

Foreign Affairs and Trade

Advancing Australia's Interests

Advancing Australia's Interests builds on the Coalition's achievements in its first term and commits the Coalition to improving the standard and quality of living for all Australians by advancing Australia's economic and security interests. The Coalition will promote Australia's values abroad - a commitment to liberal democratic government and the rule of law - in a practical realistic and principled manner.

Advancing Australia's Interests

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Executive Summary

Advancing Australia's Interests

Under the Coalition Government, Australia has developed into a confident, vibrant and outward-looking nation that is making a real contribution both to our immediate region and to broader international efforts to tackle global problems. The cornerstone of this effort has been implementation of domestic budgetary and economic reforms that have made Australia more competitive, flexible and more export-oriented, resulting in

- **record export levels in 1997-98 of \$114 billion**

- **750,000 Australian jobs sustained through exports to East Asia**
- **continuing strong growth rates notwithstanding the Asian economic crisis.**

The Coalition has implemented a commitment made upon entering Government in 1996 to abandon Labor's undignified obsession with seeking the approval of regional leaders and instead work to establish Australia as a respected entity with its own place in the region and world.

With an approach of "Asia first but not Asia only", we have played a significant role in helping Asia through the economic crisis and building regional security, while at the same time, extending and broadening Australia's links with the other parts of the world. In doing so, we have won the respect of other nations for our energies, our capabilities and our values. Specifically we have

- **contributed to the International Monetary Fund packages for Asia, provided additional export assistance and targeted aid programs to help the victims of Asia's economic crisis**
- **reinvigorated the alliance with the US exemplified by the Sydney Statement issued at the annual Australia-US security consultation in 1996**
- **upgraded relations with the EU through conclusion of the Australia-EU Joint Declaration.**

We act in Australia's national interest.

By lifting our national horizon, and by strengthening the fundamentals of our economy, the Coalition Government has boosted Australia's international influence, broadened our markets for Australian exporters and promoted democratic practices and the rule of law around the globe.

Ours is not a foreign policy built on flimsy stunts and schemes calculated to achieve one day's headlines. Ours is a foreign policy of real achievement - be it contributing to the peace and reconstruction on Bougainville devastated by more than nine years of civil war or playing a pivotal role in the negotiation and adoption of the Comprehensive Test Ban Treaty.

Moreover the Coalition Government put Australian foreign policy on a sound conceptual footing with the release of *In the National Interest* - Australia's first Foreign and Trade Policy White Paper. This study, which looks forward fifteen years to outline the policy implications of the changing forces that will most likely affect Australia's external environment, has already helped resolve policy dilemmas thrown up by developments such as the Asian economic crisis and nuclear testing in South Asia.

Importantly however, it has also helped the Australian community more generally understand why positive interaction with the world is so vital for Australia's future.

The Coalition also directed a formal review of Australia's overseas aid program - resulting in a more tightly focused program outlined in the document *Better Aid for a Better Future* with a clear emphasis on poverty reduction and sustainable development.

We have signed the Ottawa Treaty banning the use, transfer, manufacture or production of anti-personnel landmines. We negotiated a successful outcome for all Australians at the Kyoto Conference on Climate Change. We opened a secretive treaty-making process up to public scrutiny. We have established a Centre for Democratic Institutions to promote the values of democracy and human rights in the world around us.

In thirteen years, Labor could bring itself to do none of these things.

The Coalition Government has set up Australian foreign policy for the next century and the next millennium. We live in a rapidly changing world where our voice must be strong

and our contribution clear if we are to make a real improvement in the standard and quality of living for all Australians.

Australia is now a confident nation. Only the Coalition Government is committed to advancing Australia's economic and security interests.

Labor's Record

After thirteen years in office Labor's arrogant hectoring style of diplomacy had diminished Australia's reputation, especially in the region.

- Laurie Brereton brought relations with New Zealand to an all time low through renegeing on the single aviation agreement
- Labor insulted our Malaysian neighbours jeopardising Australia's trade interests
- Labor focused too exclusively on Asia, neglecting our interests in North America, Europe and elsewhere.

By pandering to vocal interest groups Labor alienated many Australians weakening confidence in Australia's engagement with the world.

Labor's grand posturing made good headlines for Paul Keating and Gareth Evans but was too often conducted without a realistic assessment of Australia's interests and capacity to achieve results.

- Declaratory statements on human rights were not matched by achievements on the ground.

Labor's behind-closed-doors treaty making process treated Parliament and the common sense of Australians with contempt.

- Labor's Foreign Minister Gareth Evans said in May 1995 "I do not favour subjecting treaties to the vagaries of Parliament".

Labor's unfocused aid program was in urgent need of review when the

Coalition took office in 1996.

Now after almost three years in opposition Labor still has not learned. By adopting the politics of economic retreat through resisting industrial reform and promoting backward-looking industry policies, Labor would isolate Australia economically and diplomatically at the expense of local jobs.

Highlights of the Government's Achievements

Strengthening Australia's international Standing

The Coalition has significantly strengthened Australia's international standing. By being strong at home and by showing that we can engage those around us with confidence, Australia is now a country well regarded across our region. After a decade in which Australia pleaded for regional inclusion, the Coalition has developed Australia into a confident regional contributor. We have also reinvigorated our links with old friends in North America and Europe.

Produced Australia's first ever White Paper on Foreign Affairs and Trade

The White Paper sets out a framework for our foreign and trade policies over the next fifteen years. It has helped the wider community understand how our foreign policies can shape and advance our core national domestic interests: the security of Australia and the jobs and standard of living of Australians. The White Paper ensures that for the first time future governments will have a roadmap to lead Australia to optimise our national interests. This is in stark contrast to Labor going to the last election without a substantive foreign policy document to put to Australians.

Completed a Review of Australia's Foreign Aid Program

The Coalition Government initiated the first review of Australia's aid program since the Jackson review in 1984. In response to the findings of the review the Coalition Government set out new directions for the aid program in the document *Better Aid for a Better Future*. The document provides a clear objective for our aid efforts and emphasises a sharper focus for the program on poverty reduction and sustainable development.

Negotiation and adoption of Comprehensive Test Ban

Treaty

Australia holds a longstanding and well-deserved reputation as a leading international player on arms control issues. This was demonstrated by the pivotal role Australia played in the negotiation and adoption of the Comprehensive Test Ban Treaty in September 1996. Australia was subsequently one of the first countries to ratify the Treaty in July 1998.

Signed the Ottawa Treaty Banning Land Mines

After thirteen years in government Labor could not bring itself to support a ban on the use, transfer, manufacture or stockpiling of anti-personnel land mines. One of the Coalition's first acts in coming to power was to commit Australia to supporting a global ban on anti-personnel mines. Subsequently we signed the Ottawa Treaty banning land mines.

Negotiated a successful outcome at the Kyoto Conference on Climate Change

As a result of the Kyoto Conference Australia will be making a significant contribution to the reduction of Greenhouse gas emissions, while protecting Australian exports, jobs – particularly in our resources and mining sectors - and living standards.

Protected Australia from the East Asian Financial Crisis

750,000 Australian jobs depend on exports to East Asia. The Coalition's budgetary and economic reforms have safeguarded the Australian economy against the worst effects of the Asian economic crisis. Our domestic reforms have made the Australian economy more competitive and Australia's contribution to the International Monetary Fund packages for Indonesia, Thailand and Korea advanced our interests in the region.

To protect Australian jobs, the Coalition Government has provided our exporters with additional assistance, including \$500 million in 1998 in extra export credit insurance for exporters to South Korea.

Australia achieved record exports of \$114 billion in 1997/98. Our positive trade balance with Asia has been maintained and there has been a substantial increase in exports to Europe, the United States and elsewhere.

Played a leading Role in Securing a Negotiated Peace on Bougainville

Australia played a leading role in securing the Bougainville peace settlement. We have established a comprehensive aid package to consolidate reconstruction and peace building on the island and continue to make the largest contribution to the Peace Monitoring Group.

Reformed Labor's Secret Treaty Making Process

The Liberal and National Parties have made sure that the Australian Government no longer negotiates and signs treaties in secret behind closed doors. Treaties are now open to public scrutiny through Parliament and the general community is the ultimate arbiter of whether international treaties are in our national interest.

Regional Engagement

The Coalition has enhanced Australia's broader global links through a renewed focus on bilateralism. Australia has repaired and revitalised its bilateral relations throughout the region and has established regional security dialogues with China, Thailand, Philippines, Vietnam and Russia.

Practical Human Rights Assistance

The Coalition abandoned the sloganeering approach to human rights and has set about pursuing practical solutions through dialogue and constructive assistance. We established the Centre for Democratic Institutions and a human rights dialogue with China. These initiatives will assist countries in the region develop structures and institutions to improve their human rights records.

Youth Ambassadors for Development

The Youth Ambassadors program will further the development of Asia Pacific countries by matching their needs with young Australians' skills. The scheme will allow 500 young Australians to live and work in the region and is a practical way for Australia to assist our neighbours.

The Coalition has successfully put in place the objectives set out in our 1996 election policy *A Confident Australia*. A future Coalition Government will ensure that Australia builds on these achievements.

A - PROMOTING AUSTRALIA'S INTERESTS

(1) Coalition Values

1.1 Liberal Democracy and Human Rights

The Coalition is committed to promoting liberal democratic values and the rule of law.

Simply lecturing others about the deficiencies in their political systems achieves little. The Coalition instead has worked to strengthen national and regional institutions that promote the values of democracy and human rights. We have established the Centre for Democratic Institutions which will make a practical contribution to human rights in our region.

Through the Centre for Democratic Institutions and other bilateral and multilateral initiatives the Coalition will continue to encourage democratic practices and the rule of law in our region.

1.2 Economic Liberalism

Since the Second World War the international community has progressively moved towards freer and more open trade. For a trading nation like Australia, this has meant more exports, more jobs and higher standards of living. It is not in our interests to pursue policies - such as rebuilding tariff barriers - that will provoke others to retaliate by closing their markets. We will continue aggressively to press other countries to reduce barriers to Australian products and services.

The Coalition will continue to press for more open markets for our exports and to make Australia's economy more competitive.

1.3 The National Interest

In promoting the above values, the Coalition is intent on enhancing Australia's economic and security interests. A Coalition Government will not sacrifice valuable resources pursuing policies that bring little benefit to the Australian people.

B - ENGAGING THE REGION

(1) Regional Economic Engagement

1.1 Promoting Australia's Economic Interests

The Asia-Pacific is the region where we live and where we export

most of our traded goods and services. Two out of three of Australia's export dollars are earned in APEC countries. Around 50 per cent of Australia's exports are to East Asia alone. Exports to East Asia sustain 750,000 Australian jobs.

In engaging the region the Coalition will promote freer markets for Australian exports.

In Government the Coalition has taken a number of initiatives which have helped find markets for our exports. We will build on these initiatives and continue to implement policies, including tax reform, that encourage growth in our exports.

1.2 The Asian Financial Crisis

The Coalition's responsible economic management has largely protected Australia from the severity of the Asian financial crisis. Had we not taken early steps to reduce Labor's debt and to improve the efficiency of government, international financial markets would have regarded Australia as an economic risk with resulting adverse consequences for our economy.

Instead, Australia was in a position to contribute to the region and ameliorate some of the damage that has been inflicted. Australia is one of only two nations contributing to all three International Monetary Fund packages – to Thailand, South Korea and Indonesia. These contributions are loans that will be repaid at market-related interest rates. Importantly, they have reduced the effects of the crisis and ensured that damage to our exports is minimised. Our contribution has also won the respect of our regional neighbours by demonstrating that Australia is an active, confident and reliable partner in the region.

The Coalition has also responded rapidly to the crisis through the aid program.

A Coalition Government will

- take a lead in promoting effective responses to the region's financial and economic problems through regional and international institutions such as APEC, the World Bank and the International Monetary Fund
- ensure Australia's aid program places particular emphasis on addressing the severe social and economic impact of the East Asian financial crisis

- provide assistance, including humanitarian aid, to ameliorate the worst impacts on the poor
- provide longer-term support for governance aimed at strengthening key economic and financial institutions.

1.3 Strategies to Expand Australia's Trading Opportunities

Events in Asia highlight the importance of economic reform throughout the region. Closed and non-transparent markets are neither in Australia's interests nor the interests of the region.

The Coalition will continue to implement strategies designed to promote reform and open markets in the region by

- encouraging countries to reform their economic and financial management
- advancing the Prime Minister's APEC initiative to promote financial market reform in the region through stronger governance structures and improved training of regional government officials
- contributing to multilateral strategies for regional reform such as the International Monetary Fund packages.

(2) Regional Security

2.1 The Security Environment

Australia has a fundamental interest in the Asia-Pacific security environment. The end of the Cold War has resulted in a much more fluid and complex security environment.

The Coalition believes it is essential for Australia's security interests that the countries of our region build relationships based on mutual trust, confidence and cooperation.

The Coalition will continue its active diplomacy to build confidence throughout the region.

Nuclear Testing in South Asia

Recent nuclear testing by India and Pakistan is a potent reminder that

there remain competitive strategic pressures in our region. Australia was among the strongest critics of nuclear testing by India and Pakistan.

A Coalition Government will continue Australia's efforts toward nuclear non-proliferation and disarmament including through bilateral approaches and strong support for the Comprehensive Test Ban Treaty and the Nuclear Non-Proliferation Treaty. We will actively participate in negotiations on a "cut-off" treaty to ban the production of fissible material for nuclear weapons purposes.

2.2 Strategies for Enhancing Regional Security

Discouraging the Emergence of Strategic Competition

Australia must work to ensure that regional competitive rivalries do not escalate and lead to conflict. The Coalition Government is providing leadership in developing informal and formal structures throughout the region, which will build trust and confidence rather than competition.

The Association of South East Asian Nations Regional Forum

Active participation in the Association of South-East Asian Nations Regional Forum will continue as a key element of the Coalition's strategy to promote a regional security dialogue that builds confidence.

Bilateral Regional Security Dialogues

The Coalition has worked hard to add further depth and substance to Australia's regional engagement, establishing Bilateral Regional Security Dialogues with

- China, adding to our regular bilateral disarmament talks
- Thailand
- Philippines
- Vietnam
- Russia

In committing to a more secure environment the Coalition will

continue to strengthen Australia's dialogues with these partners and explore the possibility of establishing dialogues with other regional partners.

(3) North Asia

3.1 Recent Developments and Australia's Interests

The Coalition has successfully strengthened relations with the countries of North Asia – Japan, China and Korea. A future Coalition Government will continue to develop these relationships.

3.2 The Key Relationships

Japan

Japan is Australia's largest export market and the largest and most sophisticated Asian economy. The Coalition successfully upgraded relations with Japan in its first term of office including the establishment of annual Australia – Japan prime ministerial summits.

A Coalition Government will

- continue to expand Australia's economic, strategic and political dialogue with Japan
- support Japan becoming a permanent member of the United Nations Security Council and continue our close cooperation in other international forums including APEC.

China

China is an emerging world power and over the next fifteen years will grow, to become one of the world's largest economies. China is increasingly adopting outward looking policies. As China integrates into the international economy it is important that Australia maintains strong and cooperative bilateral relations.

The Coalition attaches much importance to assisting China's integration with regional and multilateral forums.

A Coalition Government will continue to encourage China's accession to the World Trade Organisation and in APEC will continue to work constructively with China to promote further economic liberalisation.

The Coalition has adopted a practical, results-oriented approach on human rights as part of a cooperative bilateral relationship, engaging the Chinese Government in a regular human rights dialogue.

South Korea

South Korea is Australia's third largest export market. The Coalition has successfully worked with South Korea to open its markets to Australian exports.

South Korea is also a country of strategic significance. The divide between North and South Korea is a potential flashpoint in our region and a key reason why the Coalition Government has devoted so much attention to consulting with key allies on security developments and contributing to the Korean Peninsula Energy Development Organisation.

The Coalition Government will

- maintain and deepen the security cooperation we initiated under the Australia – South Korea politico-military (Pol-Mil) talks and continue support for Korean Peninsula Energy Development Organisation so long as that remains the most effective mechanism for influencing positively North Korean behaviour
- build on the strengthened cooperation established with South Korea in multilateral forums including APEC, the World Trade Organisation, the ASEAN Regional Forum, the United Nations and the Organisation for Economic Cooperation and Development
- bilaterally continue to work with South Korea to open markets for Australian exports.

(4) South East Asia and ASEAN

4.1 Australian Interests and Priorities

South East Asia is of central importance to Australia's foreign and trade policies. Within the region it is important that Australia maintains strong bilateral relationships.

Despite the recent crisis, the Coalition believes that the Association of South East Asian Nations (ASEAN) will continue to be of growing economic importance to Australia.

A Coalition Government will

- continue to explore initiatives to deepen our cooperation with ASEAN
- actively pursue closer links between the ASEAN Free Trade Area and the Closer Economic Relations Agreement with New Zealand.

4.2 Key Relationships

The South East Asia region includes some of Australia's most important bilateral relationships. The Coalition came to government with a clear policy to strengthen relations with our ASEAN neighbours.

Indonesia

Indonesia is of particular strategic significance to Australia. It is the fourth most populous nation and it straddles much of our northern outlook. Indonesia has been severely affected by the economic crisis.

Australia has played, and needs to continue to play, a key role in encouraging political and economic reform in Indonesia and supporting the people of Indonesia in this difficult time.

The Coalition will work with the Indonesian Government to assist it to undertake the necessary reform and rebuilding of the Indonesia economy.

We welcome recent statements and actions by President Habibie which indicate a preparedness to embrace significant political and economic reform.

The Coalition attaches importance to a resolution of the problems of East Timor. The Coalition supports a reduction in the armed forces presence and greater autonomy for the people of East Timor and will continue to support all parties maintaining a dialogue leading to a resolution of this problem.

A priority for the Coalition will be to assist Indonesia through multilateral and bilateral initiatives to restore its economic strength.

During the economic crisis the Coalition seconded Australian Reserve Bank officials to the Indonesian Central Bank. We also contributed to the Fund package and were central in working for a realistic, achievable and effective International Monetary Fund package.

Through the aid program, the Coalition is providing significant resources to assist Indonesia both deal with the impact of the crisis on the poor and with economic management and reform.

Malaysia

The Coalition has restored relations with Malaysia at the highest level following a number of years of mismanagement by Labor. These improved relations have allowed the relationship to move forward to include regular Ministerial visits and a new Australia-Malaysia Trade Agreement.

Singapore

Singapore continues to be an important bilateral and regional partner for Australia. The Coalition is committed to maintaining the strength of this relationship. The Coalition successfully inaugurated the Singapore-Australia Joint Ministerial Committee and revived the Singapore-Australia Business Alliance Forum, which have both expanded and deepened the nature of ministerial contacts between the two countries.

Thailand

Under the Coalition ties between Thailand and Australia have deepened and matured. Australia's exporters have seen improved access to the Thai market through the Government's successful representations for further trade liberalisation. Australia's commitment of \$US1 billion to the International Monetary Fund assistance package for Thailand was deeply appreciated in Bangkok and has helped cement Australia's reputation as a true regional partner and friend.

Philippines

The Coalition has built a stronger relationship between Australia and the Philippines establishing the Philippines – Australia dialogue, signing a Memorandum of Understanding on Child Sex Abuse, establishing a bilateral security dialogue and playing a supportive role through our aid program for peace and development in Mindanao.

Vietnam

Vietnam has experienced rapid economic development and is an emerging market for Australia. The Coalition took early action to build deeper links with Vietnam and will continue to build on the cooperation providing a strong trade and investment focus to the relationship.

Burma

The Coalition has worked in unison with other like-minded nations to bring pressure to bear on the Burmese regime to improve human rights and move towards genuine dialogue and democratic reform. The Coalition has proposed the establishment of a national human rights commission for Burma to help bring about fundamental institutional change.

Cambodia

The Coalition has actively supported the holding of elections and the return of peace and stability in Cambodia through the "Friends of Cambodia Group" which was established at Australia's instigation. Australia has also played a key role in the monitoring of the July 1998 election and will continue to provide support for real reforms in Cambodia.

(5) The South Pacific

The South Pacific will remain an area of special focus for the Coalition's foreign policy. Australia's relations with countries in the region are of abiding importance.

The South Pacific will continue under the direct portfolio responsibility of the Minister for Foreign Affairs in the next Coalition Government.

New Zealand

New Zealand is a natural partner for Australia. We share similar backgrounds and experience and have a close historical relationship. New Zealand is our fourth largest export market and an important strategic ally. When the Coalition entered Government, relations with New Zealand were at an all time low. We concluded the Single Aviation Agreement with New Zealand after Labor had dishonoured Australia by reneging on a central agreement under the Closer Economic Relations Agreement.

The Coalition will pursue closer integration of the Australian and New Zealand economies under the Closer Economic Relations Agreement.

Papua New Guinea

Papua New Guinea is of central importance to Australia as a friend and close neighbour. For this reason and because of its development

needs, it is the largest recipient of Australian foreign aid. Supporting sustainable economic development in PNG is an important part of Australia's engagement with PNG.

Australia's aid to PNG will increasingly be focused on helping the PNG Government deliver services to its people and strengthening policy and management reform. By the year 2000 budget support will be completely phased out in favour of jointly programmed aid activities, directly addressing urgent development needs in the areas of health, education, renewable resources, infrastructure, law and justice and effective governance.

The Coalition has played an important role in assisting the people of Bougainville and the PNG Government to find a peaceful solution to their conflict.

The Coalition will assist significantly in the rebuilding of Bougainville through Australia's commitment to provide \$100 million for reconstruction and rehabilitation on Bougainville over five years.

In consultation with the PNG Government, the Coalition will continue to support Australian involvement in the Peace Monitoring Group.

Pacific Islands

The other states of the Pacific Islands region are also important partners for Australia. We share with the countries of the region strong historical links and our relationship encompasses a broad range of economic, social and political ties.

The Coalition remains committed to bilateral and multilateral engagement with the South Pacific.

The Coalition will

- contribute actively to regional development through the South Pacific Forum and the Pacific Community, as well as other regional organisations
- give priority to the regional economic reform agenda, particularly through the annual Forum Economic Ministers' Meeting and the provision of practical assistance for reform efforts
- continue to build on Australia's ongoing and constructive relationships with island countries across a wide range of areas such

as regional security, law enforcement and resource management (for example fisheries)

- take forward the establishment of a South Pacific Whale Sanctuary, following endorsement of the initiative by South Pacific nations at the 29th South Pacific Forum meeting
- continue to give a high priority to the Pacific Islands region in the allocation of development assistance, including to develop and implement a Pacific Islands development strategy that takes into account the different circumstances and assistance required by different island countries.

The Coalition Government has more than doubled support through the aid program for policy and management reform in the Pacific Islands. Australia's aid cooperation with New Zealand, France and Japan has been strengthened and a future Coalition Government will continue to build on these relationships.

(6) South Asia

The Coalition Government has placed a strong emphasis on boosting Australia's long neglected economic and trading ties with South Asia, while at the same time taking a tough stand against nuclear proliferation in the region. Unlike the former Labor administration, the Coalition has consciously included the South Asian and Indian Ocean states in the working definition of Australia's regional neighbourhood and has worked to build economic, sporting and people-to-people ties with the region.

The countries of South Asia represent a major trading market for Australia.

A future Coalition Government will

- make a priority of following through on its "Year of South Asia" initiative of 1996-7 and "Australia India – New Horizons" promotion in India in late 1996 to develop further our economic and commercial links with the region
- continue to play a leading role in the evolution of regional bodies, such as the Indian Ocean Rim Association for Regional Cooperation to facilitate trade and regional cooperation.

Australia was among the leaders in responding strongly to the nuclear

tests in South Asia.

A Coalition Government will support efforts to bring stability to a region destabilised by the nuclear tests of India and Pakistan.

C - A COMPREHENSIVE FOREIGN POLICY

(1) North America

The United States

The United States is a country of special importance to Australia. It is and is likely to remain the world's largest economy and leading military power. Australia and the United States share a close alliance relationship, formally expressed under the ANZUS Alliance, but rooted in shared values, aspirations and comradeship in arms. The United States plays a vital role in underpinning security in the Asia Pacific region.

The Coalition took early action to reinvigorate the Australia–United States alliance. The Sydney Statement in 1996, issued at the annual Australia–United States Ministerial Consultations, laid the foundations for enhanced security cooperation, including the largest bilateral exercise since the Second World War.

A Coalition Government will

- maintain and, where useful, expand cooperation with the United States in a broad range of fields and on the bilateral, regional and multilateral levels
- continue to encourage United States engagement in the Asia Pacific region, including through active participation in regional institutions such as APEC and the Association of South East Asian Nations Regional Forum.

The United States is also a very important trading partner. As the world's richest market, the United States will continue to be an important destination for Australian exports and foreign investment and remain an important source of high technology and military imports.

The Coalition has successfully sought a guarantee from the United States that any subsidies it provides to exporters in retaliation against European Union subsidies will not cut across Australia's traditional

markets and export interests. We will continue to work to ensure that this remains the case.

A Coalition Government will continue to engage the United States on trade policy matters that impact on Australia.

Canada

Canada and Australia share common constitutional roots and tend to approach many international issues from similar perspectives.

A Coalition Government will

- work to expand Australia's already productive relationship with Canada, particularly in the economic and commercial fields
- consider expanding the existing arrangements for sharing diplomatic and consular facilities.

(2) Europe

2.1 The European Union

The European Union is a major force in international affairs. As the Union increasingly speaks with one voice its influence and power is growing.

By some measures, the European Union is Australia's largest economic partner. The two-way relationship is especially important for foreign investment. It is clearly in Australia's national interest to have a strong and cooperative relationship with Europe.

After a period during which the Labor Party deemed relations with Europe to be a low priority and incompatible with Australia's regional engagement, the Coalition has successfully upgraded relations with the European Union. The landmark Australia-European Union Joint Declaration on strengthening relations has refocused the attention of both sides to this important relationship.

Australia's regional engagement should not detract from our traditional relationships. There is no need to choose between having a strong relationship with Europe and having a strong relationship with our Asian neighbours.

In its next term the Coalition will build on these improvements and forge a closer and more effective relationship with the

European Union.

2.2 Key Relationships

The United Kingdom

The Coalition in its first term has sought to modernise Australia's relationship with the United Kingdom following neglect by Labor. To this end, the Coalition successfully completed the NewImages program with the United Kingdom and has commenced work on a Joint Action Plan to build on the momentum generated by the program.

Germany

Germany is the world's third largest economy and an important European and international player. The Coalition acted quickly to engage the German Government. The Partnership 2000 initiative has been carried forward and a high-level political and military dialogue has been established. The strength of the relationship has been proven by the visit in 1997 of Chancellor Kohl and other senior ministers.

Italy

There are almost one million Australians of Italian descent who have made an enormous contribution to the development and diversity of Australia - and yet the Labor Party neglected Italy. Ministerial visits to Italy, the establishment of the Australia-Italy Economic and Cultural Council and a proposed future visit to Australia by the Italian President have done much to improve the relationship after years of Labor's neglect.

France

The Coalition was one of the strongest opponents of French nuclear testing in the absence of leadership from the Labor Party. Since the cessation of French nuclear testing, the Coalition has restored the relationship and has built closer ties and cooperation in the South Pacific. The improvement in relations is evidenced by the French Government lifting the requirement for Australian travellers to acquire a visa to visit France.

Greece

There are many Australians of Greek descent and the Coalition warmly recognises the contribution that Greek immigrants have made to Australia.

A Coalition Government will establish an Australia-Greece business council to strengthen commercial ties between Greece and Australia.

Cyprus

The Coalition believes that the problem of Cyprus is one that must be addressed by the international community. The Coalition Government has been active in supporting the United Nation's initiatives and resolutions and in 1998 took the extra step of appointing a special envoy to assist in the search for a resolution to the Cyprus dispute.

Diplomatic Representations In Europe

Consistent with the Coalition's strategy of broadening and strengthening relations with Europe, the Government has initiated a review of Australia's diplomatic representation in Central and East Europe.

Europe is the traditional home to many of Australia's ethnic communities. The Coalition believes that it is important for Australians of European origin maintain close ties with their home countries.

The Coalition will continue to strengthen relations with traditional migration source countries and ensure that consular issues (such as social security arrangements) are adequately addressed.

Following the establishment of diplomatic relations with Croatia in 1992 and recognising the cultural, economic and family ties held by many Australians of Croatian background, a Coalition Government will open an Australian Embassy in Zagreb.

2.3 Eastern Europe and Russia

Since the end of the Cold War the economies of Eastern Europe have presented significant new export and investment opportunities for Australian companies. With continued economic reform and liberalisation, these economies continue to represent market potential.

A Coalition Government will remain engaged with East Europe and Russia consistent with Australia's economic and security interests.

(3) The Middle East and Africa

Middle East

The Middle East is an area of great economic potential for Australia.

The Coalition will continue to develop trade opportunities for Australian business in the region, particularly in the Gulf States.

The Coalition Government has been a strong supporter of Israel and we will continue to speak out in support of Israel's right to exist in secure and recognised borders. We also recognise that the Palestinians have a right to self-determination. The Coalition is a strong supporter of the Middle East Peace Process that has developed from the 1991 Madrid Conference, the Oslo Declaration of Principles and subsequent implementation agreements between Israel and the Palestinians.

Through diplomacy and development assistance projects, a Coalition Government will work to promote a comprehensive peace between all the parties to the Middle East dispute.

The Coalition will cooperate closely with its allies in pressing Iraq to fulfil its disarmament and other post-Gulf War obligations as set out under the terms of United Nations Security Council resolution 687 and subsequent resolutions.

Africa

Australia's interests in Africa will continue to be focused on Southern Africa, business and trade opportunities and a modest program of development cooperation. Australian exports to Southern Africa have grown significantly over the last several years and now total around \$1.3 billion.

A Coalition Government will

- continue to facilitate Australian trade and investment with African countries, including through engagement with the Indian Ocean Rim Association for Regional Cooperation
- develop and implement a new policy framework for Australian aid to Africa with a particular focus on Southern Africa to ensure current aid resources for Africa are targeted effectively
- through the aid program place a major emphasis on capacity building – facilitating the implementation of political, economic and social reforms by partner governments - and poverty reduction.

(4) Central and South America

The Coalition is committed to strengthening Australia's links with South America. The countries of Central and South America represent a large market for Australia and are often political allies in international forums. As part of the strategy to improve Australia's relations with the region, the Coalition produced an in-depth study on Australian trade and investment relations with South America.

The Coalition will give particular emphasis to expanding trade and investment opportunities in Central and South America.

The Coalition believes that there is much value to be gained through a dialogue between the Closer Economic Relations Agreement and Mercosur (the South American Common Market) countries and the first ministerial level meeting of these countries was held under the Coalition.

The Coalition will advance the dialogue between the Closer Economic Relations Agreement and Mercosur countries to broaden trade and investment cooperation.

D - GLOBAL ISSUES

(1) International Law and Treaties

1.1 Promoting and Protecting Australian Interests

Multilateral agreements covering trade, human rights and environmental issues deliver stability and equity for the nations of the world. However, the Coalition will never sign on to multilateral arrangements that do not provide particular benefits for the Australian community, or are contrary to the national interest. The Coalition's reform of the treaty making processes ensures that governments cannot ratify international treaties without wide community consultation and parliamentary scrutiny and without taking account of Australia's interests.

Specific Initiatives and Priorities

The Coalition strongly supports the establishment of an International Criminal Court equipped with a jurisdiction to enable it to deal with those who commit crimes against humanity. The Coalition strongly believes that perpetrators of such crimes should be brought to justice, sending a clear signal that the international community will not tolerate the sorts of horrendous crimes witnessed most recently and

graphically in the former Yugoslavia and Rwanda.

Following the successful negotiation of the Statute to establish the International Criminal Court, a priority for the Coalition is to see the successful founding and future operation of the Court.

The Coalition is also strongly committed to ridding our streets of drugs. Drugs erode families and societies and concerted international effort is required to solve what is an international problem with tragic domestic consequences.

The Coalition will carry forward the Safer borders/Safer streets initiative which makes a significant contribution to the international fight against drugs.

(2). THE UNITED NATIONS AND THE COMMONWEALTH

2.1 Reforming the United Nations

The Coalition is a firm supporter of the United Nations system, but believes the present system could be made more effective.

A Coalition Government will continue to provide strong support for the reform process initiated by the Secretary-General.

The Coalition believes that there is an element missing in the present discussion on reform. The existing electoral group system contains many anomalies and inequities that constitute powerful arguments for change.

The Coalition will continue to promote a reconfiguration of the existing United Nations electoral group system to reflect better contemporary global realities.

The Coalition notes the fundamental political changes that have occurred in the world since the United Nations system was established following the Second World War, including the ending of the Cold War. The current structure of the Security Council does not fully reflect these changes.

The Coalition supports significant reform in the composition and work practices of the Security Council, including permanent membership for Japan and Germany – respectively the second and third largest economies in the world.

2.2 Peacekeeping Operations

The Coalition supports a peacekeeping role for the UN in appropriate circumstances. A Coalition Government will continue to support Australian involvement in United Nations peacekeeping operations that are consistent with our security interests and international obligations.

The Coalition will maintain Australia's commitment of Federal Police to the United Nations Force in Cyprus.

2.3 The Commonwealth

The Commonwealth, through its biennial Heads of Government meetings provides an opportunity to pursue Australian interests across a broad range of issues with a wide array of countries.

The Coalition initiated a Trade and Investment Facilitation program at the Edinburgh Commonwealth Heads of Government Meeting designed to assist our Commonwealth partners pursue economic liberalisation. It also supported the establishment of a Business Leaders Forum to build greater business and government cooperation. Both these initiatives will enable Australia to pursue our own trade and economic interests in the global economy.

The Coalition will continue to work to ensure that the Commonwealth remains a relevant and effective organisation capable of delivering real benefits to Australia, particularly in the lead-up to Australia's hosting of the Commonwealth Heads of Government Meeting in 2001.

(3) Development Cooperation

3.1 Promoting Australian National Interests with Foreign Aid

The Coalition is committed to Australia assisting developing countries meet the challenges of development. Australia's aid program, by addressing the needs of the world's most disadvantaged and by promoting human rights, is a clear statement of Australian values and a reflection of the generosity shown by Australians to those in need.

Australia's future security and economic prosperity are closely linked to conditions in neighbouring countries. Australia has much to gain in terms of trade and investment opportunities, job creation and greater national prosperity from a stable and prosperous region. Through the aid program the Coalition is also addressing many threats to Australia's prosperity such as HIV/AIDS, illegal migration, refugee

flows, global environment problems and narcotics. In an increasingly globalised world, Australia has an obligation to help and an interest in helping.

In our first term the Coalition Government instituted an independent review of the aid program - the first such review in over a decade. The review tackled the Coalition's concerns that the aid program was in danger of losing focus on its core development role. Our response to the Simons Review laid down the policy parameters for the aid program to take it into the next century.

Under the Coalition, the aid program will focus on advancing Australia's national interests by assisting developing countries to reduce poverty and achieve sustainable development.

Six key principles will underpin the Coalition's aid program

- focus on partnerships
- responsiveness to urgent development needs and trends
- practical approaches
- greater targeting
- Australian identity
- outward looking

The five key priority sectors for Australia's aid will be health, education, infrastructure, rural development and governance. New policy frameworks will be developed in the areas of health, agriculture and rural development and private sector development.

Increasing women's access to education, health care and economic resources and the promotion of the human rights of women will continue to be a priority.

The Coalition will also support projects that directly target the environment and will ensure projects are implemented consistent with the principles of ecologically sustainable development.

The Coalition will provide significant support for the important development role of multilateral development agencies on the basis of the extent to which each agency's mandate contributes to meeting

Australia's aid objective, and the efficiency and effectiveness of the agency.

The Coalition will continue to support the United Nations 0.7 per cent Official Development Assistance to Gross National Product ratio target and endeavour to maintain Australia's aid program at the highest level consistent with the needs of our aid partner countries and our own economic circumstances and capacity to assist.

On top of this policy framework, the Coalition will give priority to initiatives in the following areas

- Demining: delivering on the Coalition's commitment to provide \$100 million by 2005 to contribute to international efforts to rid the world of the scourge of landmines:
 - In particular the Coalition will introduce an innovative "destroy a minefield" initiative that will enable schools, community groups, business and individuals to contribute directly to the clearance of landmines
- Human Rights: continue practical efforts to improve human rights through strengthening civil society and building human rights institutions
- Microfinance: double expenditure on programs to make credit available to very poor entrepreneurs, enabling them to gain access to productive assets and escape poverty through their own efforts
- Non-Government Organisations: The Coalition will continue to build partnerships with non-governmental organisations involved in delivering overseas aid. In particular the Coalition will develop a statement of policy principles outlining the integral role non-government organisations play in the delivery of Australian aid
- Food Security: more focused support to agriculture and rural development to give effect to the Government's recent \$1 billion, 4-year pledge to improve food security
- Education: continue to shift the balance of education assistance from higher education and training to basic education and vocational and technical education
- Governance: strengthening government institutions in developing

countries to meet the challenges of a demanding global economy

- Child Labour: increase assistance for dealing with the problem of child labour, in response to the Oslo Agenda for Action on Child Labour to which Australia is a signatory.

3.2 Bilateral Priorities

Australia's aid program will remain focused on the Asia Pacific. Papua New Guinea, the Pacific Islands and East Asia will all be high priorities for Australian assistance. Australia will also concentrate selectively on development needs in South Asia, Africa and the Middle East.

(4) Human Rights

4.1 Importance of Human Rights

The Coalition has a demonstrated commitment to the promotion of better human rights standards throughout the world and our region. Rather than sloganeering for domestic audiences, the Coalition Government's approach has been to pursue dialogue with other countries and to offer practical assistance for strengthening human rights institutions to achieve results. Examples of this include

- the establishment of the Centre for Democratic Institutions
- senior level human rights dialogue instituted with China
- assistance to the Indonesian Human Rights Commission.

4.2 Strategies to Improve International Human Rights

In its next term the Coalition will build on its human rights achievements.

The Coalition will

- continue to promote and support the activities of the Centre for Democratic Institutions
- support the future operation of the International Criminal Court.

The Coalition has also made governance (which includes human rights) a specific focus of Australia's aid program. A Coalition

Government will continue to use the aid program to promote human rights throughout the region. As part of the Coalition's practical approach to promoting human rights, we will continue to support the establishment of independent and pluralistic national human rights institutions in countries in our region.

The Coalition remains committed to the work of the Asia-Pacific Forum for National Human Rights Institutions.

(5) The Environment

The Coalition is committed to protecting the world's environment and ensuring that Australia's resources are used efficiently and sustainably. This does not mean Australia should sign onto international environmental treaties that will damage Australia's national interests. That is why the Coalition negotiated hard in the lead-up to and during the Kyoto conference for the outcome to reflect Australia's special circumstances - unlike the Labor Party which wanted Australia to agree to an unfair proposal that would have cost Australia jobs and lowered our living standards.

The Coalition will continue to advance and safeguard Australia's interests in international environmental negotiations and pursue constructive and equitable measures to improve the global environment and to encourage sustainable use of natural resources.

(6) Promoting Australian Culture Overseas

The Coalition is proud of Australian culture and believes that our national character should be showcased abroad. In its first term of Government the Coalition launched a landmark initiative – the Australian International Culture Council. The Council will meet regularly to develop initiatives designed to raise awareness internationally of Australian culture.

(7) Disarmament and Nuclear and Conventional Weapons Proliferation

Prominent among the threats to global security is the proliferation of weapons of mass destruction. Australia has a strong national interest in ensuring that nuclear and other weapons of mass destruction and the missiles that deliver them do not spread further, especially in the Asia Pacific region. These non-proliferation concerns form the basis of the Government's support for the elimination of all nuclear

weapons. It is also in Australia's security interests that chemical and biological weapons are eliminated and that terrorism is contained.

Australia played a pivotal role in the negotiation and adoption in September 1996 of the Comprehensive Test Ban Treaty. Australia ratified the Comprehensive Test Ban Treaty on 9 July 1998.

The Coalition will

- continue to promote rapid and widespread ratification of the Comprehensive Test Ban Treaty
- implement its initiative of strengthening the Biological Weapons Convention, through the convening of a high level meeting and establishing a National Advisory Group of Experts.

The Coalition demonstrated its commitment to addressing the tragic humanitarian and economic consequences of the widespread misuse of anti-personnel landmines by signing the Ottawa Treaty banning landmines in December 1997.

The Coalition will

- allocate in excess of \$100 million for demining, victim assistance and related activities by the year 2005
- continue to work for the commencement of negotiations in the Conference on Disarmament for a ban on the transfer, use, manufacture and stockpiling of landmines, to engage those countries remaining outside the Ottawa Treaty in the search for a truly global response to the landmines problem
- as part of its commitment to nuclear non-proliferation, continue to work actively for the commencement of negotiations for a treaty to ban the production of fissile material for weapons purposes.

(8) Consular Protection for Australians

The Coalition on coming to Government moved quickly to provide consular protection to Australian citizens travelling overseas, following years of Labor's neglect, by overhauling the consular system.

The Coalition will

- continue to expand the Honorary Consul network and explore additional consular sharing arrangements with other countries such as Canada to extend the reach of services available to Australians
- negotiate agreements covering specific consular matters such as child abduction, prisoner exchanges and a bilateral consular agreement with China.

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