

The Parliament of the Commonwealth of Australia

**Report of the
Official Parliamentary
Delegation Visit**

to

**Croatia and
Bosnia and Herzegovina**

September – October 2008

November 2008

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Members of the Delegation

Leader

29 September – 8 October

Senator the Hon. John Hogg

President of the Senate
Senator for Queensland
Australian Labor Party

Deputy Leader

The Hon Philip Ruddock MP

Member for Berowra
New South Wales
Liberal Party of Australia

Members

Senator Steve Fielding

Senator for Victoria
Family First Party

Senator Mark Furner

Senator for Queensland
Australian Labor Party

Mr Steve Georganas MP

Member for Hindmarsh
South Australia
Australian Labor Party

Senator Annette Hurley

Senator for South Australia
Australian Labor Party

Senator Barnaby Joyce

Senator for Queensland
The Nationals

Accompanying officers:

Ms Julia Clifford

Adviser
Office of the President of the Senate

Delegation Secretary

Mr Christopher Reid

Director
Parliamentary Education Office
Department of the Senate

The Delegation was accompanied by the spouse of each delegate

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Preface

This Australian Parliamentary delegation visited Croatia and Bosnia and Herzegovina between 29 September and 8 October 2008.

The visit to the Croatian capital, Zagreb, provided an important opportunity for the Australian Parliament to renew and develop contacts with the Croatian President, the Prime Minister, the Croatian Parliament and several local Croatian authorities throughout the country and to gain a better understanding of the country and its priorities. Croatia has entered a period where accession to the European Union (EU) and to the North Atlantic Treaty Organisation (NATO) have been and continue to be leading priorities, together with post-war economic development and peaceful social progress. These, and other bilateral issues, were addressed in meetings and are discussed in Chapter two.

Other features of the delegation's work in Croatia included a meeting with United Nations agencies, European Commission (EC) and Organisation for Security and Cooperation in Europe (OSCE) representatives in Zagreb as well as visits to Vukovar, Split and Dubrovnik. The delegation travelled to Vukovar, a town that became a symbol of the war of the 1990s, to learn of the town's economic and social rebuilding process and to witness its great steps forward. The delegation also briefly visited Split for meetings with a local Croatian-Australian business owner, the District-Prefect of Split-Dalmacija County and the Mayor of Split. The delegation was pleased to hear that the Split Chamber of Commerce was due to visit its sister city, Cockburn in Western Australia, in coming weeks. The delegation continued its travels to Dubrovnik where it also met with the District Prefect of the Dubrovnik-Neretva County and also with the Mayor of Dubrovnik. The delegation engaged with its hosts throughout Croatia in sincere and earnest discussions in all of its meetings throughout Croatia in what was without doubt a successful visit.

The visit to Croatia and Dubrovnik coincided with the disappearance of a young Australian backpacker, Melbourne student Ms Britt Laphorne. As the Leader of the Delegation, I was briefed on the situation upon arrival in Croatia by the Australian Ambassador to Croatia and attended specific meetings with the (then) Croatian Minister for the Interior and police authorities. The Ambassador and I also met with the Laphorne family in Dubrovnik. This matter was also raised in most delegation meetings including with the President of Croatia and the Prime Minister of Croatia. Throughout this case, the Australian Ambassador to Croatia represented the Australian government and sought to deploy all available resources to assist wherever possible. It was with sincere regret that upon its return to Australia the delegation learnt of Ms Laphorne's death. The sympathies of the delegation remain with the Laphorne family.

We were delighted to be the first Australian parliamentary delegation to visit to visit Bosnia and Herzegovina (BiH). The delegation enjoyed constructive discussions with national political leaders, leaders of the Interreligious Council and the Court of Bosnia and Herzegovina in the capital, Sarajevo. It also experienced a sample of the geography and history of regional BiH during a field trip to Mostar, including a visit to a centre for children and youth with special needs, *Los Rosales*, which receives project funding under the Australian Government's Direct Aid Program (DAP).

Meetings in Sarajevo considered governance issues, Euro-Atlantic ambition, including BiH accession to the EU and NATO, shared people-to-people ties and a search for opportunities to boost existing, though small, trade between the two countries, as well as other bilateral matters.

Government and community leaders were optimistic about BiH's future. The country was politically stable and municipal elections on 5 October proceeded without incident. Meetings with Parliamentary Assembly officials exemplified the progressive steps taken at the political level and also acknowledged the need for further reforms, including constitutional reform, still required by the EU to meet their accession requirements.

This initial parliamentary delegation visit to BiH was very successful. The delegation established contact at an official level and quickly came to appreciate the complex cultural and economic situation faced by BiH. We trust that this will be the start of a relationship that should realise successful bilateral exchanges in time to come.

The delegation expressed its gratitude for the very warm welcome it received at all meetings and functions, and for the generosity of both the parliaments of Croatia and of Bosnia and Herzegovina in hosting this visit. I was pleased to be able to invite formally, on behalf of the Presiding Officers, a delegation from the Parliament of Croatia and a delegation from the Parliament of Bosnia and Herzegovina to visit Australia.

The delegation expresses its sincere thanks to all those involved in Croatia and Bosnia and Herzegovina for making the visit such a beneficial and memorable one.

Australia is very well served by its Department of Foreign Affairs and Trade officers overseas, and on behalf of the delegation I especially record our thanks to Her Excellency Ms Tracy Reid OAM, Ambassador to Croatia, and His Excellency Mr Peter Shannon, Ambassador to Bosnia and Herzegovina, resident in Vienna. These heads of mission and their staff provided outstanding preparation and support for our delegation and liaison with our hosts to ensure the success of the delegation.

I also thank the members of the delegation; the Deputy Leader, The Hon Philip Ruddock MP, Senator Steve Fielding, Senator Mark Furner, Mr Steve Georganas MP, Senator Annette Hurley, Senator Barnaby Joyce and their spouses. I also thank the Secretary to the delegation, Mr Christopher Reid, and the Adviser to the President

of the Senate, Ms Julia Clifford for their cooperation and support throughout the preparation for, during and following the trip.

A handwritten signature in black ink, reading "John J. Hogg". The signature is written in a cursive style with a large, prominent "J" and "H".

(Senator the Hon John Hogg)

President of the Senate and Leader of the Delegation

Introduction

1.1 This report details the activities and observations of the delegation from the Parliament of Australia which visited Croatia and Bosnia and Herzegovina between 29 September and 8 October 2008 to attend a series of meetings to discuss issues of importance to both countries and to inspect sites of economic and social relevance to delegation members.

Aims and objectives of the delegation

Croatia:

- To renew and strengthen relations with the Croatian Parliament;
- To gain an appreciation of Croatia's domestic social, economic and political issues, including Croatia's efforts to accede to membership of the European Union;
- To explore opportunities for the enhancement of commercial relations, educational ties and people-to-people relations through cultural and other exchange programs;
- To acquire an insight into the position and issues involving ethnic minorities in Croatia, in particular the Serbian minority; and
- To gain an appreciation of issues involving regional security and Croatia's relations with the neighbouring countries, in particular Bosnia and Herzegovina, Slovenia and Serbia.

Bosnia and Herzegovina:

Aims and objectives of the *first* Australian parliamentary visit to the Parliament of Bosnia and Herzegovina included:

- To establish contacts and relations with the Parliament of Bosnia and Herzegovina;
- To seek to increase understanding of complex social, political and economic issues currently facing Bosnia and Herzegovina;
- To seek to gain an appreciation of internal security issues in Bosnia and Herzegovina, and an insight into its relations with neighbouring countries, in particular Croatia and Serbia;
- To seek to expand the scope of bilateral relations to include discussions on bilateral trade and strengthening of commercial relations; and

- To seek to expand cultural cooperation through cultural exchange programs and other initiatives based on close people-to-people links between the two countries.

Acknowledgements

Australia

Before departure, the delegation received oral and written briefings from the Department of Foreign Affairs and Trade and the Parliamentary Library, Department of Parliamentary Services. The assistance provided by relevant officials is acknowledged with thanks.

Thanks are recorded to the Parliamentary Relations Office, in particular, Mr Andrew Templeton, for administrative assistance prior to departure from Australia and to HRG travel staff in assisting with travel itineraries.

Croatia

The delegation records its appreciation to its Croatian hosts and related bodies for the hospitality and courtesy extended to it during the visit, in particular:

Zagreb

Mr Stjepan Mesić, President of the Republic of Croatia

Dr Ivo Sanader, Prime Minister of the Republic of Croatia

Mr Luka Bebić, Speaker of the Croatian Parliament

Mr Berislav Rončević, Minister for the Interior

Dr Vesna Pusić, Head of the National Committee

Dr Milorad Pupovac, Head of the Committee for Inter-Parliamentary Cooperation

Mr Vicencije Biuk, Croatian Ambassador Designate to Australia (from end of 2008)

Mr Milan Bandić, Mayor of Zagreb

Mr Alessandro Fracassetti, United Nations Development Programme (UNDP)

Mr Mario Pavlović, United Nations High Commission for Refugees (UNHCR)

Mr Enrique Horcajada Schwartz, Organisation for Security and Cooperation in Europe (OSCE)

Mr Oskar Benedikt, Counsellor, Delegation of the European Commission to the Republic of Croatia

Ms Marina Štancl, Assistant to the Secretary General and Chief of Protocol, Croatian Parliament

Ms Simona Sabolek, Protocol, Croatian Parliament
Mr Tomislav Sačarić, Head of Security Department
Mr Boško Matković, Managing Director, Zagreb Airport
Mr Darko Car, Head of Police Station Zagreb Airport

Vukovar

Mr Mato Stojanović, President of the Vukovar-Srijem County Assembly
Ms Zdenka Buljan, Mayor of Vukovar
Dr Vesna Bosanac, Director, Vukovar Memorial Hospital

Split

Mr Jim Bošnjak OAM, Grand Hotel Lav Ltd
Mr Ante Sanader, District-Prefect of Split-Dalmacija County
Mr Ivan Kuret, Mayor of Split

Dubrovnik

Ms Mira Buconić, District Prefect of Dubrovnik-Neretva County
Ms Dubravka Šuica, Mayor of Dubrovnik

Bosnia and Herzegovina

The delegation records its appreciation to the parliament of Bosnia and Herzegovina for the hospitality and courtesy extended to it during the visit, in particular:

Sarajevo

Mr Haris Silajdžić, Chairman of the BiH Presidency
Mr Nebojša Radmanović, Member of the BiH Presidency (represented at the meeting at the Presidency by Mr Boris Buha, Advisor for Constitutional and Legal Affairs)
Mr Željko Komšić, Member of the BiH Presidency (represented at the meeting at the Presidency by Mr Nerkez Arifhodžić, Advisor for Foreign Policy)
Mr Nikola Špirić, Chairman of the Council of Ministers of BiH
Mr Sven Alkalaj, Minister of Foreign Affairs
Mr Niko Lozančić, Speaker of the House of Representatives
Mr Beriz Belkić, Deputy Speaker of the House of Representatives of the PA of BiH
Mr Milorad Živković, Deputy Speaker of the House of Representatives of the PA of BiH

Mr Ilija Filipović, Deputy Speaker of the House of Peoples of the PA of BiH

Mr Sulejman Tihić, Deputy Speaker of the House of Peoples of the PA of BiH

Ms Azra Hadžiahmetović, Member of the House of Representatives and Chairman of the Friendship Group for Australia

Mr Ivo Miro Jović, Deputy Chairman of the Friendship Group for Australia

Mr Šefik Džaferović, Member of the Friendship Group

Mr Slavko Jovičić, Member of the Friendship Group

Mr Hilmo Neimarlija, Member of the Friendship Group

Mustafa ef. Cerić, Reisu-l-Ulema, Islamic Community in BiH

Msgr Mato Zovkić, Vicar at the Roman Catholic Archdiocese of Vrhbosna

Mr Boris Kožemjakin, Jewish Community

Priest Vanja Jovanović, Rector of the Orthodox Church

Mrs Dusanka Majkić, Chairman of the Committee on Finance and Budget in the House of Peoples

Mr Sadik Bahtić, Chairman of the Committee on Finance and Budget of the House of Representatives

Ms Alma Čolo, Chairman of the Committee on Foreign and Trade Policy, Customs, Transportation and Communications of the House of Peoples

Mr Branko Dokić, Chairman of the Committee on Transport and Communications of the House of Representatives

Mr Branko Zrno, Chairman of the Joint Committee on Defence and Security of BiH

Judge Meddzida Kreso, President of the Court of Bosnia and Herzegovina

Judge David Re, Court of Bosnia and Herzegovina

Ms Mirsada Bukarić Kovačević, Head of the Sector for International Affairs and Protocol, Parliamentary Assembly of BiH

Ms Senaida Bešliagić, Sector for International Affairs and Protocol, Parliamentary Assembly of BiH

Ms Milena Likokur, Sector for International Affairs and Protocol, Parliamentary Assembly of BiH

Ms Marina Mijačević, Sector for International Affairs and Protocol, Parliamentary Assembly of BiH

Ms Lara Borovina, Sector for International Affairs and Protocol, Parliamentary Assembly of BiH

Mostar

Mr Ljubo Bešlić, Mayor of Mostar

Mr Murat Ćoric, Chairman of the Mostar City Council

Ms Jasna Rebac, Manager, *Los Rosales* (Centre for Children and Youth)

Australian Missions in Europe

Excellent support was provided throughout the delegation's visit by the relevant Australian Missions in Europe. The leader has referred to the Australian Ambassadors in his preface, but special mention should be made also to Mr John Frampton for his hospitality. Also:

In Zagreb:

- Ms Natalie Roche, First Secretary and Consul
- Dijana Padežanin, Research Officer
- Dijana Grahovac, Consular Assistant/Public Affairs
- Renata Buljubašić, Consular Officer
- Renato Pasarić, Driver

In Vienna (which has non-resident accreditation to Bosnia and Herzegovina)

- Mr Thomas Roth, Counsellor
- Ms Nada Muster, Bilateral Affairs Officer

Chapter Two

Croatia

2.1 This chapter outlines Croatia's political, social and economic situation and records the substance of meetings held during the delegation's visit.

Country Brief¹

2.2 The Republic of Croatia, or Republika Hrvatska, extends in a crescent from the plains of the Danube, Drava and Sava Rivers in the east to the Gulf of Venice in the west and then southward along the Adriatic Sea to the border of Montenegro. Croatia is bordered by Slovenia, Hungary, Serbia, Montenegro and Bosnia and Herzegovina (BiH). Its extensive Adriatic coastline on the south-west includes nearly 1,200 islands and islets. Croatia's population in 2006 was 4.4 million, of which almost 90 per cent are ethnic Croats.

System of government

2.3 The Republic of Croatia is a parliamentary democracy. The President of the Republic is the Head of State, directly elected for a five year term. The President is also Commander in Chief of the Armed Forces and participates in foreign and national security policy decision-making and in the appointment of the heads of the intelligence services. The current President, Mr Stjepan Mesić, was re-elected on 16 January 2005 for another five year term.

2.4 The legislative branch of government is a unicameral assembly (the Hrvatski Sabor). The current parliament has 153 seats with 140 deputies elected from the political party's lists in ten constituencies, five deputies elected by districts for Croatian citizens living abroad and eight deputies elected as representatives of national minorities. Members are directly elected by popular vote and serve four year terms.

Political developments

2.5 Parliamentary elections were held on 25 November 2007. After a tight contest between the two main opponents HDZ (Croatian Democratic Union) and SDP (Social Democratic Party), the centre-right HDZ won the largest number of seats and its leader, Dr Ivo Sanader, who has been Prime Minister since 2003, was given a new mandate by the President of Croatia to form a government.

2.6 In the elections HDZ won 66 seats in parliament, SDP won 56 seats, the Croatian Peasants Party – Croatian Social Liberal Party coalition (HSS-HSLS) won 8 seats, the

1 Much of the historical analysis and data presented throughout this chapter has been provided by the Department of Foreign Affairs and Trade, September 2008.

People's Party (HNS) won 7 seats and representatives of national minorities won 8 seats. The Istrian Democratic Party (IDS) and the regional HDSSB won 3 seats each, while Croatian Party of Rights (HSP) and Croatian Pensioners' Party (HSU) won 1 seat each.

2.7 The new Croatian government, headed by Prime Minister Sanader, was sworn in on 12 January 2008. The coalition government, comprising the HDZ, HSS, HSLS and the Independent Democratic Serb Party (SDSS), was supported in a parliamentary vote by the 82 deputies of the coalition, while 62 opposition deputies withheld their support.

2.8 Croatia received an invitation to join NATO at its Summit in Bucharest in April 2008. Croatia currently has 156 military and police officers deployed in 13 UN led missions; 17 military and police officers in 2 EU led missions (EUPOL and EUFOR) and 277 military officers and 1 diplomat in a NATO led mission (ISAF) in Afghanistan. Croatia is a member of the International Whaling Commission where it supports a pro-conservation position. In October 2007 Croatia was elected as a non-permanent member of the UN Security Council for the 2008-09 term.

Former conflict in Croatia

2.9 Formerly a republic of the Socialist Federal Republic of Yugoslavia (SFRY), Croatia declared independence from SFRY on 25 June 1991. Fighting soon broke out in the east of the country as Croatian Serbs, with the help of the Yugoslav National Army, expelled Croats from the area. By the end of 1991 the Serbs controlled nearly one-third of Croatian territory. Despite deployment of a UN peace-keeping force in 1992, fighting continued until the end of 1995, when Croatia agreed to the peaceful reintegration of Croatian provinces that remained in dispute. On 15 December 2002, UN peacekeepers withdrew from the Prevlaka Peninsula giving control of all sovereign Croatian territory to the Croatian authorities for the first time since independence.

2.10 During 1992-1995, Croatia became involved in the war in Bosnia and Herzegovina (BiH). Then President Tudjman was one of the signatories of the Dayton peace accords in 1995, which ended the war in BiH².

Analysis on the economy, economic performance and outlook

2.11 The then governing SDP Coalition introduced reforms in 2000 to rebuild the economy after the conflict. These reforms continued under the HDZ led government and accelerated following commencement of EU accession negotiations. Nearly two-thirds of the economy has been privatised and the small and medium-sized enterprise (SME) sector has significantly expanded. Of the forty three banks in Croatia, the share of foreign ownership is greater than 90 per cent and includes two-

2 See discussion in Chapter Three, Bosnia and Herzegovina.

thirds of banking assets. Military expenditure has been significantly reduced in line with commitments made to cut the levels of military personnel.

2.12 Croatia's largest trading partners are EU members, particularly Italy and Germany. Foreign Direct Investment (FDI) in Croatia has been low compared to other countries in the region. According to government figures, in 2006 FDI stock was estimated at US\$3.56 billion, considerably higher than US\$1.79 billion in 2005. The majority of FDI has taken the form of investments in privatisations with more than half of investments between 1993 and 2004 concentrating on supermarket construction and the banking and insurance sectors.

2.13 Croatia is also investing in its national infrastructure in order to make the country a key transit and economic hub for the region. A network of first-class highways is nearing completion and will link ports to markets in Croatia and elsewhere in Europe. Barriers to investment, particularly 'greenfield investment', remain, including slow implementation of land administration reforms.

2.14 Although it has a smaller population than a number of its neighbours, Croatia is geographically central to importing markets (such as Germany and Italy) through its borders with Slovenia, Serbia, Montenegro and Bosnia and Herzegovina (BiH). Trade relations with these neighbours have been improved by the expansion of the Central European Free Trade Agreement (CEFTA), which regulates trade relations among countries of South East Europe. CEFTA entered into force for Croatia on 22 August 2007. The gradual normalisation of relations between these former Yugoslav republics has also encouraged the re-emergence of former Yugoslav brands and familiar labels, arts, music and culture to boost and stabilise the economy. Together the populations of Serbia, Montenegro, Croatia and Bosnia and Herzegovina make up a market of 16 million people.

Key Economic Indicators

2.15 In 2006, real GDP growth reached 4.8 per cent, Croatia's average growth rate since 2002. The figures released by the Croatian State Bureau of Statistics indicated that GDP growth in 2007 was 5.6 per cent.

2.16 The average consumer price inflation was 3.2 per cent in 2006, a 0.5 per cent increase in the average since 2002, partly due to the impact of rising global oil prices. 2007 saw further increases in inflationary pressures, with the year end inflation rate reaching 5.8 per cent.

2.17 Unemployment remains high at 14.7 per cent for 2007 but is reducing over time (having come down from 17 per cent for 2006). Significant social inequality remains in Croatia, with GDP per head in Zagreb – the richest region – being much higher than regional, particularly war-affected, areas.

2.18 Since 2002, external debt has been rising, increasing from 67.8 per cent of GDP in 2002 to about 87% of GDP in 2007. Croatia experienced a current account

deficit of 7.8 per cent of GDP in 2006, which was estimated to increase to 8.4 per cent in 2007.

Australia's relationship with Croatia

Short history of the relationship

2.19 Australia recognised Croatia on 16 January 1992, following its declaration of independence on 25 June 1991. Diplomatic relations were established on 13 February 1992 and the first Australian Ambassador to Croatia (resident in Vienna) presented credentials the following month. On 21 September 1992, an Australian Consulate was opened in Zagreb. Australia opened an Embassy in Zagreb in October 1999.

Bilateral agreements

2.20 On 8 December 2004, the Australian Government amended Australia's extradition legislation in relation to Croatia. The Extradition (Croatia) Regulations 2004 simplify the requirements for Croatia when making an extradition request to Australia.

2.21 In February 2007, Australia and Croatia finalised air services arrangements, including a Memorandum of Understanding (MOU) and text of an Air Services Agreement to be recommended to respective governments. The arrangement will enable airlines of both sides to operate daily services between Australia and Croatia and help to expand tourism and commercial links.

High Level Visits

2.22 Significant visits to Australia from Croatia include then Minister for Foreign Affairs and European Integration, Ms Kolinda Grabar-Kitarovic in October-November 2005; Ms Vesna Pusic, then Deputy Speaker of the Croatian Parliament in June 2004; a Parliamentary delegation led by then Speaker of the Croatian Parliament, Mr Zlatko Tomcic, in June 2003; Mr Antun Vujic, then Minister of Culture in March 2003; Mr Bozidar Pankretic, then Minister of Agriculture and Forestry in May 2002; and Mr Tonino Picula, then Foreign Minister in August 2001.

2.23 Significant visits to Croatia from Australia include the Governor of New South Wales, HE Marie Bashir (August/September 2007), at the invitation of Croatian President Mesic; members of the Trade Sub-committee of the Joint Standing Committee on Foreign Affairs Defence and Trade who visited Croatia in April 2003 as part of the inquiry into expanding Australia's trade and investment relations with Central Europe. An Australian Parliamentary delegation led by then Speaker of the House of Representatives, the Hon Neil Andrew, visited Croatia in April 2001. The Western Australian Minister for Education and Training, the Hon Mark McGowan MLA, visited Zagreb in April 2007.

Bilateral economic and trade relationship

2.24 Bilateral trade is modest. In 2006-07, two-way merchandise trade with Croatia was A\$40 million. Australian exports to Croatia grew substantially in 2006-07 to A\$21 million, due to increased sales in coal and leather. Imports from Croatia also rose in 2006-07, though not as markedly, to A\$19 million. Principal imports from Croatia include food products and electric power machinery. Opportunities for Australian exporters include the shipping sector, infrastructure, agribusiness, innovative technologies, water management and sectors relating to tourism.

Delegation meetings

2.25 In the Croatian capital, Zagreb, the delegation's work focussed primarily on meetings with the President of the Republic of Croatia, the Prime Minister, the Speaker of the Sabor and Heads of Committees and with the Mayor of Zagreb. The delegation continued with meetings in Vukovar, on Croatia's eastern border, and visited the coastal cities of Split and Dubrovnik.

President of Croatia

2.26 The delegation was very pleased to meet the President of the Republic of Croatia, Mr Stjepan Mesic. The President outlined the importance of European Union accession for Croatia³ and post-war reconstruction (including the prosecution of war criminals through domestic courts and the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague), as well as continuing to work with its immediate neighbours and sustaining international security operation support and peace keeping in, for example, Chad, Afghanistan and East Timor with the United Nations. The President also expressed his pleasure at hearing that the delegation would visit other parts of the country, especially the significance of the scheduled visit to Vukovar⁴. The strength of people to people ties has for many years been a great strength of Australian-Croatian bilateral ties and, indeed, Australia has provided support to Croatia in recent times, for which the President expressed his thanks.

2.27 The leader of the delegation, Senator Hogg, supported by comments made the deputy leader of the delegation, Mr Ruddock⁵, welcomed the comments made by President Mesic and expressed the delegation's admiration for the post war progress that was evident over the past decade. The delegation also re-affirmed the strength of people to people ties that have developed well as a result of Australia's migration program over many years.

3 Discussed in more detail later in this chapter.

4 See 'Vukovar' section in this chapter.

5 Mr Ruddock, as then Minister for Immigration and Multicultural Affairs, travelled to Croatia in 1997.

2.28 The leader of the delegation noted that Australia is very much looking forward to welcoming President Mesic to its shores in early 2009, for a proposed official visit, at which time talks will continue.



The delegation with the President of the Republic of Croatia, Mr Stjepan Mesic

Prime Minister of Croatia

2.29 The delegation met the Prime Minister of Croatia, Dr Ivo Sanader. At this meeting, Prime Minister Sanader stated that he was looking forward to working with Australia's recently elected government and that he has for some years enjoyed working with Australia's leaders and its representatives. Croatian priorities, including EU accession and NATO membership, as well as post-war social and economic progress in the region and beyond were canvassed as was the need to build upon the relatively low level of trade engaged in between the two countries.

Australian visa processing and war crime screening

2.30 Australia's visa processing and war crime screening process was raised by Prime Minister Sanader. In this respect, the leader of the delegation stated that these arrangements were currently being reviewed by the Australian government with a report on the matter expected later in 2008⁶.

Extradition of Dragan Vasiljkovic to Croatia

2.31 Prime Minister Sanader enquired as to the progress of this matter. Mr Dragan Vasiljkovic, also known as Daniel Snedden, is the subject of an extradition request

⁶ See expanded paragraph discussion, *Australia's visa processing*, later in this chapter.

from Croatia. He is wanted to face prosecution in Croatia for three offences against the Basic Criminal Code of the Republic of Croatia allegedly committed during the conflict in the former Yugoslavia, namely one count of alleged war crimes against the civil population under Article 120 of the Code and to two counts of alleged war crimes against prisoners of war under Article 122. On 19 January 2006, pursuant to a request from Croatia, Mr Vasiljkovic was provisionally arrested in Sydney. On 18 March 2006, Australia received a formal request from Croatia for Mr Vasiljkovic's extradition. The leader of the delegation explained that extradition proceedings were continuing in accordance with Australian laws and appeal entitlements and that the case was currently before the Federal Court of Australia.

New Croatian Ambassador to Australia

2.32 Prime Minister Sanader was pleased to advise the delegation that Croatia has appointed a new Ambassador to Australia. Mr Vicencije Biuk, with whom the delegation met at an official Australian Embassy function, is expected to commence his term in Canberra in late 2008.

Issues discussed in detail

Accession to the European Union

2.33 The Speaker of the Croatian Parliament, Mr Luka Bebic, President Mesic and Prime Minister Sanader and others, informed the delegation of the government's and the people's growing focus on joining the European Union (EU). EU accession negotiations officially began on 3 October 2005 after the International Criminal Tribunal for the Former Yugoslavia (ICTY) Chief Prosecutor was satisfied with Croatia's full cooperation. In 2005, the EU had postponed the commencement of accession negotiations due to Croatia's failure to deliver ICTY-indicted General Ante Gotovina to the Hague Tribunal for prosecution. On 7 December 2005 Spanish police arrested Ante Gotovina in the Canary Islands and he is now in The Hague awaiting trial.

2.34 EU accession negotiations are expected to conclude by the end of 2009. According to the European Commission's (EC) 2007 annual report on the accession negotiations good progress was made in terms of the political and economic criteria for accession, but the pace of reform by Croatia needed to accelerate. The report identified specific areas for further work. Particularly, the reform of the judiciary, public administration and health system as well as issues of privatisation, tackling corruption and environmental reform. Other issues that Croatia have needed to address include agriculture, reforming the public procurement system, competition and state aid, and the restructuring of the ship-building sector and other industries. Unresolved issues relating to the return of ethnic Serbs who fled Croatia during the conflict remain another challenge. A further condition, which had been met at the time of EC President Barroso's statement, was that Croatia suspend the application of the Fishing and Environmental Zone in the Adriatic Sea (known by its Croatian

language acronym, ZERP), which had been strongly opposed by Slovenia and Italy, in relation to EU member-states. The delegation also received a briefing from the European Commission to the Republic of Croatia which canvassed the matters raised above⁷.

EU and the National Committee

2.35 EU accession is managed by a specifically established body, the National Committee, members of which the delegation met. The National Committee was established by the Croatian Parliament on 19 January 2005 as a special working body tasked with monitoring EU accession negotiations. It resulted from the consensus of all parliamentary political parties that the membership of Croatia in the EU was a strategic national goal. The National Committee consists of parliamentarians, the Office of the President of the Republic of Croatia, trade unions, employer's associations and the academic community⁸. The delegation heard from Dr Vesna Pusic, Head of the National Committee (and a former Special Visits Program visitor to Australia), that a number of reasons were motivating Croatia's EU accession.

2.36 Full membership in the European Union as a core of stable peace, democratic freedoms and economic development, is one of Croatia's basic foreign policy goals. Croatia sees the idea of a European government as an opportunity for all European nations and countries to unite in building a future based on common values and principles, with the preservation of state, national, political, cultural and economic identity, and their equal co-operation and interfusion.

2.37 In the context of globalisation, Croatia as a small country, similar to other European transition countries, estimates that the best way to develop and ensure prosperity, that is, to realise its national interests, is to join the European Union. The value system of the EU best reflects the interests of building the Croatian society, and by joining the Union, these values will be best protected. The analysis of costs and benefits of entering the EU has shown that Croatia will profit by it in the long term. It is estimated that the possibilities of Croatia's economic, political, scientific and cultural development are greater within the EU, than outside it.

2.38 Discussions with Ms Pusic also encompassed the following considerations from the Croatian perspective: geostrategic (building and sustaining alliances with neighbouring countries); economic (developing competitive industries, mainly in niche markets such as specific category shipbuilding) and sustaining political stability (strong and stable democratic institutions). The meeting also considered the complex

7 Following the return of the delegation, on 5 November, the European Commission (EC) published its 2008 report on Croatian progress toward EU membership. The report outlined a timeframe for the conclusion of EU accession negotiations and provided Croatia with a roadmap for closure of individual negotiation chapters by the end of 2009.

8 From the Croatian Parliament website.
For more, see: <http://www.sabor.hr/Default.aspx?sec=2709>

challenges facing Croatia such as those mentioned above and also noting that time, as October 2009 approaches, was of the essence.

Committee for Interparliamentary Co-operation

2.39 The Interparliamentary Co-operation Committee, together with the Foreign Policy Committee, oversees the implementation of the foreign policy of the Republic of Croatia within the framework of interparliamentary co-operation with other countries and international organisations in activities of common interest. It facilitates co-operation with representative bodies of other countries and international organisations by establishing joint bodies and friendship groups. It also aligns positions on issues of common interest, and exchange experiences through mutual work exchange programs, documentation and informative materials and bulletins, joint meetings between deputies and exchanges of delegations⁹. The delegation met with the head of this committee, Dr Milorad Pupovac, to discuss the importance and manner in which many thousands of Croatians are returning post-war to their homes and properties. The committee, as part of its national role is administering the restoration of property rights, pensions and public services to displaced people.



The delegation with the Speaker of the Croatian Parliament, Mr. Luka Bebić

⁹ From the Croatian Parliament website.
For more, see: <http://www.sabor.hr/Default.aspx?sec=2663>

United Nations briefing

2.40 The delegation was provided with a briefing from the United Nations Development Programme (UNDP), United Nations High Commission for Refugees (UNHCR) and the Organisation for Security and Cooperation in Europe (OSCE). This multi-faceted discussion considered the general work of each organisation and the important developments taking place with respect to the restoration of property rights for displaced, now returning, Croatian citizens (mainly of Serb ethnicity), and refugee programs for Bosnians and Kosovo nationals in Croatia¹⁰.

Australia's visa processing

2.41 All people wanting to come to Australia must apply for a visa and all visa applicants are subject to character checking.

War crimes screening process

2.42 Australia's war crimes screening process was introduced some years ago in order to ensure that people involved in war crimes did not travel to Australia. Where a visa applicant meets certain criteria indicating they may have been involved in conflict where human rights violations occurred, such as in the former Socialist Federal Republic of Yugoslavia (SFRY) in the 1990s, additional information is usually requested of the applicant, such as a military history questionnaire and evidence of honourable discharge. These visa applicants are then subject to further assessment. The delegation discussed this issue at several meetings with its Croatian hosts. The delegation was able to advise Croatian representatives that these arrangements were currently being reviewed by the Australian government with advice on the matter expected to be released later in 2008.

Social security

2.43 The delegation discussed with several Croatian government representatives matters regarding social security. On 13 May 2003, the Australian and Croatian Governments signed a bilateral social security agreement to give improved social security protection to people who have lived and/or worked in both Australia and Croatia. The Agreement came into effect on 1 July 2004.

2.44 Among other things, the Agreement provides that Australian employers do not have a double liability for certain social security payments for Australian employees in Croatia. Specifically, Australian employers will be exempted from the need to make superannuation (or equivalent) contributions under Croatian law where an employee

10 For more on the United Nations Development Programme, see: <http://www.undp.org/>
For more on the United Nations High Commission for Refugees, see: <http://www.unhcr.org>
For more on the Organisation for Security and Cooperation in Europe, see: <http://www.osce.org/>

has been temporarily seconded to Croatia, provided the employee remains covered in Australia by compulsory superannuation arrangements.

People to people links

2.45 At the heart of the bilateral relationship are the personal links built by the large Croatian community in Australia, the largest national group from the former SFRY. The delegation and Croatian representatives agreed that this has helped greatly to generate a significant two-way flow of visitors. The 2006 census recorded 50,990 Croatia-born persons in Australia, and 118,051 persons claiming Croatian ancestry¹¹. The Croatian diaspora is eligible to vote in Croatian presidential and parliamentary elections (but relatively few do).

Vukovar

2.46 Following its work in Zagreb, the delegation continued its journey to Vukovar. Vukovar is a city and municipality in eastern Croatia and the biggest river port in Croatia located at the confluence of the Vuka and the Danube rivers. Vukovar is the center of the Vukovar-Srijem county. It has been made famous mainly because of its war experience of the 1990s, and specifically The Battle of Vukovar in August to November 1991. This was an 87-day siege of the city by the Yugoslav People's Army (JNA), supported by various Serbian paramilitary forces during the 1990's conflict¹².

2.47 During the visit, the delegation met with the Mayor of Vukovar, Ms Zdenka Buljan, and the President of the Vukovar-Srijem County Assembly, Mr Mato Stojanovic. The discussion covered recent history and post-war social and economic reconstruction and considered the future. The meeting heard of the economic and physical destruction suffered during the war and also reflected on Vukovar's greatest loss, the loss of life. The delegation expressed its admiration for the people of Vukovar and their fortitude in overcoming significant hurt and great hardship.

2.48 In moving forward, the County Assembly has established clear priorities, namely; cooperative management of a fully representative County Assembly, the continuing search for hundreds of local persons still missing following the war, the successful return (together with the repossession of property) of displaced locals (of Croatian, Serb and other minority ethnicities), and addressing high unemployment and attracting investment.

2.49 Following this meeting the delegation visited the Vukovar Memorial Hospital where it met the Director, Dr Vesna Bosanac and joined a tour of the premises and the museum. The delegation also visited the nearby Ovčara mass grave. Here, 200 prisoners of war and civilians were executed by Serbian forces in November 1991. The delegation, headed by the leader and deputy leader, paid their respects to those who lost their lives and laid a commemorative wreath at the Ovčara Memorial.

11 From background briefings provided by the Department of Foreign Affairs and Trade, September 2008.

12 http://hrcak.srce.hr/index.php?show=clanak&id_clanak_jezik=17413



The delegation at the Ovčara Memorial

Split

2.50 In Split, the delegation met over a breakfast meeting with the co-owner of the five star *Le Meridien* Hotel Lav, Mr Jim Bosnjak OAM and discussed his business history and investment in Australia and Croatia. This hotel is the largest Australian investment in Croatia and was opened by the Croatian Prime Minister in December 2006.

2.51 The delegation also met with Mr Ante Sanader, District-Prefect of Split-Dalmacija County and Mr Ivan Kuret, Mayor of Split. The meeting heard of the 10 year strong sister-city relationship between Split and the city of Cockburn in Western Australia. Indeed, the Split Chamber of Commerce will be visiting Australia in late 2008 to strengthen its economic ties and partnerships with Cockburn and Australia more broadly. Other matters discussed included the strength of local tourism (including the many islands near to Split), advancements in the organic food industry, stone extraction from quarries, architecture and also education with a focus on science and technology. The meeting also heard of Split's support for Croatian accession to the EU as this is expected to support the business focus in the region and provide incentives for investment in niche areas, such as shipbuilding, while simultaneously addressing high levels of unemployment.

Dubrovnik

2.52 In Split, the delegation met with Ms Mira Buconic, District prefect of the Dubrovnik-Neretva County and also with Ms Dubravka Suica, Mayor of Dubrovnik. In the meetings, the delegation expressed its appreciation of the proud history of Dubrovnik, its people and rich culture. The delegation was also interested in local

tourism¹³ and related economies (such as hospitality and hotels etc), many of which suffered as a result of the conflict of the 1990s. The local economy is still recovering and with the assistance of central authorities in Zagreb continues to build the economic capacity of the region.



Senator the Hon John Hogg with the Mayor of Dubrovnik, Ms Dubravka Šuica

Ms Britt Laphorne

2.53 The visit to Croatia and Dubrovnik coincided with the disappearance of a young Australian backpacker, Melbourne student Ms Britt Laphorne. The leader of the delegation was briefed on the situation upon arrival in Croatia by the Australian Ambassador to Croatia and attended specific meetings with the (then) Croatian Minister for the Interior and police authorities. The Ambassador and the leader of the delegation also met with the Laphorne family in Dubrovnik. This matter was also raised in most meetings attended by the delegation, including with the President of Croatia and the Prime Minister of Croatia. Throughout this case, the Australian Ambassador to Croatia represented the Australian Government and sought to deploy all available resources to assist wherever possible. It was with sincere regret that upon its return to Australia the delegation learnt of Ms Laphorne's death. The sympathies of the delegation remain with the Laphorne family.

13 The population of Dubrovnik was in 2001 approximately 43,000 people and is believed to almost double during its tourism high season, May to September.
See: <http://www.dubrovnik.hr/naslovnicaEng.php>.

Chapter Three

Bosnia and Herzegovina (BiH)

3.1 This chapter outlines Bosnia and Herzegovina's political, social and economic situation and records the substance of meetings held during the delegation's visit.

3.2 The delegation regretted not being able to visit Republika Srpska (RS) due to scheduling limitations. In August 2008, prior to the delegation's visit, Australia's accredited Ambassador Mr Peter Shannon, based in Vienna, visited Banja Luka, the principal city of the Republika Srpska (RS), and called on the Prime Minister, Mr Milorad Dodik, to communicate the delegation's regret at not being able to visit the region on this occasion.

Country Brief¹⁴

3.3 BiH lies at the heart of the Balkans. It shares its northern, western and southern borders with the Republic of Croatia and borders Montenegro and Serbia to the east. It has a territory of 51,129 square kilometres. Its population of approximately 4.5 million (at July 2007) is made up of three main ethnic groups; Bosniaks (Muslims), Croats and Serbs.

Political Overview

3.4 Previously a constituent republic of the Socialist Federal Republic of Yugoslavia, BiH proclaimed independence in March 1992. This triggered a three-year conflict during which the three ethnic groups were at war with each other in varying alliances. The Dayton Peace Agreement, signed on 21 November 1995, put an official end to the fighting.

3.5 The Dayton Agreement endorsed the principle that BiH remain a single state within existing borders. It divided the country into two entities: the Federation of Bosnia-Herzegovina (the Federation), populated mainly by Bosniaks and Croats and comprising 51 per cent of the country; and the Republika Srpska (RS), with a predominantly Serb population, holding 49 per cent of the territory. Dayton set up a federal government with a range of elements. These include, a three-person (eight-month) rotating Presidency, comprising two members from the Federation (one Croat and one Bosniak) and one member from the RS. The Presidency is responsible for foreign policy, appointment of ambassadors, international treaties and coordination with international and non-governmental organisations. Dayton also set up a Council of Ministers, equally divided between the three ethnic groups and responsible for overseeing foreign, economic and fiscal policy.

¹⁴ Much of the historical analysis and data presented throughout this chapter has been provided by the Department of Foreign Affairs and Trade, September 2008.

3.6 The Dayton Agreement established a Parliament comprised of a House of Representatives, a 42-member body (28 from the Federation and 14 from the RS) elected by party list vote, and a House of Peoples, with 15 members (5 Serb, 5 Bosniak and 5 Croat) indirectly elected by the Federation's House of Peoples and the RS National Assembly. It also created a Central Bank. The Federation and the RS both have their own parliamentary assemblies.

Recent political developments

3.7 The most recent general elections in BiH took place in October 2006. Results showed a slight shift towards moderate parties who are now represented in the tripartite Presidency and Council of Ministers (cabinet). The three members of the Presidency are elected for a four year term.

3.8 HE Mr Nebojsa Radmanovic, HE Mr Haris Silajdzic and HE Mr Zeljko Komsic will rotate the presidency chairmanship, in eight-month periods, over the period 2006-2010. President Silajdzic is currently serving as Chairman.

3.9 In February 2007, following coalition negotiations, the BiH House of Representatives confirmed the members of the Council of Ministers. Prime Minister Nikola Spiric heads a seven-party coalition government, representing a wide range of political views.

Economic Overview

3.10 BiH has had robust economic growth since 1995. GDP has more than quadrupled. Inflation remained below 3 percent in 2007 in spite of a one-off increase to 7.5 percent in 2006 due to introduction of the VAT. While significant progress has been made on structural reforms since 1995, the pace of reform in 2006-7 slowed. The banking sector has been largely privatised and modernised, and other financial sector reforms have been well advanced. Despite high rates of growth and an impressive recovery, income related poverty remains a concern. Its levels were estimated at around 18 percent, and a further 30 percent of all citizens are in danger of falling into poverty. The official rate of unemployment remains high at 23.4 percent.

Bilateral Relations

3.11 BiH declared independence on 1 March 1992. Australia recognised BiH in May 1992 and established diplomatic relations in January 1993. The first BiH Ambassador

to Australia presented credentials in January 1995. The first Australian Ambassador to BiH, resident in Vienna, presented credentials in Sarajevo in November 1995.

3.12 In June 2005 the Chairman of the Presidency at the time, HE Mr Borislav Paravac, visited Australia. That was the first high level visit to Australia. Australia opened an Honorary Consulate in Sarajevo on 3 January 2005.

3.13 Trade between Australia and BiH is small. In 2006-07 Australian exports to BiH were valued at A\$1.14 million and consisted mostly of meat (excluding bovine). Imports from BiH to Australia in the same period were valued at A\$3.48 million and comprised mainly of styrene polymers.

Delegation meetings

3.14 In the BiH capital, Sarajevo, the delegation met the Chairman of the Presidency, the Chairman of the Council of Ministers and other ministers, and the Speakers and Deputy Speakers of both houses of the Parliamentary Assembly. The delegation also met representatives of the Interreligious Council and representatives from the Court of BiH. The delegation made a field trip to Mostar in the Herzegovina-Neretva County region, which included a visit to a centre for children and youth with special needs, *Los Rosales*, which receives project funding under the Australian Government's Direct Aid Program (DAP).

Chairman of the Presidency

3.15 The delegation was very pleased to meet with the Chairman of the Presidency, Mr Haris Silajdzic. The President warmly thanked Australia for its support of BiH during and following the war (1992-95), particularly for accepting refugees and providing assistance in the post-war period. The discussion canvassed the political and economic progress made over the past decade¹⁵ and the continuing work required in the areas of governance and constitutional reform for the country to realise its ambitions of joining the European Union and World Trade Organisation (WTO). It was noted that the municipal elections on 5 October (the day before the delegation arrived in Sarajevo) had gone smoothly. The meeting also discussed the strength of people-to-people ties¹⁶ and the common ground found in each others' multicultural and multifaith societies. The President stressed, and the delegation supported, his country's commitment to achieving these stated objectives.

15 Mr Ruddock, as then Minister for Immigration and Multicultural Affairs, travelled to Bosnia and Herzegovina (and also Croatia, as noted in Chapter 2) in 1997.

16 The 2006 Census recorded 24,628 people born in Bosnia and Herzegovina living in Australia.



*Senator the Hon John Hogg meeting the Chairman of the BiH Presidency,
Mr Haris Silajdzic*

Chairman of the Council of Ministers

3.16 The delegation was pleased to meet the Chairman of the Council of Ministers, Mr Nikola Spiric. Mr Spiric outlined his vision for Bosnia and Herzegovina to achieve enduring political stability and prosperity. Mr Spiric described three important goals for BiH: first, social and economic post-war reconstruction; second, implementing a privatisation strategy; and third, as the President explained, Euro-Atlantic integration¹⁷. The delegation was informed about the challenges before BiH, which include building a trusted system of government where the three ethnic groups work effectively together and an economy which provides prosperity for all.

Other parliamentary meetings

3.17 In the meeting with Mr Sven Alkalaj, Minister of Foreign Affairs, the delegation explored opportunities to develop trade in areas such as Australian meat exports, telecommunications, energy, agriculture and road privatisation. It was agreed that strong people-to-people links offered the prospect for improved trade and investment links. These themes were also discussed in other meetings.

3.18 The delegation also met Mr Niko Lozančić, Speaker of the House of Representatives, who was joined by Deputy Speakers of both the House of Representatives and the House of Peoples. This meeting considered current positive economic indicators in BiH, such as the potential for increased tourism.

¹⁷ See below for more information relating to EU and NATO (Euro-Atlantic) accession.

3.19 The delegation was pleased to be received by the Interparliamentary Friendship Group which expressed its strong interest in sustaining and growing communication between the Australian and BiH parliaments.



*The delegation meeting with the Chairman of the Council of Ministers of BiH,
Mr Nikola Špirić*

Other meetings in Sarajevo

Inter-religious Council of Bosnia and Herzegovina

3.20 In Sarajevo, the delegation enjoyed a round table discussion with members of the Inter-religious Council of BiH. The discussion involved representatives from the Orthodox church and the Catholic, Jewish and Islamic communities. The delegation was impressed with the Council's commitment to cooperative social progress and tolerance, particularly as the legacy of unrest in the 1990's passes. An optimistic view of the future was shared with the delegation, who supported the Council's objectives.

Court of Bosnia and Herzegovina

3.21 During a call on the State Court of BiH, the delegation met its President, Meddzida Kreso, who handed over a copy of a project proposal, addressed to the Minister for Foreign Affairs and Trade, Mr Stephen Smith, and the Attorney General, Mr Robert McClelland, for technical assistance to the Court's war crimes chamber. The project has been developed by the new Australian judge in the chamber, Judge David Re, with the assistance of the Australian Embassy in Vienna. The Australian Government's response will be considered and communicated in due course.

Recurring issues discussed in meetings

Accession to the European Union

3.22 Bosnia and Herzegovina has set ambitious goals for political and economic reforms as it strives for deeper integration into European and global markets. BiH was accepted as a member of the Council of Europe in April 2002. In June 2008, BiH signed a Stabilisation and Association Agreement (SAA) with the EU, an important step on the path to membership of the European Union.

3.23 The delegation appreciated that BiH authorities were striving to continue with the reform agenda, with an emphasis on the constitutional reforms required by the EU.

North Atlantic Treaty Organisation (NATO)

3.24 The NATO-led Stabilisation Force (SFOR) had the task of maintaining peace on the ground in Bosnia and Herzegovina from the end of the war in 1995, when troops totalled 60,000, to early December 2004. As the security situation in BiH improved, the focus of its activities shifted from peacekeeping to confidence-building and crime prevention. The EU deployed a peacekeeping mission to Bosnia and Herzegovina (EUFOR) to take over from the NATO SFOR mission in 2004. NATO has, however, maintained a small headquarters in Sarajevo with the task of providing advice on defence reform and certain operational tasks such as counter terrorism, supporting the International Criminal Tribunal for the Former Yugoslavia (ICTY), and intelligence sharing.

3.25 NATO invited BiH to join the Partnership for Peace program at its Summit in Riga on 29 November 2006. Membership of the Partnership for Peace program was an important step towards joining NATO. At its summit in Bucharest in June 2008, NATO welcomed BiH's decision to develop an Individual Partnership Action Plan (IPAP) with NATO and invited BiH to begin an Intensified Dialogue on the full range of political, military, financial, and security issues relating to its aspirations to NATO membership.

Visa Processing

3.26 BiH is in the process of implementing the necessary reforms towards full visa liberalisation with the European Union. During parliamentary meetings the delegation heard of Bosnia and Herzegovina's interest in easing Australia's visa requirements for BiH citizens, particularly for diplomatic passport holders. The leader of the delegation explained that this interest would be communicated to the relevant Australian authorities.

Social Security

3.27 During parliamentary meetings the delegation was reminded about the large BiH diaspora in Australia and the BiH Government's interest in commencing negotiations on a bilateral social security agreement, as well as an investment protection and promotion agreement. In this respect, the leader of the delegation explained that this matter would also be communicated to the relevant Australian authorities.

Aid

3.28 Since 1993-94, Australia has contributed humanitarian assistance worth over A\$17 million to countries in the region, including to Bosnia and Herzegovina. Most of these funds have been provided through international aid agencies, for example the UN High Commissioner for Refugees, the World Food Programme and the International Committee of the Red Cross. Throughout the delegation's visit, Australia's support to BiH in the post-war period was gratefully acknowledged.

Mostar

3.29 On 7 October, the delegation visited Mostar, the largest city in Herzegovina and the centre of the Herzegovina-Neretva Canton of the Federation. The delegation met Mr Ljubo Bešlić, Mayor of Mostar and Mr Murat Ćoric, Chairman of the Mostar City Council. The delegation heard of the council's shared ethnic membership and decision-making structure in the post-war reconstruction era. Discussion also focused on the potential for economic development in the region, including in the provision of airport and navigation related services. The Council believes it continues to build trust and confidence among the local community.

3.30 While in Mostar the delegation was delighted to visit *Los Rosales*, a centre for children and youth with special needs. *Los Rosales* receives project funding from the Australian Government under the Direct Aid Program, which is administered by the Australian Embassy in Vienna. The delegation met the *Los Rosales* manager, Ms Jasna Rebac, enjoyed a tour of the premises, and was warmly welcomed by the children of the centre who had prepared a musical performance.



*Senator the Hon John Hogg
at a press conference with
the Mayor of Mostar, Mr
Ljubo Bešlić*

Appendix One

Delegation Program

- Croatia
- Bosnia and Herzegovina

PROGRAM

of the official visit of
Senator the Honourable John Hogg,
President of the Senate of the Parliament of Australia,
to
the Republic of Croatia
29 September – 5 October 2008

Monday, 29 September 2008

18.15 Arrival in Zagreb

Tuesday, 30 September 2008

10.30 – 11.15 Talks between Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia, and Mr. Luka Bebić, the Speaker of the Croatian Parliament

11.15 – 11.25 Press statements

11.30 – 12.30 Tour of the Zagreb Museum

12.45 – 14.15 Official lunch hosted by Mr. Luka Bebić, the Speaker of the Croatian Parliament, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia

14.30 – 15.15 Talks between Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia, and Dr. Vesna Pusić, Head of the National Committee

15.30 – 16.15 Talks between Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia, and Dr. Milorad Pupovac, Head of the Committee for Interparliamentary Cooperation

Wednesday, 1 October 2008

09.00 – 10.00 Briefing at the hotel (Salon Zelengaj)

10.30 – 11.15 Talks between Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia, and Mr. Stjepan Mesić, the President of the Republic of Croatia

- 11.30 – 12.15 Talks between Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia, and Dr. Ivo Sanader, Prime Minister of the Government of the Republic of Croatia
- 12.30 – 14.00 Working lunch hosted by Mr. Milan Bandić, Mayor of Zagreb, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia
- 14.30 – 15.30 UNDP Briefing
- 19.00 – 21.00 Reception hosted by H. E. Ms. Tracy Reid, Ambassador of Australia to the Republic of Croatia, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia

Thursday, 2 October 2008

- 08.00 Departure for a field trip to Vukovar
- 11.55 Arrival to the Vukovar – Srijem County premises
- 12.00 – 13.00 Meeting with Mr. Mato Stojanović, President of the Vukovar – Srijem County Assembly and Ms. Zdenka Buljan, Mayor of Vukovar
- 13.20 – 14.20 Lunch hosted by Mr. Mato Stojanović, President of the Vukovar – Srijem County Assembly and Ms. Zdenka Buljan, Mayor of Vukovar, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia
- 14.30 – 15.10 Tour of the Vukovar Memorial Hospital
- 15.30 Walk tour of the Ovčara Memorial
- 15.50 Placing of the wreath at Ovčara Memorial
- 16.00 Farewell to the hosts, Mr. Mato Stojanović, President of the Vukovar – Srijem County Assembly and Ms. Zdenka Buljan, Mayor of Vukovar
- 16.30 Departure towards Zagreb
- 20.30 Arrival to the Zagreb Airport
- 21.20 Departure for Split
- 22.05 Arrival to the Split Airport

Friday, 3 October 2008

- 09.00 – 10.00 Meeting with Mr Jim Bosnjak OAM
- 10.30 – 11.30 Meeting with Mr. Ante Sanader, District-prefect of Split – Dalmacija County, and Mr. Ivan Kuret, Mayor of Split
- 12.00-13.00 Tour of Split
- 13.00 – 14.30 Lunch hosted by Mr. Ante Sanader, District-prefect of Split – Dalmacija County, and Mr. Ivan Kuret, Mayor of Split, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia
- 15.30 Departure for Dubrovnik (bus)

Saturday, 4 October 2008

- 10.00 – 10.45 Meeting with Ms. Mira Buconić, District-prefect of Dubrovnik - Neretva County
- 11.00 – 11.45 Meeting with Ms. Dubravka Šuica, Mayor of Dubrovnik
- 12.00 – 13.30 Lunch hosted by Ms. Dubravka Šuica, Mayor of Dubrovnik, in honour of Senator the Honourable John Hogg, President of the Senate of the Parliament of Australia

Sunday, 5 October 2008

- 12.00 Departure for Zagreb
- 14.35 Departure for Sarajevo

PROGRAM

*of the Official Visit of the
Senator the Honourable John Hogg, President of the Senate
and a Parliamentary Delegation of Australia
to
Bosnia and Herzegovina
5 – 8 October 2008*

Sunday, 5 October 2008

- | | |
|---------------|--|
| 15.30 | Arrival in Sarajevo |
| 16.30 – 18.45 | Tour of Sarajevo City Center |
| 19.00 – 21.00 | Dinner hosted by the Parliamentary Friendship Group of the PA of BiH |

Monday, 6 October 2008

- | | |
|---------------|--|
| 10.00 – 10.45 | Meeting with the members of the Collegium of both Houses of the PA of BiH |
| 10.45 – 11.15 | Press conference (Room 3/II) |
| 11.15 – 11.45 | Meeting with Mr Nikola Špirić, Chairman of the Council of Ministers of BiH |
| 12.00 – 12.30 | Meeting with the Members of the Presidency of BiH |
| 12.35 – 13.05 | Meeting with Mr Sven Alkalaj, the Minister of Foreign Affairs of BiH |
| 13.15 – 15.00 | Lunch hosted by Mr Niko Lozančić, Speaker of the House of Representatives of the PA of BiH |
| 15.10 – 15.40 | Meeting with the Interreligious Council in BiH |
| 19.00 – 21.00 | Dinner hosted by the Chairmen of the Committees of the PA of BiH |

Tuesday, 7 October 2008

- | | |
|-------|---------------------------------------|
| 09.00 | Departure of the delegation to Mostar |
|-------|---------------------------------------|

11.30 – 12.00	Meeting with Mr Ljubo Belišić, the Mayor of Mostar and Mr Murat Ćorić, the Chairman of the Mostar City Council
12.10 – 12.50	Visiting Los Rosales, the Centre for Children and Youth
12.50 – 14.00	Visiting the Old Town of Mostar
14.30 – 16.00	Lunch hosted by Mr Ilija Filipović, Deputy Speaker of the House of Peoples of the PA BiH
16.00	Departure to Sarajevo
19.00	Reception hosted by the Australian Parliament

Wednesday, 8 October 2008

10.00 – 10.45	Visiting the Court of BiH
12.45	Departure from Sarajevo to Australia

SPOUSE PROGRAM

Monday, 6 October 2008

10.00 – 10.45	Visiting the children village, SOS Kinderdorf
11.00 – 12.00	Visiting Museum: Svrzina kuća, Old Town
12.00	Departure to Fojnica
13.00	Visiting Franciscan Monastery in Fojnica
14.00 – 15.30	Lunch at the Monastery
15.30	Departure to Sarajevo
19.00 – 21.00	Official Dinner

Appendix Two

Fact Sheets¹⁸

- Croatia
- Bosnia and Herzegovina

18 <http://www.dfat.gov.au>



CROATIA

Fact Sheet

General information:

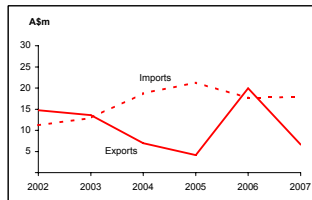
Fact sheets are updated biannually; May and September

Capital:	Zagreb
Surface area:	57 thousand sq km
Official language:	Croatian
Population:	4.4 million (2007)
Exchange rate:	AS\$1 = 4.5014 Kuna (Feb 2008)

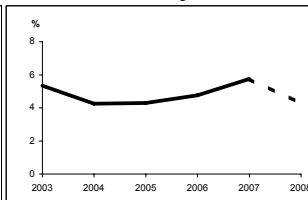
Head of State:	President HE Mr Stjepan Mesic
Head of Government:	Prime Minister HE Mr Ivo Sanader

Recent economic indicators:	2003	2004	2005	2006	2007(a)	2008(b)
GDP (US\$bn) (current prices):	29.6	35.6	38.9	42.9	51.4	60.1
GDP PPP (US\$bn) (c):	51.4	54.7	58.8	63.5	69.0	73.4
GDP per capita (US\$):	6,663	8,030	8,753	9,666	11,576	13,553
GDP per capita PPP (US\$) (c):	11,565	12,328	13,235	14,309	15,549	16,537
Real GDP growth (% change YOY):	5.3	4.3	4.3	4.8	5.8	4.3
Current account balance (US\$m):	4,442	4,439	4,442	4,440	4,436	4,436
Current account balance (% GDP):	-1.8	-1.7	-2.4	-3.4	-4.4	-5.4
Goods & services exports (% GDP):	50.3	49.3	48.6	50.0	47.7	48.4
Inflation (% change YOY):	1.8	2.0	3.3	3.2	2.9	5.5

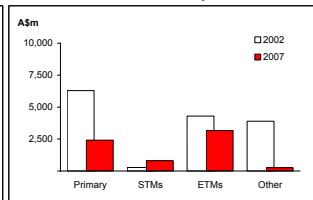
Australia's merchandise trade with Croatia



Real GDP growth



Australia's merchandise exports to Croatia



Australia's trade relationship with Croatia (d):

Australian merchandise trade with Croatia, 2007:

Exports to Croatia (A\$m):	7	Total share:	0.0%	Rank:	138th	Growth (yoy):	-66.8%
Imports from Croatia (A\$m):	18		0.0%		79th		1.2%
Total trade (exports + imports) (A\$m):	25		0.0%		108th		-34.9%

Major Australian exports, 2007 (A\$m):

Specialised machinery	2
Raw hides & skins (except furskins)	1
Cheese & curd	1
Leather	1

Major Australian imports, 2007 (A\$m):

Electric power machinery	4
Soups, broths & preparations	2
Meat prepared or preserved	1
Toys, games & sporting goods	1

Australia's trade in services with Croatia, 2007:

Exports of services to Croatia (A\$m):	na	Total share:	na
Imports of services from Croatia (A\$m):	na		na

Croatia's global merchandise trade relationships:

Croatia's principal export destinations, 2007:

1	Italy	19.1%
2	Bosnia-Herzegovina	14.4%
3	Germany	10.0%
48	Australia	0.1%

Croatia's principal import sources, 2007:

1	Italy	16.1%
2	Germany	14.4%
3	Russian Federation	10.1%
60	Australia	0.0%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.
na Data not available.



BOSNIA-HERZEGOVINA

Fact Sheet

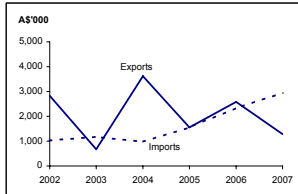
General information:

Fact sheets are updated biannually; May and September

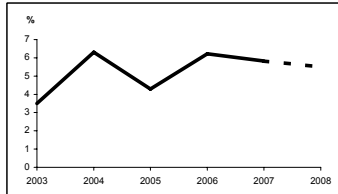
Capital:	Sarajevo	Head of State:	HE Mr Haris Silajdžić (current Chairman), HE Mr Nebojša Radmanović and HE Mr Željko Komšić (8 month rotating presidency)
Surface area:	51 thousand sq km	Head of Government:	Chairman of the Council of Ministers, Mr Nikola Špirić
Official languages:	Bosnian, Serbian, Croatian		
Population:	4.0 million (2007)		
Exchange rate:	A\$1 = 1.2111 KM (Feb 2008)		

<u>Recent economic indicators:</u>	2003	2004	2005	2006	2007(a)	2008(b)
GDP (US\$bn) (current prices):	8.4	10.0	10.8	12.3	14.8	17.8
GDP PPP (US\$bn) (c):	19.7	21.4	23.3	25.5	27.7	29.8
GDP per capita (US\$):	2,174	2,581	2,751	3,105	3,712	4,443
GDP per capita PPP (US\$) (c):	5,110	5,497	5,942	6,460	6,964	7,436
Real GDP growth (% change YOY):	3.5	6.3	4.3	6.2	5.8	5.5
Current account balance (US\$m):	-1,627	-1,639	-1,938	-1,025	-1,920	-2,495
Current account balance (% GDP):	-19.4	-16.3	-18.0	-8.4	-13.0	-14.0
Goods & services exports (% GDP):	26.2	29.4	32.6	36.8	37.7	na
Inflation (% change YOY):	0.5	0.3	3.6	7.5	1.3	4.8

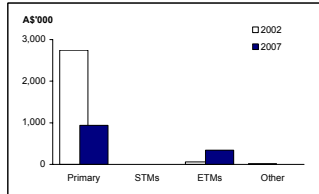
Australia's merchandise trade with Bosnia-Herzegovina



Real GDP growth



Australia's merchandise exports to Bosnia-Herzegovina



Australia's trade relationship with Bosnia-Herzegovina (d):

Australian merchandise trade with Bosnia-Herzegovina, 2007:		<u>Total share:</u>	<u>Rank:</u>	<u>Growth (yoy):</u>
Exports to Bosnia-Herzegovina (A\$'000):	1,281	0.0%	176th	-50.4%
Imports from Bosnia-Herzegovina (A\$'000):	2,947	0.0%	125th	26.6%
Total trade (exports + imports) (A\$'000):	4,228	0.0%	167th	-13.9%

Major Australian exports, 2007 (A\$'000):

Meat (excl. bovine)	929
Coated flat-rolled steel	234
Structures of iron, steel or aluminium	55
Medicaments (incl. veterinary)	15

Major Australian imports, 2007 (A\$'000):

Polymers of styrene, primary	627
Footwear	446
Cereal preparations	249
Furniture	227

Australia's trade in services with Bosnia-Herzegovina, 2007:

		<u>Total share:</u>
Exports of services to Bosnia-Herzegovina (A\$m):	na	na
Imports of services from Bosnia-Herzegovina (A\$m):	na	na

Bosnia-Herzegovina's global merchandise trade relationships:

Bosnia-Herzegovina's principal export destinations, 2007:			Bosnia-Herzegovina's principal import sources, 2007:		
1	Croatia	18.4%	1	Croatia	17.6%
2	Serbia	13.7%	2	Germany	12.5%
3	Italy	13.1%	3	Serbia	10.2%
46	Australia	0.0%	64	Australia	0.0%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.
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