

**SUBMISSION:
FOREIGN AFFAIRS WHITE PAPER
FROM AUSTRALIAN FEDERATION OF UKRAINIAN
ORGANISATIONS**

INTRODUCTION

The Australian Federation of Ukrainian Organisations (AFUO), the peak body for Ukrainians in Australia, takes this opportunity to provide input into the consultation paper for the Australian Government's White Paper on foreign affairs.

Given national and international events, and changing geopolitical scenarios, this is an opportune time for the Australian Government to review its current policies and adjust them accordingly. Australia must remain secure, focused on its role on the international stage and ensure that socially, economically and politically it remains ahead of the game.

The AFUO suggests that Australia-Ukraine relations, whilst only a small component of foreign affairs policy, can play a role in enhancing Australia's position internationally, by seizing the opportunity to be an influential player and provide avenues for strengthening bilateral relations.

Australia, and Ukraine with a population of 46 million and 20 million in the international diaspora, including a small but active community in Australia, would be well served by the implementation of an ongoing program to strengthen the bilateral relationship, both politically and economically in the medium and longer term.

The Russian Federation's occupation of Crimea, ongoing war in Eastern Ukraine and noncompliance of the Minsk Accords are dangerous signs not only for Ukraine but internationally. Further escalation of Russian military activity in Eastern Ukraine is a threat to Europe and beyond. The recent statement by the Trump Administration, namely US Secretary of State Rex Tillerson, clearly indicates that the administration considers the Russian Federation's invasion of Crimea and Eastern Ukraine as illegal and a violation of Ukraine's territorial sovereignty, and that sanctions will remain in place.

The Australian Government has echoed this position. It has become a major player on some matters internationally. Australia is a very strong ally of the US, and stood up to Russia in the MH17 disaster when almost 300 lives were lost, of which 38 Australian were due to Russian aggression in Ukraine. Australia has played a leading role in condemning the atrocity and the invasion of Ukraine.

Whilst Australian foreign policy needs to reflect the country's position on these matters relating to Ukraine, it should not be the only consideration when deciding its role in Europe, Eastern Europe and Ukraine. Economic, social, educational, trade and other ties could strengthen relationships between the two countries and with the region.

Establishing the Australian Embassy in Kyiv has given Australia another

opportunity to entrench itself in the region. This foothold, which is now opening new doors, must become a priority ensuring the Embassy continues to grow and remain open beyond 2018.

Whilst there is policy surrounding regionalisation of posts, Kyiv should be a strategic post for Australia, politically and economically. Australian foreign affairs policy must be far-reaching and creative to ensure Australia remains an international player and continues to enjoy economic growth. It must seize the moment.

In considering Australia's relations with Ukraine, it is important to have an understanding of what Ukrainians think and where the population sees Ukraine heading. A recent survey by the National Democratic Institute in the US published the following.

The National Democratic Institute (NDI) recently conducted a survey that illustrates the reasons Ukrainian public opinion should be the starting point — rather than a mere footnote — to these and other discussions.

Ukraine, of course, continues to face grave challenges, including economic disruptions, political turmoil, the illegal occupation of Crimea and a war in the east. A favourable resolution of these concerns is by no means guaranteed.

Nevertheless, Ukrainians are overwhelmingly united on the big issues facing their country. The vast majority of Ukrainians — 86 percent — say it is "important" or "very important" that Ukraine become a fully functioning democracy. Large majorities support this point regardless of where they live in the country or which party they support.

Ukrainians also have a clear and consistent view about how to define democracy: It means equal justice for all, free elections and fundamental freedoms. On the flip side of the coin, 74 percent assess Russia's influence on their country as negative. Only 4 percent consider it positive.

Purveyors of false news would have us believe that Ukraine is deeply divided and that those Ukrainians who are not supporting "fascism" are desperate to be rescued by Russia. Our research shows that, in fact, the opposite is true.

Ukrainians are also clear and consistent about the path they want to follow. Asked whether they would accept peace in exchange for losing the right to determine their own future, 80 percent said "no." Only 5 percent said "yes."

Despite the many pressures they are under, Ukrainians are not willing to give up their territory: 77 percent want the occupied parts of Donbas to be returned to Ukrainian control. Any attempt at a bargain that frustrates Ukraine's aspirations for democracy and sovereignty would thus be unlikely to produce peace or stability.

These findings point to an important facet of Ukraine's path to democracy: It is being driven from the bottom-up, rather than from the top-down. It is propelled by a popular determination, solidified on the

Maidan during the 2014 Revolution of Dignity, to root out corruption and build a democratic system in which leaders serve the people, and not the other way around.

The bottom-up nature of the process means that reforms may proceed relatively slowly, but the end result is likely to be more sustainable.

Further, the polling demonstrates the optimism the Ukrainian people have in the slow but steady progress they are making. By a ratio of two to one, Ukrainians expect the next generation to be better off than their own. The ratio reaches five or six to one in places like Kherson in the south and Khmelnytskyi oblast and Lviv in the west.

These numbers are significant because they mean that people are willing to make sacrifices now in order to deliver a better future for their children.

Citizens without prior experience in any kind of activism are participating in local decision-making in ever-increasing numbers. One quarter has attended community meetings since 2014 and a further 29 percent are willing to do so. These would be respectable figures anywhere, but they are particularly impressive in a country that was known, until relatively recently, for its politically disengaged population.

In other words, the Ukrainian people themselves are committed to the reforms that can make Ukraine more democratic, stable and prosperous. They hold these convictions independently of their current government and despite external pressures to the contrary. Assistance that helps Ukrainians help themselves will thus land on fertile ground.

The National Democratic Institute is a non-profit, non-partisan, non-governmental organisation that has supported democratic institutions and practices in every region of the world for more than three decades.

These results are powerful arguments for countries such as Australia to support Ukraine's efforts. The current White Paper Review should consider these facts.

AUSTRALIA'S FOREIGN POLICY NEEDS TO BE GROUNDED IN A CLEAR-EYED ASSESSMENT OF OUR NATIONAL INTERESTS

In the context of the new regional and global dynamics, some of the biggest priorities and challenges for Australian policy in the years ahead are as follows:

- Avoid a zero sum game in developing relations with the US and China.
- Improve our relations with India, a rising economic superpower.
- Avoid confrontations with Indonesia, the largest Islamic nation in the world.
- Ensure stability in the region.
- Ensure our strategic alliances are enhanced.
- Beware of Russian relations due to the escalation of Russian aggression and disinformation.

- The fear of terrorism.

Australia has already experienced its share of Russian aggression followed by the usual disinformation in the MH17 tragedy. Australian foreign policy must remain strong on international values and its stand on aggression. Current Russian aggression in Eastern Europe and the annexation of Crimea, flies in the face of Australian and international values. Australian foreign policy must stay strong and committed.

The policy must articulate the measures Australia will use in these situations, such as:

- Increase sanctions against Russia.
- Exert international pressure to ensure accords and memorandums are adhered to.

Ukraine gave up its nuclear arsenal, demonstrating a peaceful status among European and Western worlds. Ukraine has earned the respect and support of the West and Europe.

In these and similar situations, Australia will gain recognition as a global player by reminding the world of agreements that were signed and must be adhered to including the 1984 Budapest Memorandum signed by the US, Britain, France and Russia guaranteeing Ukrainian independence, including Crimea.

The policy must look into the sources that today are undermining our value system and are undermining current systems of Government. There is no doubt that President Putin and his Government are influencing systems. The same can be said about some Governments in our region.

The rise of far right movements is causing destabilisation and undermining the democratic world that we know. Whilst some may say this all a conspiracy theory, there is enough evidence that movements in Europe, the South China Sea and possibly Australia are being funded through various sources.

The challenge to NATO and other agencies is now evident. The happenings in Ukraine, the aggression by Russia is now worrying other countries; Poland, the Baltic States, Sweden and other parts of Eastern Europe. Cyber espionage and the infiltration of governments are now a reality, and a threat to our national security and world peace. The White Paper must address these issues.

AUSTRALIA HAS DIVERSE INTERESTS THAT SPAN THE GLOBE

Australia already has a strong relationship with Ukraine. Recent international events have strengthened this relationship.

In 2017, Australia and Ukraine celebrate 25 years of diplomatic relations, which is enhanced by the establishment of the Australian Embassy in Kyiv. The Embassy was initially opened in response to the MH17 tragedy. Since then its term was extended for a further two years in September 2016.

The Embassy now plays a major role in promoting Australia not only as a friend of Ukraine but a partner with common values and aspirations. It has also found support and recognition from the Ukrainian population, heightening of awareness, and potential for increased economic and trade ties.

Today, Ukraine requires new processes for strengthening democracy. Australia can play a major role in this area. Strengthening civic society is another area in which the Embassy can assist through Australian programs of exchange. There is potential in providing systems that would modernise Ukrainian bureaucracy and support for reforms.

Two current examples are:

- Current negotiations to introduce LIFELINE into Ukraine, a much-needed service.
- Ukraine's Ministry of Health (MOH) securing a license to introduce a modern classification system for family practitioners called ICPC2, which is used Australia.

The MOH now needs user-friendly software to facilitate training for practitioners to use the system.

A number of new bilateral business opportunities have also been fostered. These are covered in the next section of this document.

In response to the foreign affairs and trade policy, the AFUO recommends a review of Australia's role in Eastern Europe be conducted with a view to strengthen its presence. Reforming democracies and economies allow for stronger investment, trade, tourism and education opportunities for full fee-paying students coming to Australia. In seeking new markets, Ukraine and other Eastern European countries are logical partners.

Enhancing the role of the Embassy of Australia in Kyiv, spreading the non-resident accreditations of neighbouring countries, giving the Embassy more resources and responsibilities has the strong potential to enhance bilateral relations, increase trade and open up new markers and opportunities.

Politically, it would also send a strong message to the Russian Federation that Australia has resolved to stay in the region.

The policy should:

- Reinforce Australia's commitment to the ongoing operation of its Embassy in Kyiv.
- Support Ukraine's young democracy by providing a model of Western and European standards of governance and rule of law.
- Maintain strong sanctions against the Russian Federation until it removes its troops out of Ukraine and returns Crimea.

AUSTRALIA IS AN INFLUENTIAL PLAYER IN REGIONAL AND INTERNATIONAL ORGANISATIONS

Australia must ensure it retains its place at the table of the major policy making forums, regionally and globally. It has been at the forefront of security mechanisms from APEC and the ASEAN regional forum to the new East Asia Summit. To ensure that they actually work, we need to further improve effective dialogue and policy structures and encourage personal relationships at the leadership level. All are essential for productive diplomacy.

The European agenda is changing. With Brexit coming into force Australia needs to be an active participant in forums, summits and negotiations relating to Europe, as the decisions made there will impact Australia in various ways. The new policy should see Australia being more proactive in this area. Ukraine and its future are very much a part of the European agenda.

Australia must continue to play a major role within the United Nations. Its positive influence was demonstrated during its chairing of the UN Security Council. The new policy must ensure that Australia's presence at these forums remains a priority.

AUSTRALIA NEEDS TO BE AMBITIOUS IN GRASPING ECONOMIC OPPORTUNITIES

Compared to China, Japan and the Asian region generally, Europe at times is not seen as important. Today it cannot be ignored especially with Brexit and new US policies. Given China is in a downturn with its economy, Australia has to look for new markets and greater European involvement.

As mentioned, Australia has the benefit of organised ethnic European communities with strong ties to the "old country". Australia through its policies should take advantage of this. The linguistic skills, the understanding of homeland culture and thinking are assets which those with overseas connections living here bring to Australian foreign and trade policies.

The lack of awareness and understanding of the possible relevance other countries have to Australia weakens its position. One of the reasons for lack of communication and cooperation with Ukraine was the Whitlam-era conviction that Russia and the USSR were one and the same. That Ukraine was a large state like California, not a nation in its own right despite Ukraine being a founding member of the UN. Eastern Europe has opened up. Things are changing and new markets are arising.

Australia and Ukraine signed a nuclear Cooperation Agreement last April. This will enable Australia to export uranium to Ukraine, replacing Russia as the sole supplier to date. Ukraine is one the world's top ten generators of nuclear power. This breakthrough in trade relations should lead to more opportunities, as there is much room to expand commercial ventures between the two nations.

Given Ukraine's significant but unconventional oil and gas deposits, there should be greater interest in these sectors as well. Ukraine is also a promising market for agriculture products, fish and seafood. In addition, Ukrainian students who are increasingly looking at studying abroad have not as yet been lured to Australia.

New IT contracts have been signed. Another recent deal will see Ukrainian apple juice on the shelves of major liquor distributors and supermarkets.

Other areas for consideration:

- IT services (software engineering, programming)
- Agricultural imports/exports (sunflower oil, grains, nuts, honey, beef)
- Educational services (universities)
- Mining (coal, iron ore, manganese)
- Energy (uranium, gas)
- Manufacturing (aviation, aerospace, pharmaceutical, textile)
- Tourism

Australia is Ukraine's leading trade partner in the Asia Pacific region, albeit this relationship started from a low base. Historically, there have been very few factors that connected the two countries, however, following one of the most tragic events in recent history — the crash of flight MH17 — Australia and Ukraine have been united in a fight against injustice.

Ukraine-Australia bilateral relations are quickly evolving following the events of the Maidan protests, Crimea and eastern Ukraine conflicts, and MH17. Feedback from Ukraine-based stakeholders is that Ukraine's democracy and sovereignty are well served in this new era by fostering further ties at the community level (NGOs), cultural and business levels. It is an important future-facing step.

The business relationship between Ukraine and Australia is nascent. Figures compiled by the Australian Department of Foreign Affairs and Trade suggest a net value of trade of \$148 million (AUD) in 2014, but this is considered uncomprehensive. The Ukrainian Government's Ministry for Economic Development and Trade estimates a net value of \$157 million (USD) in 2014 including positive growth of 189% (driven by Australian mineral fuel and oil exports).

More current International Monetary Fund (IMF) data shows the following. The State Statistics Service of Ukraine ukrstat.org reports 2015 exports of USD \$10,717,000 and imports of USD \$159,268,900.

The most up to date numbers are monthly values up to October 2016. That shows on a 12 month 2015-16 basis: 1.2% growth in imports from Australia (from USD \$23.57m to USD \$35.62m), and -47.3% growth (ie. fall) in exports to Australia (USD \$198.69m to USD \$104.76m).

There is every reason to be confident about Australia-Ukraine business ties. Ukraine features high education and skill levels, English language

proficiency, extremely competitive cost and labour structures, a strong resource base, and strong international support for a peaceful future. A reformist administration in Ukraine understands the need for business engagement, transparency and policy certainty. The doors are now open to a whole range of trade and investment opportunities between Australia and Ukraine.

Research suggests there are many potential areas of mutual benefit such as international education, aviation, aerospace, mining services, resources including manganese, gas and uranium, FMCG, hospitality, fashion, outsourcing of services and manufacturing, agriculture including beef and honey, as well as IP / governance systems. In this scoping paper, we highlight three of the abovementioned areas of interest – agriculture, IT, and education.

Should DFAT be interested in exploring these opportunities, the AFUO and the Australia-Ukraine Chamber of Commerce are willing to assist.

The AFUO suggests the White Paper should include policy that commits to:

- A formal joint initiative with the government of Ukraine to identify the areas in which trade could develop. Industry, Agriculture, Energy, Health, Service Industries and Technology exchange ventures which would provide mutual benefit, and plant the seeds for a future bilateral agreement by increasing two-way trade in the medium term. Ukraine has significant energy reserves which are untapped, as well as very highly skilled people in computer technology, engineering and nuclear reactor technology (for peaceful purposes).
- A student exchange program should be developed between Australia and Ukraine, which would be mutually beneficial in the long term.
- Further liberalisation of visa requirements for Ukrainian visitors to Australia and vice versa will remove another barrier for doing business.
- A bilateral agreement or treaty between Australia and Ukraine would facilitate expansion of trade and lead to trade equalisation.
- Commence negotiations on a free trade agreement.

AUSTRALIA SHOULD TAP INTO ITS CAPABLE MULTICULTURAL COMMUNITIES

Australia's population is diverse with nearly 30% born overseas, over 200 languages spoken and communities belonging to many faiths. The policy should reflect this and highlight the great assets we have in Australia.

Engaging with community leaderships can assist the government in connecting more broadly with other countries. Strong leadership teams in many communities have a good grasp of the needs and potential required by Australia and the homeland country. Business, education, social interaction, government relations, increased travel, social cohesion are all outputs that can be delivered by using our diversity to the benefit of Australia, but also in promoting bilateral relations.

For example, Australia has over 100,000 students studying over 70 languages in community language schools. This is an enormous asset as language and culture come together and can be used to further the Australian agenda in terms of foreign affairs, trade, settlement, social cohesion and international relations.

The policy should also consider our multicultural makeup and how we are able to strengthen social cohesion through foreign affairs, trade and connecting with local communities.

Engaging with communities, tapping into their knowledge and resources provides opportunity for stronger partnerships between them and the Australian Government. Communicating the government's acknowledgement of various communities' potential input and its willingness to partner with them to help drive a stronger Australia can only work in its favour.

Working closely with embassies and the diplomatic corps in cooperation with community leadership makes for stronger model. A good example of this is the relationship between the AFUO and the Embassy of Ukraine who in late 2016 signed a Memorandum of Understanding and are working in partnership to drive an agenda of enhancing bilateral relations and better understanding between the two governments.

Business councils, chambers of commerce, language education, cultural diversity and multicultural arts all assist in breaking down barriers and opening doors. As an example, DFAT need only look at the relationships forged with Multicultural Arts Victoria and its role in building bridges, when a political situation is tense internationally to see how relationships can be built and strengthened.

Research in Australia today shows that 55% of Australians in part associate diversity and multiculturalism with terrorism and economic problems in Australia as well as job losses. Engaging with communities and having a policy that reflects one law for all, a fair go, respect for others and most importantly engagement with communities in driving the Australian agenda will further enhance our social cohesion.

These issues often lie in another portfolio but a whole-of-government approach to diversity will ensure the full potential of multicultural communities is used not only on the fringes but in mainstream government policy.

A practical example is the Ukrainian community. In the past, the lack of personal communication with Eastern European nations, in particular Ukraine, the second largest European nation, saw many missed opportunities. Now with stronger bilateral relations increased diplomatic relations and embassies in both countries, the Australian Federation of Ukrainian Organisations has become an important bridge in raising awareness and assisting both embassies.

The AFUO is also responsible for forming the Australia-Ukraine Chamber of Commerce. All of this has progressed bilateral benefits to both countries and is well documented. To facilitate closer ties, Australia

could make further use of its sporting, educational, business, and cultural prowess e.g. Australian Rules, which regularly showcased Alex Jesaulenko and others.

Connecting with communities and using our diversity to benefit Australia and its international standing should be covered off in the policy.

CONCLUSION

The AFUO posits that in reviewing Australian foreign policy there are many new situations that justify policy realignment.

International events, the changing political spectrum and attempts to undermine democracy and authority are real.

Australia's policy will need to factor in new economic realities as markets change and reliance on only current markets will see Australia lagging behind. Australian foreign policy has always been creative and responsive to a changing world and should continue be.

US, China, the India-Asian Pacific and European regions are moving at times in various non-traditional directions. Our response to international tensions in Syria, Ukraine and other places will dictate who we are, what we stand for internationally and the values we hold dear.

In relation to Ukraine, the AFUO argues that it should be seen as a strategic partner. Australia should have a strong presence there and in doing so strengthen its presence in Eastern Europe and beyond. We urge decision-makers not to underestimate Russian aggression in Ukraine as a one-off isolated situation.

Australian foreign affairs policy must articulate in the first instance who we are, what we stand for and how Australia will deal with the many and varied situations which impact on our national security, our standing in the international community, how we trade and what is not negotiable.

These positions will only enhance our overall international standing and give Australians a clear sense of where its government stands on particular issues, and how and why they will benefit from it. A bipartisan position on the fundamentals of such a policy will take out 'the politics', and strengthen the overall foreign policy position internationally and within the Australian electorate.

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