

This page was added on 03 December 2012 to included the Disclaimer below.
No other amendments were made to this Product

DISCLAIMER

Users are warned that this historic issue of this publication series may contain language or views which, reflecting the authors' attitudes or that of the period in which the item was written, may be considered to be inappropriate or offensive today.

CHAPTER 5

INTERNATIONAL RELATIONS

The basic principles underlying the shaping and conduct of Australia's foreign policy are that Australia is an essentially Western democratic society aligned with the United States and its allies and partners; the country's prosperity is largely dependent on trade; it is remote from its founding nation, principal migration source countries, major markets and its main allies; it is a relatively rich country in a populous, developing and rapidly-changing region.

Initially, Britain and the Commonwealth countries were the central elements of Australia's foreign policy and activity. Later, partly as a consequence of the vital role played by the United States of America in the Pacific in the Second World War and subsequently, close relations were also developed with that country. These links, and links with Western Europe, remain important factors in Australian policy. Australia inherits its national traditions from Western European countries, conducts a major part of its trade with these countries and with the United States, and obtains technology and capital for its development from them.

Australia is located in a region which includes the politically, economically and strategically significant countries of North East and South East Asia and the 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 co-operative 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 co-operation 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 in South West Asia, Indo China, the Middle East and Africa. These will remain issues of central importance to the Government's foreign policy concerns and to the Western alliance of which Australia is an active member.

New international issues (economic, resources, human rights, etc.) and new concepts of national interest are emerging, together with an increasing recognition of the growing interdependence of the world community. This is reflected in economic issues becoming one of the priorities in Australia's foreign policy. Australia recognises the importance and growing complexity of economic issues, particularly the slow-down in world trade and economic development and the continuing energy crisis 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 while to come. Australia's recognition of the serious implications that many of these issues have for the relationships between developed and developing countries was shown by the establishment early in 1978 of a Committee on Australia's Relations with the Third World. The Committee's Report was issued in September 1979. Australia places a high priority on its participation in the resolution of these global issues in the United Nations, the Commonwealth and other multilateral forums.

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 1973-74 and, in 1975, a long period of membership on the Trusteeship Council came to an end with the independence of Papua New Guinea. It is a member of the Special Committee on Decolonisation and the UN Committee for Namibia.

Australia is a member of the Economic and Social Council for 1980-82. Australia also 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 UNCTAD, and was last a member of the UNDP Governing Council in 1977-79. It is a member of the UN Commissions on Human Rights, Human Settlements, and Narcotic

Drugs, and on the Executive Board of the UN Children's Fund and the Governing Council of UNEP—and has been elected to the Statistical Commission for a four year term beginning in 1981. Australia is a member of three of UNESCO's Governing Councils.

Australia has been involved in almost all UN peacekeeping activities since these began. Australia has also contributed its assessed share of the costs of all UN operations and also makes voluntary contributions as well as providing men and equipment for peacekeeping forces.

Australia is also 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.

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 bringing together about a quarter of the world's population. Australia participates actively in the broad range of Commonwealth activities. It was host to the first regional Heads of Government meeting in Sydney in February 1978, and hosted the Commonwealth Heads of Government Meeting in Melbourne in September-October 1981.

South East Asia

Australia shares with South East Asian countries a concern for peace and the economic and social development of the region. The Australian Government is in regular contact and consultation with South East Asian governments on a wide range of issues. Contacts with them have widened beyond the scope of official activity to include consultation between private sector organisations, co-operation in the trade and resources field, the export of Australian expertise and technology in joint enterprise arrangements, and direct Australian investment. Benefits from this growing economic relationship are mutual, and it is essential to Australia's economic and political future in its own region.

The range of personal contacts with the region continues to widen, as tourism develops, migration from Asia to Australia grows, student exchanges increase, and academic studies and press coverage of regional affairs expand.

Australia has particularly welcomed the progress made by ASEAN and its contribution to the promotion of regional co-operation. Australia has a significant interest in helping to ensure that ASEAN succeeds in generating economic growth and political stability and supports its wish to prevent domination of the region by any major power. Australia has entered a program of economic co-operation with ASEAN to which it has pledged a total of \$34.5 million.

Asia

Australia believes that peace and prosperity in Asia depend largely on the ability of countries in the region to co-operate to secure these objectives and in ensuring that no major power, either inside or outside the region, is able to exert an undue influence in the area.

Australia's primary interest and concern in Asia has long been reflected in its active role in regional associations and organisations such as the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Colombo Plan, the Asian Development Bank and in many other bodies, both private and government.

Japan is Australia's largest trading partner, with total trade now around \$8,850 million a year and is a significant source of investment funds. Relations between the two countries in political, cultural, scientific, sporting and other areas are being actively fostered by both Governments with a view to enhancing mutual understanding and friendship.

Australia has developed a broad range of interests with China since the establishment of diplomatic relations in 1972. This has been facilitated through reciprocal visits by political leaders and the conclusion of several bilateral agreements. There is an increased level of co-operation and exchange of experts between the two countries, one element of which is an aid program which Australia has begun with China. The level of trade between Australia and China is important for both countries. China is a significant market for Australian wheat, sugar, wool and iron and steel products. Recent years have also seen an increase in consultations between China and Australia on regional issues of mutual concern.

Australia's relations with the Republic of Korea are firmly established. In addition to the important economic partnership, both countries are promoting exchanges in other areas.

Australia is developing its relations with Laos and gives it a modest amount of aid. Australia maintains normal diplomatic relations with Vietnam but the bilateral relationship has been affected by Vietnam's military occupation of Kampuchea.

Australia recognises the strategic and political importance of the Indian sub-continent and has continued to strengthen friendly relations with the countries of that region. The Australian Prime Minister paid a State visit to India in January/February 1979 and high-level contacts have continued.

Pacific

Australia looks to consolidate and to expand its co-operative activities to promote the stability, welfare, harmony and economic development of the region. Australia has moved deliberately to develop and extend its bilateral relations with the Island countries and now has nine diplomatic missions in the area. Aid programmes are substantial in size and varied in nature, covering all types of infrastructure and other development projects. The Australian Government has approved a three-year forward aid commitment of \$120 million and for 1981-82 project aid to the region (excluding Papua New Guinea) is expected to amount to \$35 million. A further \$3.774 million for defence co-operation projects in the countries of the South West Pacific has been allocated for 1981-82.

As the largest of the South Pacific Island States, Papua New Guinea (PNG) has played, since independence, an influential and leading role in the region. Australia and PNG have a close and warm relationship which encompasses a broad range of Government and non-government activities. Australia's aid commitment to PNG is substantial and a second five-year aid agreement was announced in September 1981. Australia's budgetary aid will total \$241 million for 1981-82 while the defence co-operation program will provide grant assistance of a further \$14.86 million.

Australia was a foundation member of the South Pacific Commission, the South Pacific Forum and the South Pacific Bureau for Economic Co-operation and has become a party to the convention establishing the Forum Fisheries Agency. Australia takes part in these and the many regional meetings held in the Pacific to act on a broad range of issues of common interest. Besides contributions to ESCAP, SPEC and the SPC, financial support for other regional and international programs developed in the South Pacific is being increased significantly in 1981-82. Australia has also established a fund to promote the preservation and development of Pacific cultures. 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).

The Americas

Australia has a long-standing and close relationship with the United States which extends across the whole range of the national life of both countries. Government-to-Government relations are only one part of a larger and more extensive interaction between the two countries which derives from common experiences, culture and language. In general, relations between the countries are warm and co-operative, with a high degree of official political consultation and a close personal relationship between the political leaders. The affinity between Australia and the United States is underpinned by substantial economic ties. The United States is Australia's largest supplier of imported items and its second largest export market.

Canada is, to a greater degree than other nations, a country comparable with Australia in terms of institutions and traditions, geographical size, economic standing and international outlook. The genuine goodwill established between the two countries has allowed Canada and Australia to co-operate on the achievement of mutually desirable objectives, reflecting individual national interests and competition in certain commercial fields.

Developments in the Caribbean and the Latin American region are of increasing importance to Australia, and resident missions have been established in Jamaica, Mexico, Chile, Argentina, Brazil, Peru and, most recently, Venezuela. Australia has observer status at the annual General Assemblies of the Organisation of American States.

Europe

Australia attaches considerable importance to maintaining 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 we share with these countries and are reinforced by the presence in Australia of large numbers of people of recent European origin. Economic ties between Australia and the major Western European economies are likely to be significantly strengthened by a major increase in the export of Australian energy resources to Europe.

The European Community (EC) is Australia's second largest trading partner and a major source of investment funds and scientific and technological expertise. The 1979 agreement with the EC over the Multilateral Trade Negotiation (MTN) has gone only some way towards resolving trading difficulties. Australia remains committed to seeking the development of a closer and mutually advantageous relationship with the EC based on our wide range of common interests.

With the establishment last year of the first directly elected European Parliament, it is evident that the Parliament will assume an increasingly important role in the Community. A delegation from the Parliament visited Australia early in 1981 during which the foundation for further mutually advantageous contact was established.

Australia's relations with the Soviet Union have been circumscribed following that country's invasion of Afghanistan. The Government has denounced unequivocally the Soviet invasion as being totally without justification and as being in contempt of the Charter of the United Nations. Australia does not accept the Soviet view that what has occurred in Afghanistan can be divorced from the conduct of bilateral relations. To demonstrate its concern, the Government has taken a number of measures to curtail relations between Australia and the Soviet Union.

Australia has expanded its contacts with Eastern European countries in the past decade, which saw the establishment of diplomatic missions in Yugoslavia, Poland and the German Democratic Republic (GDR). Eastern Europe is a sensitive area in world affairs and Australia has an interest in the maintenance of a balanced East/West relationship. Eastern Europe also has significant potential for Australian exports, particularly commodity exports, and our trade relations with the area have been expanding. Another aspect of our relations with Eastern Europe is the presence in Australia of large ethnic groups from countries of the region which have substantial links with their country of origin, notably in cultural matters.

The Middle East

Much value is placed on Australia's longstanding and close relations with the Arab nations and with Israel. Australia has an interest in the settlement of unresolved disputes in the region. Although Australia's ability to bring influence to bear towards a settlement of the Israel/Palestine issue is very limited, it has important interests in the region which cannot be overlooked. Australia supports the peace treaty between Israel and Egypt, seeing it as the first step towards a just, lasting and comprehensive peace settlement. Australia sees the basis for a peaceful settlement in the United Nations' Security Council resolutions 242 and 338. It regards full recognition of Israel's right to exist as an essential part of any settlement and at the same time supports the legitimate rights of the Palestinian people to a homeland alongside Israel. The terms of a settlement are a matter for negotiation among the parties directly concerned.

Africa

Australia wishes to broaden the range of its contacts with independent black African states and consolidate links with those with which it already enjoys friendly relations. It maintains formal diplomatic relations with South Africa without allowing this to derogate from its opposition to that country's policies of racial discrimination. Australia supports international action to bring Namibia to independence by a negotiated settlement.

Indian Ocean

Although recognizing that the deterioration in the regional and international climate following the Soviet invasion of Afghanistan has ruled out any immediate prospects for the successful convening of a conference on the Indian Ocean as a zone of peace, Australia continues to play an active role in the UN Ad Hoc Committee considering this matter. In response to the changed strategic situation in the north-west Indian Ocean region, Australia has increased its naval and air deployments into the region on an independent national basis. It has also indicated a readiness to co-operate with the United States in assisting the latter's deployments into the region. In March 1981 Australia and the United States agreed on terms for staging unarmed B-52 aircraft through Darwin for the purposes of training and surveillance over the Indian Ocean.

ANZUS

Maintenance of the ANZUS alliance with the United States and New Zealand remains of major importance in Australian foreign policy. The alliance continues to play a valuable role in the promotion of stability and normal relations in the Asian and Pacific area.

Nuclear issues

Australia's nuclear policies are based on strong support of the Nuclear Non-Proliferation Treaty (NPT), which Australia ratified in 1973.

In May 1977, the Prime Minister announced Australia's nuclear safeguards policy to cover exports of Australian uranium under new contracts. The policy includes requirements for International Atomic Energy Agency (IAEA) safeguards on Australian origin nuclear material, the conclusion of bilateral nuclear safeguards agreements with customer countries, and support for constructive

international non-proliferation initiatives. Nuclear safeguards agreements incorporating all the requirements of the Government's policy have been signed with Finland, the Philippines, the Republic of Korea, the United States and the United Kingdom. Negotiations are continuing with other countries.

Australia participated in the two year International Nuclear Fuel Cycle Evaluation study (INFCE), established in October 1977 to examine ways in which nuclear energy could help in meeting the world's energy needs consistent with nuclear proliferation objectives. INFCE successfully completed its work in February 1980.

During the post-INFCE period, international attention is concentrating on improved safeguards, improved assurance of nuclear supply and new institutional barriers to proliferation such as an international plutonium storage scheme. Australia is participating in work in these areas under the auspices of the IAEA. Australia is a member of the Board of Governors of the IAEA and also a member of the Nuclear Energy Agency of the Organisation for Economic Co-operation and Development.

Australia encourages universal adherence to the NPT and supports other measures to strengthen generally international arrangements to provide assurance against the further spread of nuclear weapons.

Disarmament and arms control

For a number of years Australia has promoted nuclear arms control and disarmament objectives in the United Nations, and, since January 1979, as a member of the Committee on Disarmament in Geneva. Australia attaches particular priority to the earliest possible conclusion of a treaty banning all nuclear testing in all environments. Australia also has great interest in a number of non-nuclear disarmament questions. A promising start to serious consideration of a possible chemical weapons convention has been made in the Committee on Disarmament.

Australia has acceded to the following disarmament and arms control agreements: The Partial Test Ban Treaty, the Geneva Protocol (on Asphyxiating, Poisonous or Other Gases), the Outer Space Treaty, the Seabed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, and the Environmental Modification Ban.

Economic Relations

In recent years economic factors have assumed increasing importance in international relations. This is largely due to the growing recognition of economic interdependence between nations and the need for global co-operation 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 instability of the world economy in the 1970s and 80s has led many of Australia's trading partners to adopt protectionist measures and also to seek a solution to their economic problems by forming exclusive regional groupings. The Australian Government has endeavoured, through its involvement in such forums as GATT, to encourage these countries to adopt a global approach to economic recovery based on a removal of harmful tariff and non-tariff barriers to trade expansion.

Australia also has a strong commitment to the freedom of international capital flows. As a net capital importer, it is of considerable importance to Australia that the international system remains 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 particular characteristics and location, Australia is vitally dependent on its aviation, shipping and communications links with the rest of the world. Civil aviation has assumed particular prominence in Australia's foreign policy considerations in recent years, notably in its relations with developing countries in the region. In seeking to implement its policy of providing a wide choice of fares from the largest number of gateway ports, the Australian Government has sought a balance between the legitimate needs of Australian consumers on the one hand and the interests of Australia's bilateral aviation partners on the other. The attitude of other countries assumes particular significance with a route as complex as the Kangaroo route flown by Qantas; it involves not only those countries in Europe to which the service operates, but many other countries along the route which Qantas either overflies or where it enjoys stop-over rights.

A recent factor contributing to moves for changes in the world economy has been developing country demands for a new International Economic Order (NIEO) more geared to their needs and development aspirations. In 1980 and 1981, a major preoccupation of the UN General Assembly was

the proposal to hold Global Negotiations on international economic development issues. Agreement is outstanding, however, on the agenda and procedures for the negotiations. Nonetheless, North/South issues were considered in 1981 at a series of important summit meetings. It was a major subject at the Commonwealth Heads of Government Meeting which Australia hosted in September-October 1981. Later in Cancun, Mexico twenty-one heads of government met in October 1981 solely to consider North/South issues. Australia considers that it is in the interests of global security and stability and of the economic self-interest of all groups of states to achieve progress in the North/South dialogue and to address the economic development problems of developing states.

Australia also continues to attach great importance to its traditional relations with other developed countries, which continue to be Australia's principal trading partners. Membership of the OECD enables 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. The Organisation's role in developing its members' policies on relations with developing countries, including the North/South dialogue, also makes it an important instrument for Australia's foreign policy.

Despite the importance of Australia's relations with her traditional trading partners, considerable concern has been expressed in recent years at the growing imbalance of trading opportunities which has unduly restricted the access of important Australian agricultural products to European Community markets. Australia has also been concerned about the effect of EC export subsidies on the returns from Australia's commodity exports to third world countries. Policies are being pursued to help resolve these problems.

North-South Relations

Australia seeks to play a constructive role in the dialogue on international economic development issues between the developed ('the North') and developing countries ('the South'). Australia's approach to North/South issues is based on the belief that not only are there compelling humanitarian reasons for finding solutions to the many problems facing the world economy and the developing countries in particular, but also that the degree of interdependence in the world economy makes progress imperative for international stability and economic growth. Australia's approach is also influenced by the predominance of developing countries in the region and by the fact that Australia shares a number of economic interests with the developing countries e.g. it is a leading producer and exporter of a wide range of primary products.

Australia has taken a forward position on a number of North/South issues. It has encouraged changes to the international economic system which are effective and which would serve to promote orderly development, political stability and the full participation by all countries in an open international trade and payments system. Australia believes that the round of global negotiations on North/South issues which has been proposed in the UN General Assembly could make a positive contribution to those goals. North/South issues were also scheduled as major items for discussion at the Commonwealth Heads of Government Meeting, which Australia hosted in Melbourne in September-October 1981.

Law of the Sea

Australia is participating in 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 current draft text of a Convention includes articles on the system of exploration and exploitation of the deep seabed beyond the limits of national jurisdiction; the extension of the territorial sea to 12 nautical miles; the 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 recognized in the text. The Conference has reached informal agreement on all but a few of the 400 articles in the negotiating text and its annexes and negotiations on the outstanding issues are at an advanced stage. It is hoped that negotiations can be concluded in 1981.

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 Australian 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 will be host to the twelfth meeting.

In 1980, at a conference in Canberra, a Convention for the Conservation of Antarctic Marine Living Resources was concluded. A preparatory meeting for the establishment of a Commission to administer the Convention was held in Hobart in September 1981, and it is expected that the Commission (the first international body to be based in Australia) will be operating in Hobart in 1982.

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 most recent consolidation of the Australian Treaty List was 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. 3 (Treaty Series 1975, No. 1), 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 the Australian Government Publishing Service.

Cultural Relations

The Department of Foreign Affairs administers a program of cultural relations overseas in furtherance of the Government's foreign policy objectives. The program includes exchanges in the performing and visual arts, sport, film and literature as well as academic exchanges. The Department co-operates and consults with appropriate Australian organisations.

Australia has cultural agreements with France, Greece, India, Indonesia, Iran, Italy, Japan, Republic of Korea, Malaysia, the Philippines, Romania, Singapore, Thailand, USSR, Yugoslavia and China.

Australian Aid Program—1981–82

Australia's development assistance program is directed towards promoting the economic and social advancement of developing countries, particularly in Asia and the Pacific. It aims to meet the expressed needs of these countries and is directed towards key activities in their economies, such as rural development. All of Australia's aid is given on grant terms and a significant proportion is untied.

About 80 countries receive assistance, but Australia's efforts are aimed principally at assisting its nearest neighbours—Papua New Guinea (PNG), the South Pacific region and member countries of the Association of South-East Asian Nations (ASEAN).

In 1981–82, Australia expects to spend about \$662 million on official development assistance, an increase of over \$100 million over 1980–81. Of this amount, \$520 million (79 per cent) will be provided as bilateral aid given directly to the governments of developing countries. The major elements of the bilateral program are budgetary support for PNG, project aid (equipment, goods and expertise), the education of Third World students and trainees, food aid and assistance through non-government organisations.

In addition, \$142 million has been allocated to multilateral agencies. Support provided to these bodies has been increased by \$41 million over 1980–81.

Training

During 1981–82 within a budget of \$24 million, Australia will sponsor about 3,300 people to study in Australia and Third World countries. The training program is designed to assist people from Asia, Africa and the Pacific and Indian Ocean regions to develop the manpower skills needed for social and economic development.

Australia's training program seeks to encourage recipient governments to relate their requests for training to their national development priorities. The aim is a matching of the Australian expertise with the requirements of recipient governments, whose role is to decide who should be nominated for scholarships and to indicate the level of training required and the field of study.

Within Australia the training includes individual training awards to regular Australian courses and special group courses known as Australian Development Assistance Courses, some of which are run in the International Training Institute in Sydney. Courses include studies in agriculture, health, engineering, education and management.

It is proposed to increase English language training both in Australia and in selected recipient countries. One benefit of this will be increased opportunities for academically promising candidates without good English. Further emphasis on training senior administrators in developing countries is also proposed.

Funding for the Australian Universities International Development Program (formerly the Australian Asian Universities Co-operation Scheme) will account for approximately \$2 million. The primary focus of the program is on agriculture, food production and population studies. Assistance is given in teaching, research and a variety of short courses.

Food Aid

Food aid has a significant role to play in improving food security in low income, food-deficit countries. As a major exporter of food, Australia is continuing to make food aid available to relieve starvation and encourage agricultural development. A total of \$100 million will be set aside for this purpose. The 1981-82 program will have a food grain component of 445,000 tonnes.

Australia is committed under the Food Aid Convention (FAC) to provide a minimum of 400,000 tonnes of food grain. Of this, 320,000 tonnes will be committed bilaterally as either wheat, flour or rice. Almost 60 per cent will be sent to African countries with the balance to South and SE Asian and Indian Ocean countries. Freight costs will be paid on grain sent to disaster areas and where recipient countries are facing balance of payment problems. Some will also be earmarked to meet the Government's commitment to provide \$8 million of additional food aid to meet the special needs of African refugees resulting from the extreme hardships and malnutrition evident in many African countries.

The remaining 80,000 tonnes will be channelled multilaterally through the World Food Program (WFP) which uses food aid in projects to directly stimulate and advance economic and social development as well as helping in emergencies. In addition Australia's contribution to the cash and commodities pledge made to WFP for the 1981-82 biennium will be \$12.5 million. Two thirds of this will be used to buy commodities in Australia for WFP projects throughout the developing world.

For the first time, in 1981-82 Australia will commit food grain and freight costs to the International Emergency Food Reserve (IEFR) over and above Australia's minimum FAC commitment of 400,000 tonnes. The reserve is an international facility which is used to help overcome unexpected and sudden food shortages resulting from war, drought, floods and pests. A contribution of 45,000 tonnes to the IEFR is expected, which will be allocated in close consultation with the WFP.

During 1981-82 food grain aid generally will be directed more to emergencies and to refugees where the needs are greatest; and through multilateral channels such as WFP and UN High Commissioner for Refugees, which can assume logistic monitoring and evaluation responsibilities ensuring that it does reach needy people quickly.

Apart from food grain aid, Australia is providing non-grain foods (freight paid) valued at \$4.1 million for vulnerable group feeding projects and for emergencies.

\$2 million has also been set aside for other food security measures intended to assist the development of secure production, marketing and distribution facilities in the food economies of some of our principal aid recipients. This assistance is in addition to our existing country programs and will be provided by a mix of commodity aid and technical assistance, as well as support for relevant programs developed by international bodies.

A further major initiative in the food security sector in 1981-82 is the establishment of the Australian Centre for International Agricultural Research (ACIAR). The Centre will be charged with contracting research work to existing Australian institutions in agriculture and related disciplines for the benefit of developing countries. Its principal aim will be to contribute to the solution of agricultural problems in these countries. When appropriate, research work will be carried out in developing countries and opportunities will be sought to involve research and extension workers from these countries. An advisory council representative of the Australian, developing country and international scientific communities is being established to set the research priorities of the new Centre and review the progress of research programs undertaken. A trust fund will be set up for the Centre to which an initial commitment of \$25 million over four years has been made by the Australian Government.

Papua New Guinea

About half of Australia's bilateral aid goes to PNG because of a special relationship with the country based on long historical association.

This year Papua New Guinea will receive \$254 million in assistance. The bulk of this amount (\$241 million) will be in the form of an untied grant for budgetary support. This amount represents the first payment under a five-year aid agreement negotiated between the Australian and Papua New Guinea Governments in September 1980. As with the first five-year aid agreement which ended in 1980-81, the purpose of this long-term aid arrangement is to provide PNG with a practicable framework in which to plan its development.

In addition to the budget support grant, Australia meets the cost of termination payments and retirement benefits due to former employees and provides training for Papua New Guineans. From 1981-82 this training will be incorporated into the PNG/Australia Technical Co-operation Program. This program also includes a jointly funded technical assistance program which will provide services and related equipment to increase the technical capacity and capability of Papua New Guinea.

Bilateral Projects

Most of Australia's bilateral aid to countries other than PNG is for specific development activities undertaken by the developing countries. These range from large-scale regional development programs to simple facilities in villages. At 1 July 1981, Australia was involved in 323 projects in about 35 countries. The total value of its contribution is some \$570 million. Generally, Australia meets the foreign exchange costs of a project, but it also pays, in an increasing number of cases, some of the local costs associated with projects.

South-East Asia receives the bulk of Australia's bilateral project aid. Australia is contributing about \$308 million to 87 projects in the region. Many of these involve infrastructure development work, agricultural improvements through crop and livestock research as well as practical extension work. In recent years Australia has become increasingly involved in large-scale, integrated rural development programs intended to bring about the balanced growth of whole regions, particularly in Indonesia, the Philippines and Thailand.

The basis of our program to the ASEAN countries within this region is an open-ended commitment of \$250 million. This commitment was first established in 1977 and has been periodically renewed. In addition, expenditure on research projects and other activities under the ASEAN Australia Economic Co-operation Program will amount to \$7.5 million in 1981-82.

Most of the ASEAN countries have now reached a stage of development where they are also looking to other forms of assistance to capitalise on their progress to date. As one response, Australia has introduced a scheme specifically for ASEAN countries known as the Development Import Finance Facility. The idea of the scheme is to reduce the cost to ASEAN governments of importing capital goods and services from Australia for development purposes. By offering a grant to support such transactions the Australian Government aims to enable recipient countries to purchase needed capital goods and services on better terms than are available under existing concessional finance.

South Pacific countries are beneficiaries under a three-year forward aid commitment of \$120 million (over the period 1980-81 to 1982-83). Most of the expenditure associated with this commitment is in the form of bilateral project aid for Fiji, Tonga, Western Samoa, Solomon Islands, Vanuatu, Kiribati, Tuvalu, Cook Islands and Niue.

At 1 July 1981, Australia was undertaking 120 projects in the South Pacific worth \$73 million. The large number of projects reflects the small-scale nature of island economies. These projects cover a wide range of activities and include assistance with transport, rural development, water and sewerage schemes, telecommunications and upgrading health facilities.

To keep pace with the changing requirements of the region, new forms of aid have been introduced over recent years, for example, one particular form of assistance which will be given increasing prominence in 1981-82 is the funding of joint ventures in the region. \$1 million has been earmarked to provide grants for the purchase of island equity in joint ventures with Australian companies. The South Pacific countries should benefit from this through income and employment creation.

South Asian countries receive significant amounts of project aid mainly to help rural development. Australia's total commitment to the 44 aid projects in South Asia on 1 July 1981, was \$75 million.

While the Asian and Pacific regions have traditionally been major recipients of project assistance, an increase of \$6 million in the level of assistance to African countries and Indian Ocean States is included in this year's aid program. Total project expenditure in 1981-82 will amount to \$16 million. This area contains many of the poorest countries which are faced with particularly severe development problems. Apart from normal project activities, the expanded program will include staffing assistance schemes, provision of development import grants and provision of assistance to regional programs being developed in southern Africa. These activities will be in addition to the commitment of \$20 million to Zimbabwe (for expenditure by the end of 1984) which was announced in March 1981. The increase in assistance to this region is particularly appropriate at a time when the international community is focusing on the particular needs of the least developed countries which are predominantly African. In total some 27 projects worth \$22 million were in existence at the beginning of 1981-82.

Non-Government Organisations (NGO)

The Australian Government gives financial assistance to a number of Australian non-government organisations (NGOs) for their development assistance activities. Support for these organisations this year will amount to over \$4 million.

The principal avenue of Government/NGO co-operation is a Project Subsidy Scheme under which eligible NGOs are assisted to undertake a variety of small scale projects at 'grass roots' level in developing countries. In 1981-82 some \$3.5 million will be provided for this purpose. Within this amount funds will be set aside for use in South Pacific projects. In 1981 when the needs of disabled persons are being emphasised, projects of particular relevance to the disabled will also be given prominence.

Some \$580,000 is also provided for schemes utilising the skills of Australian Volunteers. In addition to the long running Australian Volunteers Abroad scheme, a further scheme known as the Australian Executive Service Overseas Program has been introduced on a trial basis this year. Volunteers who may be either active or retired business executives will be placed with business and community organisations in developing countries for periods of up to six months. The Confederation of Australian Industry is managing the scheme during the trial period.

A number of international NGOs will also be supported again in 1981-82 such as the International Committee of the Red Cross. In total, support for these activities will amount to approximately \$1 million.

Multilateral Aid

Australia contributes to several international organisations and financial institutions concerned with aid to developing countries. They include the World Bank Group, Asian Development Bank, United Nations Development Program and other UN agencies, International Fund for Agricultural Development, Commonwealth Fund for Technical Co-operation, Economic and Social Commission for Asia and the Pacific (ESCAP), South Pacific Bureau for Economic Co-operation (SPEC), South Pacific Commission (SPC) and various international science, technology and research centres.

Support for these bodies provides Australia with an opportunity to participate in major development projects which are beyond the resources of individual donors.

Contributions in 1981-82 to international financial institutions are estimated at \$61 million. Included in this amount is \$35.6 million which will be provided to the International Development Association, the soft-lending affiliate of the World Bank, which directs its work towards assisting the poorest countries. Other major contributions in 1981-82 involve expenditure of some \$7.7 million to the Asian Development Fund, \$6.5 million for the International Bank for Reconstruction and Development and \$6.8 million for the International Finance Corporation.

Payments to UN, regional and international agencies in 1981-82 are estimated at \$81 million (including \$24 million to the WFP). In 1981-82, there is provision for significant increases in our pledges to the major UN bodies active in development. This reflects the Government's appreciation of the special role which these bodies can play in providing assistance at the international level. The five major bodies which will receive additional assistance are the UN Development Program, UN Children's Fund, the UN High Commissioner for Refugees, the UN Fund for Population Activities and the UN Relief and Works Agency. In total, these five bodies will receive over \$22 million in 1981-82.

With regard to Commonwealth-related concerns, a \$3.6 million contribution to the Commonwealth Fund for Technical Co-operation is provided for to meet priority technical assistance needs of developing Commonwealth countries. Over \$5 million is included this year to meet Commonwealth commitments.

Continued support of over \$8 million is to be given to regional organisations such as ESCAP, SPEC and SPC. Support for other regional and international programs developed in the South Pacific will amount to \$4.6 million in 1981-82. One new program will involve Australian participation in a geoscientific research program in the region. This seabed research program will be jointly undertaken by New Zealand, the United States and Australia.

\$4.7 million will be provided in 1981-82 for the international science, technology and research programs including support of a number of international agricultural research institutions within the Consultative Group on International Agricultural Research (CGIAR).

Refugees and relief

The past year has seen further increases in the number of refugees throughout the world. Three areas which are subject to particular problems are East Africa, Kampuchea and Afghanistan. To counter the extreme hardships which people from these places face, Australia will continue to support international appeals and provide emergency aid, mainly in the form of aid.

As a means of providing greater flexibility to deal with emergency refugee and relief situations as they arise, a separate amount of \$7.5 million has been set aside within the 1981-82 Budget. At least \$2 million of this amount will be used for refugee relief in Africa.

Passports

The Department of Foreign Affairs is responsible for Australian passport matters. Australian passports are normally valid for five years. Proof of citizenship must be produced. It is the responsibility of the passport holder to obtain any necessary visas. More than one million Australians travel abroad each year. The Department issued 469,000 new passports in 1980.

Consular

The Department of Foreign Affairs is responsible for advising its Minister on the conduct of foreign affairs and relations with foreign governments. It operates 85 Australian diplomatic missions and consular posts, and has responsibility for the protection of Australian interests and Australian citizens abroad. Numbers of Australians travelling overseas are increasing, as are the numbers of those requiring consular assistance.

