHING:** Okay. I'm looking at the travel of the foreign minister in November 2017—

**Senator Payne:** To where?

**Senator KITCHING:** To Melbourne. It was November. The Department of Finance, under the travelling allowance, parliamentary travelling allowance dated 6 November: Melbourne, minister - official business—and the Melbourne Cup was held on 7 November. It says 'Minister - official business'. What was the official business?

**Ms McCourt:** Is the document you are referring to the IPEA printout?

**Senator KITCHING:** Yes.

**Ms McCourt:** In relation to domestic travel DFAT typically doesn't have a role, which is why—

**Senator KITCHING:** I am asking because it is noted as 'Minister—official business'. I'm asking what the official business is?

**Ms Adamson:** I think we've been through this before. This is a question that would need to be directed to the foreign minister's office. It is not something for the department.

**Senator KITCHING:** I notice that in a lot of the answers—I'm looking, for example, at June budget estimates 2017—1 June. It says this question should be directed to the foreign minister's office. Who—

**Ms Adamson:** Is that number 28?

**Senator KITCHING:** Yes, it is. Thank you. And I'm looking at page 2 of that. There are four answers and the first three are, 'This question should be directed to the foreign minister's office.' Who drafted that answer? Was that answer drafted with the foreign minister's office? Did the department—

**Senator GALLACHER:** They approved its release.

**Senator KITCHING:** Yes. Did you draft this response or did the foreign minister's office—did they have a hand in drafting that response?

**Ms McCourt:** My area was responsible for drafting the response. When we came back to reconsider it we realised that because it related to domestic travel, in which we had no role, we weren't in a position to comment.

**Senator KITCHING:** I'm not saying that you do. If the department takes questions on notice are you able to forward them to the foreign minister's office for a response that actually
answers the question, because this doesn't really answer the question. I'm asking if I could get a proper answer to the questions?

Ms Adamson: We answered the question accurately. If you ask the question again, our answer would be the same.

Senator KITCHING: When I ask what 'official business' is and I get told 'This question should be directed to the foreign minister's office,' could you please actually ask the foreign minister's office the question and maybe they could answer it, rather than just say 'This question should be directed to the foreign minister's office'?

Senator MOORE: Minister, is this a question that should go through you as the minister's representative here, as opposed to—

Senator Payne: I don't actually have a copy of the question—

Senator MOORE: as opposed to going through the department to ask the minister's office. Should it be referred to you to refer it to the minister's office?

Senator KITCHING: Is there a better process to get an actual answer?

Senator MOORE: It has certainly been my experience in other estimates. When a question is directed to a minister, we ask the minister who is representing to take it forward.

CHAIR: Would it be better at the right estimates committee hearing for Finance?

Senator KITCHING: We have asked in Finance, and Finance directs us to DFAT.

Senator Payne: To the minister's office.

Ms Adamson: To the minister, in fact.

Senator KITCHING: No, they say, 'Oh, that's a question for the Department of Foreign Affairs and Trade.' I would like an answer to these questions.

Ms Adamson: Well, Senator Cormann said last week to direct it as a question on notice to the Minister for Foreign Affairs.

Senator KITCHING: Yes. When I ask a question, I do not expect to get, 'This question should be directed to the foreign minister's office,' because I would hope that someone might along the way actually say, 'Oh, if that's the response, maybe we could actually ask you for some information.'

CHAIR: Actually, Senator, you could have put it a different way: the department—in fact two departments at estimates—have provided a consistently correct answer.

Senator KITCHING: And that is no answer. I make the point again, Chair, that this is not private business; this is minister official business. So this is taxpayer expended moneys. I'm not questioning the validity or otherwise of the expenditure. I'm asking: what is the official business and what was happening on these particular dates? I expect to get an answer.

CHAIR: Senator Kitching, all the drama aside, the officials have quite rightly answered all of the questions quite appropriately and openly in the areas that are—

Senator KITCHING: No, there has been no answer.

CHAIR: Senator Kitching—

Senator KITCHING: So don't say there's an answer, because there's none.
CHAIR: Senator Kitching, dramatics aside, the secretary and the officials have answered the questions that are within their remit to answer in terms of the foreign minister's overseas travel and all of the support and the costs associated with that. They have consistently—

Senator KITCHING: I'm not asking about overseas travel.

CHAIR: Senator Kitching, I have allowed you to speak. Please allow me as chair to also speak and provide me the same courtesy. So you've got two consistent answers from two different departments at two different estimates, which, in my understanding, is the correct answer. So if you want to ask something of the secretary—and she has been answering completely fully in relation to their responsibilities—

Senator GALLACHER: Can I then ask that Senator Moore's very sensible question to the minister be considered, which is: is it an appropriate question for you to take as the minister representing the foreign minister and seek an answer?

Senator Payne: I'm not sure I'm the arbiter of whether or not it's appropriate, but, if the committee wishes to cast it in that manner, that's a matter for the committee.

Senator KITCHING: I don't think that the chair diminishing the questioning of taxpayer expended moneys has been helpful.

CHAIR: That was factual.

Senator KITCHING: But I would like an answer to questions that I have put on notice that say that the office itself has said 'official business'. I would like to know what that is, and I expect an answer to that, because it is taxpayer funded travel.

Senator Payne: Certainly, Senator. We all—

Senator KITCHING: Thank you.

Senator Payne: I might just finish that sentence, actually. Certainly I think reflections on the chair are unnecessary, and certainly Senator Reynolds is an exemplary chair, and that's not worthy of you. But, if you wish me to take that on notice, I'll take it on notice.

Senator KITCHING: Thank you.

Senator GALLACHER: Three days and we just had our first blue!

Senator Payne: Senator Gallacher, that's not a blue.

CHAIR: There was a hint of disrespect but not a blue. Given Senator Kitching's extreme enthusiasm for the foreign minister's travel costs and other associated support, it might assist the committee if the department would take on notice a comparison, because I understand this foreign minister's costs are at least 30 per cent less than those of previous foreign ministers. Certainly paying for her partner is unusual, and it is certainly less than has been expended on the partners of other foreign ministers. So, for the sake of completeness, if the department were able to provide a bit of a further breakdown of previous foreign ministers, I think we'd be very grateful, and I'm sure Senator Kitching would also appreciate that additional information.

Ms Adamson: Senator, in the spirit in which you're asking the question, of course we will do our best, but it could be a very laborious process. If you're willing for us to do it in a cost-effective way for the taxpayer—
CHAIR: Of course, in a very cost-effective way, if there is some breakdown—because I know that at a previous estimates we have had figures, and previous figures were that the cost per month for Minister Bishop for travel is about $65,000, Bob Carr was $92,000 per month and Kevin Rudd was about $96,000 per month. Foreign Minister Carr, for example, regularly took his wife, who was afforded consular support and several thousand dollars worth of transport in airfares overseas. If you still have those figures available and readily accessible, I think the committee would appreciate them.

Senator MOORE: So we're checking to see whether the previous answer is inaccurate?

CHAIR: Or updated, if there's any new information.

Senator MOORE: That's fine. You're checking that that's information already received by the committee.

CHAIR: Senator Kitching is obviously keen to revisit these.

Senator KITCHING: I'm actually not interested in the quantum as much as I'm interested in what was the official business being conducted on the dates for the questions on notice that the department already has.

CHAIR: And that has been asked, and the minister has taken that on notice.

Senator KITCHING: I'm not fussed about the rest of it, if you want to add that. What I would ask, Chair, is that the responses, given that they were asked some time ago and given that the responses that I received back actually aren't very helpful, not be delayed further by the seeking of additional information that you are asking for. So I would like mine separated out, because I'm not asking about quantum; I am asking about what was the nature of the official business.

CHAIR: Senator Kitching, the minister has taken on notice the issue that you said was of vital importance. The secretary has also in this estimates and in questions on notice, as has the Department of Finance, had very consistent and quite right advice. You might not like that advice; nonetheless, it was appropriate advice. Have you got any other issues that you would like to ask of the secretary?

Senator KITCHING: Yes. The fact is that you've said that there is advice. In fact, I have received no advice. That's the problem. That is the problem. I will move on to—

CHAIR: That would be appreciated.

Senator KITCHING: Just one moment, Chair.

CHAIR: Senator Moore, have you got a question in the meantime?

Senator MOORE: I'll just ask a couple of questions on clarification. It's a backgrounder point about the Montevideo convention. I'm looking at how the convention sets out the terms of the Palestinian situation. They are very straightforward questions. I'm wanting to run through a couple of questions about the process with the Montevideo convention. I'm checking to see whether the department has considered the Palestine situation around the Montevideo convention, particularly around a series of points in that convention. It's just to see what the process has been. If they need to be taken on notice, I'm cool with that as well because I know it's a convention that's quite complex. I'm wanting to know, in the department's consideration—if there have been any—does the current situation with Palestine
satisfy the qualification of a permanent population as set out in Article 1(a) of the Montevideo convention?

Mr Larsen: I think it would be sensible to take that on notice.

Senator KITCHING: That will be fine. In the same vein, the qualification of a defined territory as set out in Article 1(b), the qualification of government as set out in Article 1(c) and the capacity to enter into relations with other states as set out in Article 1(d). And has the department considered the process around which Palestine could meet the requirements for recognition as a state? Also, has the department provided advice to the Minister for Foreign Affairs or her office, or to the Prime Minister and his office, in relation to these processes?

Mr Larsen: As you would expect, the issue of Palestinian claims to statehood has arisen in a wide variety of different contexts.

Senator MOORE: Given that, I want to know whether any other consideration had been done based on that convention. Is it possible to put my questions on notice to see whether that process has occurred? I'm aware of the public statements that have been made in a number of fora over the years, but I want to check it out against this process?

Mr Larsen: Senator, I think I can say that the criteria identified in the Montevideo Convention have been a factor in the department's advice to governments and various considerations of the statehood question.

Senator MOORE: We'll put it formally on notice and see what comes back. Thank you.

Senator KITCHING: I want to turn to Syria and Yemen. I will go to Syria first. I would like an update of the situation since the last estimates, firstly, in relation to Ghouta and then maybe Douma as well.

Ms Yu: In terms of Douma, as you know, there was the chemical weapons attack to which the US, UK and French made a counterstrike on chemical weapons facilities in Syria. This was on 14 April. The Australian government came out strongly supporting that as we felt that those strikes were calibrated, proportionate and targeted and that the purpose of the strikes was really to prevent and deter the future use of chemical weapons.

Senator KITCHING: In the February estimates—it is QON 1117—the government said that it was concerned about the continued reports of chlorine gas use in Eastern Ghouta and the use of chemical weapons across Syria more broadly. Other than the strike in April, has anything else been done to ascertain what is still there, the stores that are still there, but also, prospectively, what is likely to happen both with the Syrian government and other players in this space?
Ms Yu: Perhaps my colleague can help me on the chemical weapons side of things, because there's certainly been some action there in the OPCW. With regard to the conflict in Syria, it's definitely getting more and more complicated, but I will ask Mr Sadleir to address those issues.

Mr Sadleir: Clearly, the persistent use of chemical weapons in Syria is a source of very deep concern and it's an absolutely unacceptable violation of international law that Australia and many likeminded countries consider can't be allowed to be perpetrated with impunity. As my colleague has mentioned, we strongly supported the strikes. But we've also been consistently and vigorously been supporting the work done by the Organisation for the Prohibition of Chemical Weapons and UN efforts to investigate the incidence of CW use in Syria, including in our role as member of the OPCW's executive council until 11 May this year, when we rotated that role to Canada under the CANZ arrangement.

Senator KITCHING: And that was May this year?

Mr Sadleir: Yes, 11 May this year. We strongly support efforts to establish robust independent mechanisms to identify and determine culpability for atrocities committed in Syria, including through a number of mechanisms. One is the French-inspired International Partnership against Impunity for the Use of Chemical Weapons, which is a public informal— not formal— attribution mechanism which has been established by the French to collect and preserve information and to hold publicly accountable those responsible for the proliferation of use of chemical weapons in Syria. We also have been supportive of and, indeed, are now a member of the Commission of Inquiry established by the Human Rights Council, looking into abuses in Syria. We support the UN mandated international impartial and independent mechanism on Syria, which will gather evidence of crimes and violations of international humanitarian law, with a view to future prosecution.

One of the challenges that we face here is the role of Russia. As you know, Australia was very disappointed at Russia's veto of the 10 April UN Security Council resolution, which Australia in fact co-sponsored, which called for the establishment of a new UN investigative mechanism to attribute responsibility for chemical weapons use in Syria, including the Douma attack. Senator, I think you would be aware that Russia has now used its veto six times on CW issues, including to end the OPCW UN joint investigative mechanism, which had been doing a very good job of attribution of responsibility for chemical weapon use in Syria. Also, Russia has worked to prevent the establishment of a replacement mechanism.

Senator, as you know, Australia imposes autonomous sanctions in relation to Syria, and, in August of last year, Foreign Minister Bishop sanctioned 40 individuals and 14 entities linked to Syria's chemical weapons program, because we have a problem here—

Senator KITCHING: Sorry, who sanctioned?

Mr Sadleir: Sorry, the Australian government sanctioned 40 individuals and 14 entities. My colleague from our legal division may be able to say more about that.

Senator KITCHING: What were the sanctions?

Mr Sadleir: I might ask Mr Larsen to comment on that.

Senator KITCHING: We can go back to the Autonomous Sanctions Act.
Mr Larsen: Senator, yes, they are sanctions under the Autonomous Sanctions Act. They are listed individuals and entities.

Senator KITCHING: They are just listed?

Mr Larsen: They are listed, and that has consequences for the capacity to deal with them, to support them and engage with them or allow their movement.

Senator KITCHING: And who else has done that? Are they sanctioned around the globe? How are they identified, firstly?

Mr Larsen: Our autonomous sanctions are Australian-driven, but they are generally put in place by reference to information available to Australia and broader partners. I don't have a precise answer to you in relation to the particular individuals most recently listed with respect to Syria, but, as a general rule, such individuals are known through either information made available by partners or information generally available in the public domain.

Senator KITCHING: This isn't really a question, because I want to get to the humanitarian effort in Syria. That is why I wonder whether Magnitsky legislation—going back to our previous conversation—might be a way of actually addressing more firmly those individuals who have committed gross violations of internationally-recognised human rights.

Mr Larsen: Certainly I think we are in a context where increasingly we're seeing grotesque violations of legal norms in a variety of different contexts, and Syria is certainly amongst those. It does raise the question as to what is the most effective means of addressing that as part of a broader global community.

Senator KITCHING: Mr Sadleir or maybe Ms Yu, humanitarian organisations will have responded to the chemical weapons attacks and the effects of the chemical weapons, but have they been able to access the communities that most need that humanitarian effort? Or has that been stymied, for example, by the Syrian government in some cases?

Ms Yu: We do have reports that some of the access to those who are most in need can sometimes be difficult for the humanitarian organisations. This is the area of the greatest concern to the Australian government. We are in fact very concerned about the humanitarian suffering in Syria, and obviously the Assad regime have shown, in the most terrible ways, with the use of chemical weapons, that they have really lost legitimacy to be the leader of the Syrian people. Yet they are present, and this is why we have always supported the UN driven process, a political solution, so that you can actually achieve peace and stability for the people in Syria.

Senator KITCHING: On that aid chart, how much aid has the Australian government directed to the Syrian humanitarian effort?

Ms Yu: My colleague Mr Isbister will be able to go through the details for you.

Mr Isbister: The government made a commitment of providing $220 million over three years to the Syria crisis. That was addressing both the situation inside Syria as well as the situation of refugees displaced, particularly in Lebanon and Jordan.

Senator KITCHING: Is that being run out of Amman?

Mr Isbister: We've got posts in Amman and Beirut, and we've got humanitarian officers in both those places. In terms of Lebanon—

Senator KITCHING: The displaced persons.
Mr Isbister: Then we've got an embassy in Amman, with a humanitarian officer who addresses the issue in Amman but also the cross-border issues and operations inside Syria.

Senator KITCHING: So $220 million over three years—

Senator MOORE: Which are the three years, Mr Isbister?

Mr Isbister: We are in the middle year now. It was $50 million last year, $70 million this year.

Senator MOORE: It started in 2016-17?

Mr Isbister: That's right.

CHAIR: Senator Kitching, we've got about another three minutes.

Senator KITCHING: Time flies!

Senator Payne: We do have further answers that can be placed on the record either tonight or in the morning, at your discretion.

Senator KITCHING: I am happy to go to Yemen tomorrow, but they are the same questions. I'm just interested in the humanitarian effort—an update on the situation in Yemen, the humanitarian aid et cetera. I'm happy to do that tomorrow.

CHAIR: Perhaps you can do that tomorrow, because the secretary, I understand, has got some additional information from previous questions, and then we'll conclude for this evening.

Ms Adamson: It's Mr Larsen, Chair.

Mr Larsen: I can respond to two questions on notice which arose in the course of my evidence and make two minor clarifications. Senator Patrick asked a question about whether Australia complied with an International Court of Justice order relating to communications between Timor-Leste and its lawyers. The answer to that question is: as part of its provisional measures judgement in March 2014, the International Court of Justice made certain orders relating to certain materials, and I can confirm that Australia complied with those orders.

I took a question on notice from Senator Abetz which I indicated I would seek to respond to in the course of today's proceedings. Senator Abetz referred to Department of Foreign Affairs and Trade question on notice No. 10 which responded that DFAT was not aware whether there were any people in the world, excluding Palestinians, who could be registered as refugees while being citizens of another country. Senator Abetz asked: 'If that were the case, would you expect to be aware of such a classification?' By way of response, I put on the record that the Department of Foreign Affairs and Trade would not expect to be aware of any such classification. Refugee registration is undertaken by numerous states, and we do not have visibility of the citizenship status of all individuals registered as refugees overseas.

I might make two clarifications with respect to a line of questioning from Senator Patrick. In answering a question from Senator Patrick concerning arrangements with Indonesia, I referred to a treaty which had not been ratified. I should have made it clear I was referring to the Perth treaty, which deals with both the water column and seabed boundary between our nations, whereas in testimony I referred to it simply as the seabed treaty.

A second clarification: in responding to a question from Senator Patrick concerning the United Nations Convention on the Law of the Sea Treaty, I said that I was not aware of any
exceptions under the treaty. I had intended the context to refer to compulsory conciliation as in the Timor instance, but I should have made clear that Australia has made a formal declaration to the effect that we do not accept compulsory dispute settlement for maritime boundaries under that treaty.

CHAIR: Thank you very much for your attention to detail and for your clarification and also for your speedy response back to the committee on those questions on notice. On behalf of my colleagues who asked the questions, I thank you for doing that. That concludes the committee's examinations of the Department of Foreign Affairs and Trade for today. We will be resuming for two hours tomorrow morning, from 9 am. I thank all witnesses who have given evidence to the committee today.

Committee adjourned at 23:00