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INTERNATIONAL RELATIONS

The basic principles underlying the shaping and conduct of Australia's foreign policy are that Australia is a significant middle-level power with democratic institutions; having strong affiliations with other Western countries but an emerging Asia-Pacific identity through its increasing regional involvement.

Australia's prosperity is largely dependent on trade; it is geographically remote from its founding nation and principal migration source countries and from some of its major markets and its main allies; it is a relatively affluent and resource rich country in a populous, developing and rapidly changing region.

Initially, Britain and the Commonwealth countries were a central element of Australia's foreign policy and activity. Later, as a consequence of the pre-eminence of the United States in the west and the Pacific during and following World War II, close relations were developed with that country.

While these links, and links with Europe, remain important factors in Australian foreign policy in terms of cultural tradition, security, strategic interests and trade, the specific focus of policy has shifted in the past 25 years to the Asia-Pacific region.

Australia is located in a region which includes the politically, economically and strategically significant countries of East Asia, South Asia, the Indian Ocean and many newly independent nations of the South Pacific. Awareness of the importance of these neighbouring states has led successive Australian Governments to seek to promote and maintain friendly and cooperative relations with them, not only to ensure the stability and security of the region, but also to develop mutually profitable trade, investment, exchange of technology, and cooperation in the development process. Australia gives special attention to its relations with China, Japan, ASEAN (the Association of South East Asian Nations) and its members, New Zealand, Papua New Guinea and the other South Pacific states.

Australia has also been concerned at the increasing instability in the world strategic environment, particularly at the urgency of the need for effective arms control and a reduction in East—West tensions, and also as manifested in South Asia, Indo-China, the Middle East and Africa. Australian foreign policy is committed to an independent constructive approach to those central issues within the framework of the Western alliance.

International issues including economic cooperation, disarmament, trade access, human rights, refugees, and new concepts of national interest have assumed importance together with an increasing recognition of the growing interdependence of the world community. This is reflected in economic issues, disarmament and arms control and human rights becoming priorities in Australia's foreign policy. Australia recognises the importance and growing complexity of economic issues, particularly the need to maintain the recovery of world trade and economic development and the major problem of world debt affecting

both developed and developing countries. The growing interdependence of national economic and foreign policies and the increasing vulnerability of Australia's economy to international trade and other developments will remain at the heart of Australia's foreign policy concerns for some time to come. Australia places a high priority on its participation in the resolution of these global issues in the United Nations and other multilateral forums, including the Commonwealth.

The United Nations

Successive Australian Governments have reaffirmed their support for the United Nations (UN), its Charter and the work being done in the various specialised agencies. Within the United Nations and other organisations, Australia seeks to work toward the solution of the pressing problems confronting humanity today.

Australia is involved in a wide range of United Nations' matters and has served on many United Nations' bodies. It was a member of the Security Council in 1945-46, 1956-57, 1973-74 and in 1985-86. The Security Council has primary responsibility for the maintenance of international peace and security. In 1975, a long period of Australian membership of the Trusteeship Council came to an end with the independence of Papua New Guinea. Australia was a long-standing member of the Special Committee on Decolonisation until its withdrawal in January 1985 following UN recognition of the Cocos (Keeling) Islands' decision to integrate with Australia. Australia remains a member of the UN Council for Namibia.

Australia supports the work of the specialised agencies and subsidiary bodies in such areas as development assistance, drug control and human rights. It is an active participant in the economic work of the United Nations, through such forums as the UN Conference on Trade and Development (UNCTAD), the Food and Agriculture Organisation (FAO), the World Food Program (WFP), and the UN Development Program (UNDP). Australia also takes an active part in regional consideration of social and economic issues in the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations' regional body. Australia is a member of the Commission on the Status of Women. It was re-elected for a further four year term on the Commission on Narcotic Drugs in June 1985. It is on the Executive Board of the UN Children's Emergency Fund (UNICEF), the Governing Council of the UN Environment Program (UNEP) and is a long-standing member of the Governing Body of the International Labour Organisation. Australia is an active member of the UN Education, Scientific and Cultural Organisation (UNESCO) and its prominent role in world refugee assistance is reflected in membership of the Executive Committee of the UN High Commissioner for Refugees.

Australia has made a significant contribution to UN peacekeeping activities since these began. Australia has also contributed its assessed share of the costs of all UN operations, and makes voluntary contributions as well as providing personnel and equipment for peacekeeping forces. At present Australia provides personnel for the UN Forces in Cyprus, the UN Truce Supervision Organisation, and the UN Iran/Iraq Military Observer Group.

Australia is fully involved in the work of the UN on disarmament and outer space, and is a member of the main subsidiary bodies working in these areas. Though no longer a member of the UN Commission on Human Rights, Australia continues to play an active role at Commission Sessions, and fully participates in the work of other UN bodies dealing with the implementation of International human rights conventions.

Australia accepts the compulsory jurisdiction of the International Court of Justice and plays an active role in bodies concerned with the development of international law.

The Commonwealth

The Commonwealth is a distinctive and unique framework which brings together about a quarter of the world's population in 48 countries. Australia, through its participation in the broad range of Commonwealth activities, seeks to foster the Commonwealth as an

instrument for peace and understanding, and for political, social and economic advancement. The last Commonwealth Heads of Government Meeting (CHOGM) was held in Vancouver, Canada in October 1987. The next CHOGM is scheduled for October 1989 in Kuala Lumpur, Malaysia.

South-East Asia

Australia maintains wide-ranging relations with the countries of ASEAN (Indonesia, Malaysia, the Philippines, Thailand, Singapore and Brunei), both bilaterally and as a group. These relationships include political, commercial, cultural, defence and wide-ranging personal contacts. There is extensive contact at the senior political level with regular Ministerial visits in both directions. Australia's contribution to the ASEAN organisation underpins its bilateral relations with its member countries. Australia has now committed over \$100 million since 1974 to the ASEAN—Australia Economic Cooperation Program which includes a diversity of projects. In 1986 the program was reviewed to give more focus and more relevance to shared Australian and regional interests.

Australia maintained its regular contact with ASEAN at the level of Foreign Minister at the annual ASEAN Ministerial Meeting-Post Ministerial Conference, which the Australian Minister for Foreign Affairs and Trade attended in Bangkok in July 1988.

Indonesia is Australia's closest regional neighbour and straddles major sea and air routes. Australia is committed to the maintenance of sound and productive relations with Indonesia at all levels. Accordingly, Australia has pursued an active relationship with Indonesia including in the areas of trade, investment, science, defence and culture. Australian aid to Indonesia is expected to continue at levels of around \$70 million per year.

Efforts are currently underway to explore areas which offer further possibilities for constructive bilateral cooperation, including cooperation on international economic issues where interests coincide. The development of a more substantial trade and commercial relationship also remains a high priority.

Australia and Thailand share a range of political, strategic and economic interests, founded on Australia's regional foreign policy interests covering both the South-East Asian region and Indo-China. Cooperation on continuation of trade matters through the Cairns Group is an important new aspect of the relationship. Australia's relationship with Thailand is given added substance through development assistance activities, defence cooperation, growing trade links, tourism and cooperation in narcotics control. Thailand's impressive progress towards industrialisation and its success in international markets, indicate that it will become more important to Australia as a trading and investment partner.

Malaysia and Australia have a long history of close and constructive relations, covering the full range of political, commercial and social links. This relationship has adapted well to the political and economic changes within the region, including Malaysia's emergence as a dynamic economic power. The individual components of the bilateral relationship cover a broad spectrum, notably education, trade and investment, defence and civil aviation.

Australia has a tradition of close interest in and association with Singapore. Current relations are dominated by the economic and political success of the Republic and the prospect of considerable opportunities for the promotion of Australia's interests. Relations are broadly based, encompassing the whole range of bilateral areas including trade and investment, defence, education, civil aviation, tourism and cultural relations. The major investment links that Australia and Singapore share have contributed to the frequency of exchanges between political leaders and officials of the two countries.

The Philippines is important to Australia because of its strategic location and close cooperation on a range of matters of mutual interest. Australia has a substantial development assistance program with the Philippines, and there are important linkages through trade, migration, tourism and defence cooperation.

Relations between Brunei and Australia are developing steadily, especially in the fields of trade, defence and education cooperation.

Australia has developed a strong relationship with Burma. Australia's development assistance program is the central feature of the relationship, with \$11.7 million allocated in 1987-88.

Australia is concerned by the destabilising effects on the South-East Asian region posed by the situation in Cambodia. Australia's policy has been to promote dialogue between the major parties in order to reach a peaceful and durable settlement.

Australia is also developing a more mature and comprehensive relationship with Vietnam in the fields of cultural exchanges, trade and aid through multilateral and non-government channels but Vietnam's continued military presence in Cambodia is a limiting factor. Australia is also continuing to develop its relationship with Laos and is providing a small program of development assistance.

North Asia

Japan remains Australia's largest trading partner, with annual total trade in excess of \$18 billion. Reciprocal visits over the past year by Prime Ministers Hawke and Takeshita underlined the strength of the bilateral relationship, and gave impetus to our dialogue on global and regional issues. Australia welcomed a new bilateral beef access agreement with Japan, which is expected to result in strong growth in our beef exports, and encouraged further leadership by Japan on international trade issues.

Australia attaches high priority to its relations with China. Two-way trade exceeds \$2 billion per annum and there are exchange and cooperation programs in a wide range of areas, from culture to industrial technology. Such programs are facilitated by frequent political consultations, including a regular exchange of high-level visits. In 1988, visits to China were made by the Governor-General, and the Minister for Foreign Affairs and Trade; Premier Li Peng will visit Australia in November. The Australia-China Council also contributes to the development of the bilateral relationship through its active sponsorship of a variety of activities designed to strengthen and broaden the foundation of the bilateral relationship. In 1981, Australia became the first country to have a development assistance program with China. In 1988 conditions for Australian investors in China have been enhanced by the signing of Investment Protection Agreement.

Australia's relationship with the Republic of Korea (ROK) is strongly trade oriented, with Korea now Australia's fifth largest export market. Mr Hayden's visit in April reflected both our desire to broaden the overall bilateral relationship, and the increasing importance of ROK to Australia as that country's regional economic and political influence grows.

South Pacific

Australia is a member of the South Pacific Forum, the Forum Secretariat (formerly SPEC—the South Pacific Bureau for Economic Cooperation), the Forum Fisheries Agency (FFA), the South Pacific Commission (SPC) and the Committee for Coordination of Joint Prospecting for Mineral Resources in South Pacific Offshore Areas (CCOP/SOPAC). Australia actively participates in meetings of these organisations and provides significant financial support to them and to other regional and international programs providing assistance to the South Pacific region. To assist in the preservation and development of indigenous Pacific cultures, Australia has established the South Pacific Cultures Fund. Australia and New Zealand have entered into a non-reciprocal preferential trade agreement in favour of South Pacific Forum States; the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA). Australia participated in the 19th South Pacific Forum held in Nuku'alofa, Tonga, in September 1988 and in the 28th South Pacific Conference held in October 1988 in Rarotonga, Cook Islands. Australia is a party to the South Pacific Nuclear Free Zone Treaty (the Treaty of Rarotonga) and has signed the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (SPREP).

Relations between Australia and New Zealand reflect their shared history, similarities in political and social structure and the importance of the economic links. While Australia disagrees with New Zealand's policy on ANZUS, particularly on the question of port and air access, other aspects of the relationship have continued to expand. This has been exemplified in the 1988 Review of the Closer Economic Relations Trade Agreement (ANZCERTA) which provides for the accelerated movement towards a single trans-Tasman market through achieving free trade in goods by mid 1990, the extension of CER into trade in services and increased harmonisation of the commercial environment. The encouragement of political and cultural exchanges through the Australia New Zealand Foundation reflects another dimension in the close relationship. Australia and New Zealand also often work closely in their approaches to the international political and economic environment.

As the largest of the South Pacific Island States, Papua New Guinea (PNG) has played an influential and leading role in the region since independence in 1975. Australia and PNG have a close and warm relationship which encompasses a broad range of government and non-government activities. Papua New Guinea is the major recipient of Australian aid. One of the most significant changes in the bilateral relationship occurred in December 1987, with the signing by Prime Ministers of the Joint Declaration of Principles (JDP) guiding relations between the two countries. The JDP aims at changing the bilateral relationship from the post-colonial phase to one of reciprocity and recognition of mutual benefits. In working towards these aims both governments are seeking to ensure that each element of the relationship whether defence cooperation, trade, investment or development cooperation is seen as integral to the relationship as a whole. Within the JDP framework, a Ministerial Forum is held; the first took place at Wewak, 31 October–1 November 1988. A new development cooperation treaty is being negotiated.

The Americas

Australia has a long-standing relationship with the United States which extends across the whole range of national life. Government-to-government relations are one part of a larger and more extensive interaction between the two societies with interlinked culture and language. Relations between the countries are warm and cooperative, with a high degree of official consultation and a close personal relationship between the leaders. The affinity is underpinned by substantial economic and commercial relations. Australia's defence links with the United States under ANZUS serve the vital interests of both countries by contributing to regional security and the maintenance of global balance essential to world peace.

Canada is a country comparable with Australia in terms of institutions and traditions, geographical size, and international outlook. This has allowed a close degree of cooperation and interchange of ideas between the two countries. Developments in the Caribbean and the Latin American region are of increasing importance to Australia.

Europe

Australia seeks to maintain warm and friendly relations with the countries of Western Europe, with the European Community and its institutions, including the European Parliament.

Bilateral relations with individual Western European countries continue to be of considerable importance. These relations are promoted by the very close cultural and historical links with these countries, and are reinforced by similar approaches to international issues and a shared commitment to democratic values and human rights. Economic ties between Australia and the major Western European economies are likely to be significantly strengthened with the increase of European investment in Australia and the increase in the export of Australian energy resources to Europe.

The European Community (EC) is an important trading partner and a major source of investment funds and technological expertise, as well as a significant importer of Australian

raw materials. This natural complementary relationship has however been tempered by tensions caused by trading difficulties in the agricultural sector. Australia nonetheless remains committed to the strengthening of a positive relationship with the EC on the principle of enlightened self-interest.

Following the Government's decision in May 1983 to normalise relations with the USSR, activities have been restored or initiated across a broad range, contributing to the objective of a pragmatic and constructive relationship. Progress has been made in broadening our trade relations with the USSR. In conjunction with a visit by the Prime Minister to Moscow in December 1987, four new bilateral agreements, covering trade, various fields of science, and sport, were signed.

Eastern Europe is a sensitive area in world affairs and Australia has an interest in improvements in of East-West relations. Eastern Europe has significant potential for Australian exports, particularly commodity exports, although there have been chronic debt problems emerging in some Eastern European countries in recent years. The presence in Australia of large ethnic groups, many of which have family in Eastern Europe, has raised the question of freedom of emigration from those countries.

Australia now has diplomatic relations with all countries of Eastern Europe, following the accreditation of the Australian Ambassador in Belgrade to Albania in September 1984.

The Middle East

Australia has substantial trading interests in the area and long-standing friendly relations with the Arab nations, Iran and Israel. Australia supports efforts to bring about negotiations of differences in the region, e.g. in such areas of conflict as the Arab-Israeli dispute, the problems facing Lebanon and the Iran-Iraq war. Australia supported the Camp David accords and the peace treaty between Israel and Egypt, seeing them as a first step towards a just, lasting and comprehensive settlement of the Arab-Israeli dispute. Australia supports all efforts to negotiate the dispute, and believes a settlement should be based on UN Security Council Resolution 242 (which, inter alia, recognises the right of all States in the area to live in peace within secure and recognised boundaries and calls on Israel to withdraw from territories captured in 1967) and on recognition of the central importance of the Palestinian issue, including the right of self-determination for the Palestinian people and, if they so choose, the right to independence and the possibility of their own independent State. The Government recognises, however that any such arrangement will depend on decisions involving people of the immediate region. Australia has maintained a strict policy of neutrality in the Iran-Iraq war, and welcomes the achievement (under UN auspices) of a ceasefire between Iran and Iraq. Australia has responded positively to a request from the United Nations to contribute to the United Nations Iran-Iraq Military Observer Group. Fifteen Australian officers have been assigned to the group and will serve in Iran.

Africa

Australia maintains a broad range of contacts with independent black African States, and is closely concerned with developmental and humanitarian issues affecting Africa. Its strong and continuing opposition to racial discrimination and the apartheid system is reflected by its adherence to the Commonwealth statement on Apartheid in Sport (the Gleneagles Declaration), its adoption of all measures against South Africa agreed by Commonwealth Heads of Government at Nassau (1985) and London (1986) and its active role in encouraging peaceful change in South Africa, most recently through the Commonwealth Eminent Persons Group. Australia is ready to join concerted international efforts to bring further pressure to bear on the South African Government to abolish apartheid, which it regards as an inhuman practice and the root cause of confrontation and violence in southern Africa. Australia maintains correct but cool diplomatic relations with South Africa. Australia also supports international action to bring Namibia to independence by the negotiated settlement in accordance with United Nations Security Council Resolution 435.

Australian aid to Africa is focussed on Eastern and Southern Africa. This includes assistance given through the Southern African Development Coordination Conference as well as humanitarian assistance for refugees from apartheid in South Africa and Namibia. Food aid constitutes the dominant share of Australian aid to Africa because of growing food deficits and the continuing famine crisis in Ethiopia and Mozambique.

Indian Ocean

On 17 January 1984, the Minister for Foreign Affairs, Mr Hayden, announced that the Government had approved guidelines for a comprehensive and integrated policy approach to Indian Ocean issues. Under the guidelines Australia will: act in accordance with its status as an independent but aligned Indian Ocean Littoral State; continue to play an active role in the United Nations Ad Hoc Committee on the Indian Ocean; maintain the goal of the resumption of United States-USSR talks on arms limitations in the region; and support other arms limitations initiatives where these accord with Australia's assessment of its own interests and those of the region as a whole. Australia will also seek to give greater attention to the development of relations with Indian Ocean island States, and, to a lesser extent, East African States. Australia maintains a modest aid program to the smaller Indian Ocean countries.

ANZUS

Following a review in 1983 of the ANZUS Treaty by the Australian Government, including a re-examination with its ANZUS partners at the 1983 ANZUS Council Meeting in Washington, the Government reaffirmed the alliance as fundamental to Australia's national security and foreign and defence policies. The text of the ANZUS Treaty of 1952 can be found in Treaty Series No. 2, for 1952, printed by the then Department of External Affairs. In early 1985, the New Zealand Government implemented a policy not to permit the entry to New Zealand of nuclear powered warships or of warships (or aircraft) which might carry nuclear weapons. Consequently the United States, at the Australia-United States ministerial talks in August 1986, formally suspended its security obligations to New Zealand under the ANZUS Treaty pending adequate corrective measures. Both the United States and Australia agreed that the relationship between the United States and Australia under the ANZUS Treaty and the rights and obligations assumed by the United States and Australia towards each other under the Treaty would remain constant and undiminished. ANZUS continues to govern the bilateral defence relationship between Australia and the United States, and that between Australia and New Zealand.

Nuclear issues

Australia's strong commitment to effective disarmament and arms control is reflected in Australian support for the international non-proliferation regime. Australia ratified the Nuclear Non-Proliferation Treaty (NPT) in 1973 and encourages universal adherence to it. Australia is also a member of the International Atomic Energy Agency (IAEA) and, as a member of the IAEA, supports endeavours to strengthen the IAEA's international safeguards system. Australia plays an active role in IAEA committees and in other international bodies dealing with the clarification of multilaterally agreed guidelines on export controls for non-proliferation purposes.

Australia also took an active part in the development of two new important international nuclear safety conventions under IAEA auspices in 1986; the Convention on Early Notification of a Nuclear Accident (CENNA) and the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (CACNARE). Australia has signed both conventions, and is taking steps to ratify.

The stringent nuclear safeguards conditions applied to exports and subsequent use of Australian uranium are set out as binding international legal obligations in the bilateral nuclear safeguards agreements which customer countries must enter into before any uranium exports from Australia are permitted. These conditions include an undertaking not to use Australian origin nuclear material for any military or explosive purpose, and the acceptance

of IAEA safeguards in order to verify that undertaking. Australia has concluded eleven bilateral nuclear safeguards agreements covering nineteen countries.

Australia is also a member of the Nuclear Energy Agency (NEA) of the Organisation for Economic Co-operation and Development (OECD). Australia values the NEA as an essentially technical forum for international consultation on nuclear issues.

Disarmament and arms control

Australia is energetically promoting arms control and disarmament objectives at the United Nations and the Conference on Disarmament in Geneva. Australia attaches particular priority to the earliest possible conclusion of a treaty banning all nuclear testing by all States in all environments for all time (a Comprehensive Test Ban) and is working to uphold and strengthen the Nuclear Non-Proliferation Treaty. Although not a party to any negotiations on reductions of nuclear weapons between the United States and the USSR, Australia continues to encourage genuine dialogue and a readiness to find accommodation with the aim of stable mutual deterrence. It has called for early agreement on arms reductions and related outer space issues in the current Geneva negotiations. Australia seeks a balanced, mutual and verifiable freeze on the production, testing and deployment of nuclear weapons, which would be followed by deep reductions in nuclear weapons stockpiles. Australia was at the forefront of efforts within the Pacific region which resulted in the endorsement and opening for signature of a South Pacific Nuclear Free Zone Treaty during the meeting of the South Pacific Forum in Rarotonga, Cook Islands in August 1985. Australia also accords priority to a number of non-nuclear disarmament questions. It is committed to supporting the conclusion of a fully effective and verifiable chemical warfare convention that would outlaw the use of chemicals as weapons. Australia will be active in efforts aimed at strengthening the 1972 Biological Weapons Convention by improving its verification provisions. Australia is concerned at the implications for strategic stability of the research into ballistic missile defences being conducted by both superpowers and is pressing for international agreements to prevent an arms race in outer space. Australia has acceded to the following disarmament and arms control agreements: the Partial Test Ban Treaty, the Geneva Protocol (on the Prohibition of the Use in War of Asphyxiating Poisonous or Other Gases and of Bacteriological Weapons), the Outer Space Treaty, the Sea-Bed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, the Environmental Modification Convention, the Antarctic Treaty, and the Inhumane Weapons Convention. Australia was the first signatory to the South Pacific Nuclear Free Zone Treaty on 6 August (Hiroshima Day) 1985.

Trade relations

Economic factors have assumed primary importance in international relations. This is largely due to the growing economic interdependence between nations and the need for global cooperation to solve the problems facing domestic economies.

Australia's interest in international economic developments derives from the overall importance of trade to Australia and its historical reliance upon a substantial amount of capital inflow to offset balance of payments deficits on the current account.

The economic recession of the world economy in the 1970s and early 1980s led to the growth world-wide of protectionist pressures and moves towards seeking solutions to economic problems through bilateralism and the formation of trade blocs. The Australian Government has endeavoured to counter trends towards increased protectionism and to encourage freer trade through its active participation in forums such as the General Agreement on Tariffs and Trade (GATT). GATT is the principal multilateral institution for negotiation of reduction in trade barriers in pursuit of the further liberalisation of world trade. Australia has consistently supported a reduction in barriers to trade and the concept of an open and multilateral trading system, and is playing an active role in the Uruguay Round of Multilateral Trade Negotiations.

In particular, Australia initiated the formation of the 14 member Cairns Group of Fair Traders in Agriculture, which has established itself as an effective proponent of reform in international agricultural trade.

Australia also has a strong commitment to the freedom of international capital flows. Because it is a net capital importer, it is of considerable importance to Australia that the international system be increasingly open and adaptable to facilitate the global exchange of goods, services, labour and capital. This is all the more so in view of the significant challenges imposed on the international monetary system by the dramatic changes in the world economy during the past decade.

Because of its characteristics and location, Australia is vitally dependent on its aviation, shipping and communication links with the rest of the world. Civil aviation has assumed particular prominence in Australia's relations with a large number of countries. Australia's international airline, Qantas, has a well-established network linking Australia with Asia, Oceania, North America, Europe and Africa. Shipping is also of major importance and the maintenance of Australia's interests in the shipping and aviation fields requires a conducive atmosphere in both bilateral and multilateral negotiations.

Australia attaches great importance to its traditional relations with other developed countries, which continue to be Australia's principal trading partners. Membership of the OECD has enabled Australia to take part in consultations on a wide range of policy issues and on issues of international concern with countries experiencing similar social and economic circumstances. At the 1987 Ministerial Council Meeting, Australia was active in persuading member countries to accept the need for urgent agricultural reform. Macro-economic and structural policy outcomes, combined with trade and agricultural commitments made at the meeting gave a positive impetus to these issues at the Venice Summit in June 1987. The OECD meeting outcome also helped maintain the momentum in the Uruguay Round process. The Organisation's work on relations with developing countries is also relevant to Australian interests.

Law of the Sea

Australia participated in all sessions of the Law of the Sea Conference, the largest and potentially the most important conference in the history of the United Nations, involving major strategic, economic, transport, scientific and environmental issues. The UN Convention on the Law of the Sea opened for signature on 10 December 1982 and Australia signed that day.

It had attracted 158 other signatures by the time it closed for signature two years later. The Convention will enter into force twelve months after it receives 60 ratifications or accessions. The text includes articles on the system of exploration and exploitation of the deep seabed beyond the limits of national jurisdiction; extension of the territorial sea to 12 nautical miles; establishment of coastal state sovereign rights in the living and non-living resources of an 'exclusive economic zone' of 200 nautical miles; recognition of coastal state sovereign rights over the exploration and exploitation of the natural resources of the continental shelf, defined in terms of the natural prolongation of the land-mass; protection and preservation of the marine environment; marine scientific research; and the settlement of disputes. Rights of freedom of navigation and passage through straits and archipelagos, which are important to trading nations such as Australia, are also recognised. A preparatory commission for the establishment of the International Seabed Authority and its various organs has been meeting biannually since 1983. Australia has been an active participant in its work.

Antarctica

Australia has had a long association with Antarctica commencing with early expeditions and continuing with an active scientific program. Antarctica's importance to Australia derives from its geographical proximity, the history of Australia involvement there and Australian administration of the Australian Antarctic Territory. Australia maintains three

permanent bases in the Territory; at Casey, Davis and Mawson (as well as one on Macquarie Island).

As one of the twelve original signatories, Australia attaches particular significance to the 1959 Antarctic Treaty, which serves important Australian scientific, environmental and security interests. Australia hosted the first Antarctic Treaty Consultative Meeting in Canberra in 1961. Such meetings are held about every two years in one of the Consultative Party States, and in 1983 Australia was host to the twelfth meeting. There are now twenty Antarctic Treaty Consultative Parties.

In 1980, at a conference in Canberra, a Convention for the Conservation of Antarctic Marine Living Resources was concluded. Annual meetings of the Commission and the Scientific Committee established by the Convention have been held at the Commission's headquarters in Hobart since 1982. The Commission is the first international organisation to be established in Australia. Australia also participated in a series of special consultative meetings which negotiated the Convention on the Regulation of Antarctic Mineral Resource Activities. While a convention was considered on 2 June 1988 no decision has yet been made on Australian signature.

Treaties

The texts of bilateral and multilateral treaties to which Australia becomes a party are printed in the Australian Treaty Series when they enter into force. The Australian Treaty List is published as Treaty Series 1971, No. 1.

Australia's current position with regard to individual treaties may be ascertained by referring to the 1971 list in conjunction with Cumulative Supplement No. 5 (Treaty Series 1986, No. 34), annual volumes on treaty action in the Treaty Series, and annual volumes on International Treaties and Conventions to which Australia has not yet become a party, in the series 'Select Documents on International Affairs'. These publications are available from Commonwealth Government Bookshops in State capital cities.

Cultural relations

The Department of Foreign Affairs and Trade administers a program of cultural relations overseas known as the Australia Abroad Program. This program supports Australian foreign policy and economic objectives through cultural activities and exchanges. These include tours overseas of all types of performing and visual arts, promotion of Australian literature and literary studies, promotion of general Australian studies, cultural assistance, visitor exchange, book gifts, and sporting gifts and exchanges. Formal priorities have been established for the program, with major emphasis on South-East Asia, the South Pacific, North and East Asia, South Asia and Indian Ocean countries. There are also continuing programs in the United States of America and in the USSR.

The Department collaborates closely with other departments, institutions and agencies in the development of the Australia Abroad Program. The Department seeks to build up programs which will increase understanding and comprehension overseas of Australian society and culture, and thus help foster a favourable environment for the promotion of foreign policy goals. At the same time it seeks to promote professional opportunities for Australian practitioners in all cultural and sporting fields.

In early 1988 the secretariats of the Australia China Council, the Australia Japan Foundation and the Australia New Zealand Foundation were integrated into a reformed Branch entitled Australia Abroad Cultural Relations Branch. The Branch also established a new section to launch cultural relations activities in South-East Asia and the Pacific.

Australian Foreign Aid Program 1988-89

The objective of the Australian Aid program is to promote the economic and social advancement of the peoples of developing countries in response to Australia's humanitarian concerns. It also promotes Australia's foreign policy and commercial interests. To maximise development impact the program is a mix of activities targeted on assisting the poor and promoting economic growth in developing countries. Contributing to growth with equity is a key challenge facing Australia in delivering an effective aid program.

Australia is concerned that developing countries advance in orderly and stable ways and that harmonious relations are established with developing countries particularly in our neighbourhood. By assisting developing countries to grow, Australia's aid also promotes its long-term economic interests in terms of increased trade opportunities. There are also significant direct commercial opportunities for the Australian private sector in the aid program through procurement opportunities.

In 1988-89 Australia will provide about \$1,093 million as development assistance, a 7.3 per cent increase in nominal terms and a 1.2 per cent increase in real terms on last financial year.

Of this, \$718 million will be provided through Country Programs. These Programs are designed to promote development in recipient countries by assisting governments and regional organisations to plan and implement programs and activities designed to improve economic and social conditions.

Some \$306 million has been allocated to Global Programs to promote coordinated Australian and international efforts to assist development in Third World countries. The Programs also promote the understanding of aid and development issues in the Australian community and help alleviate the suffering of refugees and victims of disaster.

Country Programs

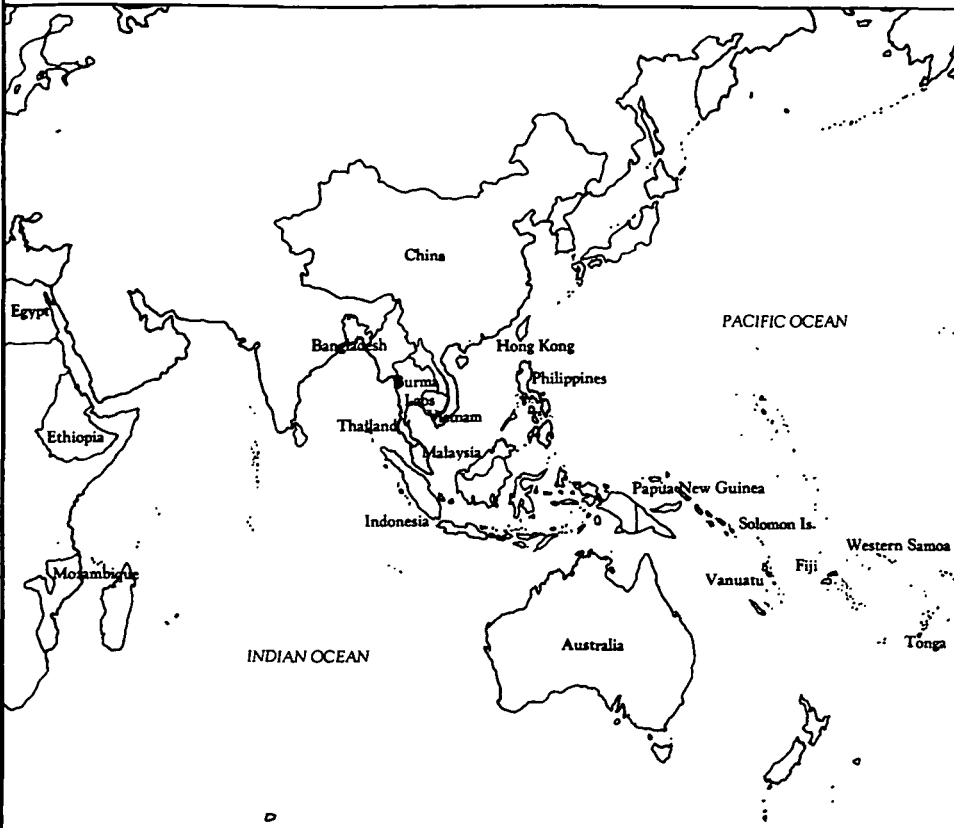
The Australian Government currently provides aid directly to a total of over 90 countries. However, in line with Australia's geopolitical and economic interests, emphasis is placed on providing support to nearby countries in the South Pacific and South East Asia regions.

The planning and delivery of most aid to countries other than Papua New Guinea, is now programmed on a country basis. Country Programs draw together all the instruments of aid delivery available to a particular country. In consultation with recipients, a strategy is formulated to identify areas of focus and a program of activities is developed accordingly. The aim is to provide forms of aid that best match recipient countries' needs with Australia's comparative advantage.

In financial terms the three most important forms of aid are project aid, education and training, and food aid.

Projects supported by Australia range from large-scale, long-term, integrated regional development programs to small-scale village level projects. Most projects involve assistance to develop the recipient's physical capital (e.g. road construction in Burma), and the provision of technical cooperation to enhance local expertise (e.g. forestry assistance in Nepal and curriculum development in Solomon Islands).

Australia's education and training program is designed to assist recipient countries to develop the human skills needed for their economic and social advancement. Recipient governments are encouraged to identify education requirements and staffing needs which relate to their national development priorities in areas where Australia can offer relevant expertise and which complement other Australian aid activities. The majority of education and training activities occur within Australia, either at colleges and universities, or at AIDAB's Centre for Pacific Development and Training (ACPAC) though some assistance

Total Australian Aid Flows to Major Recipients 1987—88 (\$m)

| | | | |
|---------------------|-------|-------------------------|------|
| 1. Papua New Guinea | 306.3 | 11. Solomon Islands | 11.8 |
| 2. Indonesia | 83.5 | 12. Burma | 11.6 |
| 3. Malaysia | 53.7 | 13. Vanuatu | 11.1 |
| 4. China | 33.8 | 14. Mozambique | 10.5 |
| 5. Philippines | 27.4 | 15. Tonga | 10.1 |
| 6. Thailand | 25.4 | 16. Western Samoa | 9.8 |
| 7. Fiji | 18.4 | 17. Hong Kong | 9.5 |
| 8. Ethiopia | 18.3 | 18. Indo-China Regional | 9.1 |
| 9. Bangladesh | 14.0 | 19. Vietnam | 9.0 |
| 10. Egypt | 14.0 | 20. Laos | 6.9 |

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is provided in developing countries themselves. In 1988-89 the estimate of contributions towards the education of developing country students is \$80 million.

Australia is one of the world's largest providers of food assistance to developing countries. Four-fifths of Australia's food aid is provided to assist in the achievement of long term development goals. About half of developmental food aid is provided on a direct government-to-government basis when it is assessed as the most effective way to fill a particular need in a recipient country and as complementing the other forms of assistance being provided. The remaining developmental food aid is channelled through the World Food Programme (WFP), a UN organisation, for use in association with projects to develop rural facilities and to alleviate poverty among rural people. Australia also provides about one-fifth of its food aid for emergency relief and refugee programs. In 1988-89, Australia will provide approximately \$42 million through Country Programs, \$44 million through WFP and \$21 million of emergency aid.

Papua New Guinea and South Pacific

Papua New Guinea (PNG) continues to be Australia's largest aid recipient with an allocation of \$303 million in 1988-89, about 28 per cent of the Australian aid program. Most of this assistance will be provided as a grant to the PNG Budget. The Australian and PNG Governments have agreed that the overall level of Australian aid should reduce progressively and that there should be a gradual shift from budget support to assistance for individual activities.

The Australian aid program in the South Pacific will in 1988-89 assist Fiji, Solomon Islands, Western Samoa, Vanuatu, Tonga, Kiribati, Tuvalu, Cook Islands and Niue.

Aid to Fiji which had been suspended as a result of the military coups of 1987 was resumed in early 1988 following firm assurances from the Fijian Government that Australian aid equipment and materials would not be diverted from intended developmental purposes. In addition to a \$12 million regular program of assistance which concentrates on a number of projects and activities of direct benefit to the entire Fiji community, the Australian Government announced a \$10 million program of special economic assistance in 1987-88. The components of this program have not yet been devised and in its implementation the Australian Government will take account of political, constitutional, economic and social developments in Fiji, including human rights, as well as Fiji Government priorities.

Australia will in 1988-89 introduce a new rolling three year program for the South Pacific to assist planning for both Australia and recipients by providing a degree of financial predictability. Each recipient will be advised annually of the level of aid proposed for the next financial year and also on the national levels for following years (emergency and other non-programmable aid will be additional). Australia also supports the regional organisations active in the Pacific. In addition assistance is given through the multi-country program where activities are viable when organised regionally. The major focus of the multi-country activities in 1988-89 will be on health. In 1988-89 Australia will allocate to the South Pacific (excluding PNG) \$85 million, a 20 per cent increase over the amount provided in the previous year.

South-East Asia

Australia provides a broad range of forms of assistance to the region, including project aid, training assistance for students, joint-financing and technical assistance supporting over 60 projects in South-East Asia. A total of \$136 million has been allocated in 1988-89 for the region.

Indonesia, with an allocation of \$46 million, is the largest recipient of project aid. Other major recipients of bilateral aid under the South-East Asia program are the Philippines (\$26 million), Thailand (\$20 million), Burma (\$12 million) and Laos (\$6 million).

Support is also provided for regional organisations and programs, e.g. the ASEAN-Australia Economic Co-operation Program (AAECP) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

Other regions

Australian assistance to other regions of the world is concentrated on specific economic and social sectors in which Australia has particular expertise. Aid to these countries through Country Programs will total \$106 million in 1988-89. Of this \$22 million has been allocated to China where the aim of Australia's aid program is, while emphasising developmental goals, to assist China's modernisation in a way which is consistent with greater commercial benefit to Australia.

The Government announced in January 1988 that aid to Southern Africa over the three-year period 1987-88 to 1989-90 would increase from \$55 million to \$100 million. Recipients are the nine member states of SADCC, the Southern Africa Development Coordination Conference (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe), and the SADCC organisation itself. The major focus of the program is the promotion of food security through assistance to agriculture, transport and communications. The increase will also enable an expansion of the Special Assistance Program for South Africans and Namibians (SAPSAN).

Other regions benefitting from Australian aid in 1988-89 are the Indian Ocean island States (\$9 million), South Asia (\$20 million), North Africa/Middle East (\$12 million) and other sub-Saharan African (\$7 million). Food aid is a major component of all these programs.

International organisations and programs

As a responsible member of the international aid community, Australia accepts its obligations to support a range of key international financial and development institutions. These organisations can provide aid on a scale and in sectors beyond the capacity of a single donor. Australia's active participation in these agencies enables it to have a policy influence on each institution's activities, and to utilize their expertise in formulating Australia's own aid strategies and programs. It also allows Australia to provide assistance in areas which are outside its sphere of technical expertise, comparative advantage or access.

In 1988-89 Australia will make voluntary contributions to international organisations of about \$178 million. They will include about \$66 million to a number of key development agencies of the UN system such as UNDP, UNICEF, and WFP. International financial institutions such as the World Bank and the Asian Development Bank have been allocated \$101 million. Commonwealth programs and a number of specialist international non-government agencies, and development and research institutions will also be supported in their development activities.

Emergencies and refugees

Australia provides assistance in cash and kind for refugees and victims of emergencies and natural disasters in developing countries to help alleviate suffering, as well as to promote equitable and longer term solutions to refugee problems. The channelling of the emergency aid is through a variety of agencies depending on the location and nature of each emergency. In 1988-89, \$44.9 million will be provided for Australian responses to emergency, disaster and refugee situations. Assistance may include food aid, temporary shelter materials, medical supplies and accountable cash grants. Australia also supports the general programs of a number of organisations by making contributions to their core budgets. These include the UN High Commissioner for Refugees (UNHCR), the UN Relief and Works Agency (UNRWA) and the International Committee of the Red Cross (ICRC). Australia also provides assistance for disaster preparedness and mitigation measures.

Community and commercial programs

The Australian public has consistently demonstrated its concern about poverty in the developing world. The Government provides funds to subsidise the development projects and relief activities of non-government organisations. These agencies provide development and emergency aid from funds raised directly in the community, on a much larger scale than the subsidies they receive from the Government. They undertake a range of development projects, development education and volunteer programs. A total of \$13 million has been allocated to voluntary agencies in 1988-89.

The direct participation of the academic and research community in the aid program is also encouraged and \$26 million has been allocated to these activities.

In line with the stated government policy, the promotion of Australia's political/strategic and commercial interests respectively are among the primary objectives of the aid program. AIDAB promotes Australian commercial interests within this policy framework through business liaison activities.

Australia's mixed credit scheme, the Development Import Finance Facility (DIFF), provides opportunities for Australian business to supply developmentally important goods and services. Mixed credits combine grant aid funds with commercial export credits to provide 'soft finance'.

Consular services and passports

The Department is responsible to the Minister for Foreign Affairs and Trade for the protection and welfare of Australian citizens and their interests overseas. Consular services to the Australian public are available from Australian diplomatic and consular posts throughout the world.

Australia's consular service continued to operate effectively and to cope with a large volume of inquiries attributable to a continuing increase in Australian tourism abroad. However, the number of Australians requiring significant consular assistance overseas has remained at about the same level despite the increase in the number of Australians travelling abroad. This may be a dividend of the determined effort in giving consular advice to travellers about conditions in overseas countries, warning on the dangers of becoming involved with drugs, advice on travel insurance and the obligation of travellers to observe the laws of the country they are visiting.

Policy developments during the past year included the signing of a Consular Agreement with Hungary and an exchange of notes on dual nationality which together will facilitate the protection of interests of Australian citizens in that country. Similar agreements are under negotiation with a number of other countries in Eastern Europe.

Since 1 July 1984 all passport applicants have been required to lodge their applications in person. Some 80 per cent of all applications are now handled by post offices. The telephone information service for passport clients has been centralised so that country dwellers are treated similarly to those from the city. In 1987 almost 800,000 passports were issued.

Australian Representation Overseas

As at 30 June 1988, Australia maintained the following diplomatic and consular representation overseas (full details of these missions are available from the Department of Foreign Affairs and Trade, Canberra, ACT, 2600).

| <i>Country</i> | <i>Post</i> | <i>Country</i> | <i>Post</i> |
|--------------------------------|--------------|------------------|----------------|
| Argentina | Buenos Aires | Mauritius | Port Louis |
| Austria | Vienna | Mexico | Mexico City |
| Bangladesh | Dhaka | Nauru | Nauru |
| Belgium | Brussels | Nepal | Kathmandu |
| Brazil | Brasilia | Netherlands | The Hague |
| Brunei | Brunei | New Zealand | Wellington |
| Burma | Rangoon | Nigeria | Lagos |
| Canada | Ottawa | Pakistan | Islamabad |
| Chile | Santiago | Papua New Guinea | Port Moresby |
| China | Beijing | Philippines | Manila |
| | Shanghai* | Poland | Warsaw |
| Cyprus | Nicosia | Portugal | Lisbon |
| Denmark | Copenhagen | Saudi Arabia | Riyadh |
| Egypt | Cairo | Singapore | Singapore |
| Federal Republic of Germany | Bonn | Solomon Islands | Honiara |
| Fiji | Suva | South Africa | Pretoria |
| France | Paris | Spain | Madrid |
| | Noumea* | Sri Lanka | Colombo |
| Greece | Athens | Sweden | Stockholm |
| Hong Kong | Hong Kong* | Switzerland | Berne |
| Hungary | Budapest | Syria | Damascus |
| India | New Delhi | Thailand | Bangkok |
| | Bombay* | Tonga | Nuku'alofa |
| Indonesia | Jakarta | Turkey | Ankara |
| | Bali*** | United Kingdom | London |
| Iran | Tehran | United States | Washington |
| Iraq | Baghdad | | Chicago* |
| Ireland | Dublin | | Honolulu* |
| Israel | Tel Aviv | | Houston* |
| Italy | Rome | | Los Angeles* |
| Jamaica | Kingston | | New York—CG* |
| Japan | Tokyo | | San Francisco* |
| Jordan | Amman | USSR | Moscow |
| Kenya | Nairobi | Vanuatu | Port Vila |
| Kiribati | Tarawa | Vatican | Holy See** |
| Korea, Republic of | Seoul | Venezuela | Caracas |
| Laos | Vientiane | Vietnam | Hanoi |
| Malaysia | Kuala Lumpur | Western Samoa | Apia |
| Malta | Malta | Yugoslavia | Belgrade |
| | | Zambia | Lusaka |
| | | Zimbabwe | Harare |

Australia also maintained five separate permanent missions in:

New York—UN
 Geneva—UN
 Geneva—Disarmament
 Geneva—GATT
 Paris—OECD

The Australian Trade Commission maintained trade missions with diplomatic or consular status in the following cities:

Algiers, Auckland, Frankfurt, Jeddah, Milan, Osaka, Toronto and Vancouver.

The Department of Immigration, Local Government and Ethnic Affairs maintained offices with consular status in Manchester and Edinburgh.

- * Consulate-General
- ** Charge d'affaires
- *** Consulate