



Australian Government

Department of Foreign Affairs and Trade

# ANNUAL REPORT 2012-2013

ديبلوماسية Le commerce Diplomatie 貿易 သံတမန်ရေးရာ Handel **Diplomazia** 통상 ทางการทูต  
Perdagangan διπλωματία ពាណិជ្ជកម្ម Diplomacy بازرگانی Trade دیبلوماسية Diplomatiya  
εμπόριο Diplomasi Comercio سفارت kereskedelem **Diplomati** 외교 **Commerce**  
Ticaret Commercio سوداگری ការទូត Diplomacia व्यापार تجارة торговля Thương mại **Komerc**  
**Diplomazia** 통상 ทางการทูต Ngoại giao Comércio Дипломатия Diplomacy یاستس Pe  
သံတမန်ရေးရာ ពាណិជ្ជកម្ម Diplomatiya **Treid** कूटनीति دیبلوماسية **Diplomatiko** 外交 Trade εμπόρ  
**Commerce** ការកើ កုန်သွယ်ရေး تجارت La diplomatie Diplomasia Ticaret Commercio

managing  
Australia's  
diplomatic  
relations through  
accreditations to  
**197 countries**

working with  
other nations by  
contributing to  
**44 multilateral  
forums** to manage  
global issues

driving Australia's  
engagement with  
the rest of the world  
through facilitating  
**254 high level  
visits**

providing consular  
assistance to  
Australians  
overseas, with  
**over 1200 active  
consular cases**  
at any one time

issuing over  
**1.7 million  
passports**

manage  
**95 diplomatic  
missions** in five  
continents

the countries  
covered by  
Australia's current  
**9 FTA negotiations**  
and the 6 FTAs  
already concluded  
represent **73%** of  
Australia's global  
trade – a total of  
**\$447 billion**

oversee a network  
of **over 60  
honorary consuls**  
worldwide

- Embassies and High Commissions
- Consulates-General
- Multilateral Missions
- ◇ State and Territory Offices
- Representative Offices

# ABOUT US

**The role of the Department of Foreign Affairs and Trade is to advance the interests of Australia and Australians internationally.**

DFAT is the lead agency managing Australia's international presence through a network of 95 overseas posts in 77 countries. Over 4,200 staff in Canberra, state and territory offices and overseas posts, including locally engaged staff, are focused on achieving outcomes in three areas:

- advancing Australia's international strategic, security and economic interests through bilateral, regional and multilateral engagement;
- protecting and ensuring the welfare of Australians abroad through timely and responsive travel advice and consular and passport services in Australia and overseas; and
- securing Australia's presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate.

We work with other government agencies to ensure that Australia's pursuit of its global, regional and bilateral interests is coordinated effectively.

We conduct our business in over 27 foreign languages.

Our greatest assets are our people and our overseas network.

# WHAT WE DO

- provide foreign and trade policy advice to the Australian Government
- represent and advocate Australia's interests to foreign governments and in international and regional organisations
- negotiate international agreements
- build public understanding, both in Australia and internationally, of Australian Government policies and priorities through advocacy and outreach activities
- facilitate safe and secure travel for Australians overseas through timely and responsive travel advice, consular services and a secure passport system
- provide and maintain the government's global classified communications system, delivering ICT services to 40 agencies in Australia
- deliver management services to 28 government departments and agencies with an overseas presence.





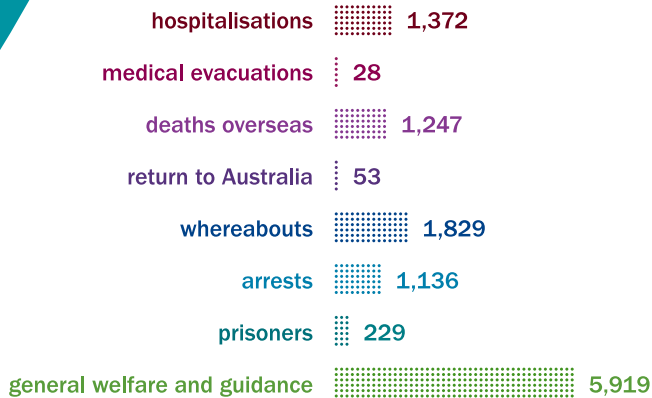
received around **\$971 million**  
in government appropriations to manage  
the department's business



management of the government owned  
and leased overseas estate, comprising  
**960 properties in 95 locations;**  
the owned estate has a market value  
of \$1.8 billion



assisted **11,927** Australians  
in difficulty overseas



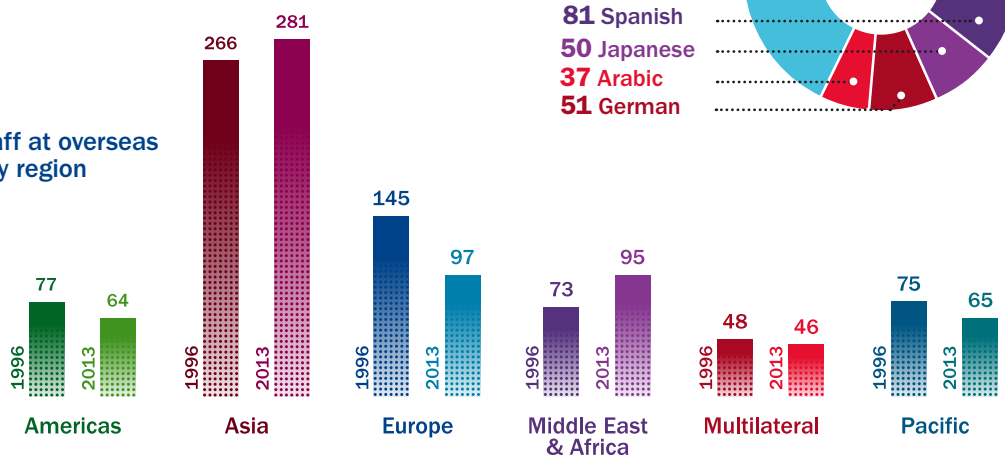
invested over \$90m in information  
technology to deliver a secure and  
**reliable global network**  
to the department and other government  
agencies with an international presence

**637** APS staff with a working  
level proficiency in one or more  
foreign languages

#### Major Languages



APS staff at overseas  
posts by region





ISSN 1032-2019 (print)

ISSN 1839-5147 (online)

ISBN 978-1-74322-091-7 (book)

ISBN 978-1-74322-092-4 (pdf)

ISBN 978-1-74322-093-1 (online)

Creative Commons



With the exception of the Commonwealth Coat of Arms and where otherwise noted (including photographs protected by copyright), this report is licensed under a Creative Commons Attribution 3.0 Australia licence <http://creativecommons.org/licenses/by/3.0/au/>.

The report should be attributed as the Department of Foreign Affairs and Trade Annual Report 2012-13.

#### **Use of the Coat of Arms**

The terms under which the Coat of Arms can be used are detailed on the It's an Honour website <http://www.itsanhonour.gov.au/coat-arms/index.cfm>.

#### **Acknowledgments**

Executive Editor	Maree Ringland
Coordinating Editor	Dr Moreen Dee
Assistant Editor	Denis Cairney
Editorial Consultant	Ann Harrap
Indexer	Michael Harrington

#### **Internet website**

[http://www.dfat.gov.au/dept/annual\\_reports](http://www.dfat.gov.au/dept/annual_reports)

#### **Contact**

Inquiries about the annual report are welcome and should be directed to:

Director, Corporate Planning Section  
Executive, Planning and Evaluation Branch  
Department of Foreign Affairs and Trade  
RG Casey Building, John McEwen Crescent  
Barton ACT 0221

Phone 02 6261 3299

Fax 02 6261 3541

Email [editor.annualreport@dfat.gov.au](mailto:editor.annualreport@dfat.gov.au)

Design by ZOO Advertising

Typesetting by Ogle Digital

Printing by Union Offset



Australian Government  
Department of Foreign Affairs and Trade

Secretary

Telephone: 02 6261 2472  
Facsimile: 02 6273 2081

19 September 2013

The Hon. Ms Julie Bishop MP  
Minister for Foreign Affairs

The Hon. Mr Andrew Robb AO MP  
Minister for Trade and Investment

Dear Minister

It is my pleasure to present to you the Annual Report of the Department of Foreign Affairs and Trade for the financial year 2012–13.

The report has been prepared pursuant to section 63 of the *Public Service Act 1999* and in accordance with the *Requirements for Annual Reports* as approved by the Joint Committee of Public Accounts and Audit on 28 June 2012 and amended 24 June 2013. Subsection 63(1) of the *Public Service Act 1999* provides that, after the end of the financial year, the Secretary of a department must give a report to ministers on the department's activities for presentation to the Parliament.

In presenting the Annual Report, I thank my colleagues in the department for their professionalism and dedication in advancing the interests of Australia and Australians internationally over the past year.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. Varghese'.

Peter Varghese AO

# CONTENTS

<b>Section 1: Overviews</b>	<b>7</b>
Secretary's review	9
Departmental overview	14
<b>Section 2: Performance reporting</b>	<b>19</b>
<b>Program 1.1: Foreign affairs and trade operations</b>	<b>22</b>
1.1.1 North Asia	24
1.1.2 Southeast Asia	32
1.1.3 Americas and Africa	41
1.1.4 Europe	49
1.1.5 South and West Asia and Middle East	57
1.1.6 Pacific	64
1.1.7 Bilateral, regional and multilateral trade negotiations	73
1.1.8 Trade development and policy coordination	84
1.1.9 International organisations, legal and environment	90
1.1.10 Security, nuclear disarmament and non-proliferation	99
1.1.11 Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	104
1.1.12 Services to diplomatic and consular representatives in Australia	108
1.1.13 Public information services and public diplomacy	111
<b>Program 1.2: Payments to international organisations</b>	<b>123</b>
<b>Program 1.3: Public information services and public diplomacy</b>	<b>124</b>
<b>Program 2.1: Consular services</b>	<b>128</b>
<b>Program 2.2: Passport services</b>	<b>136</b>
<b>Program 3.1: Foreign affairs and trade operations</b>	<b>144</b>
<b>Program 3.2: Overseas property</b>	<b>153</b>
<b>Section 3: Corporate management and accountability</b>	<b>157</b>
Overview	159
Corporate governance	159
External scrutiny	164
Management of human resources	166
Management of financial resources	173



<b>Section 4: Appendixes</b>	<b>177</b>
1 Ministerial responsibilities (as at 30 June 2013)	179
2 Staffing overview	181
3 Agency resource statement and tables of expenses by outcomes	187
4 Workplace health and safety	191
5 Inquiries by parliamentary committees	193
6 Matters before courts and administrative tribunals	195
7 Ecologically sustainable development and environmental performance	196
8 Purchaser-provider arrangements	198
9 Advertising and market research	200
10 Grants and contributions	201
11 List of sponsors	203
12 Summary of the overseas network	210
13 Publications register	218
<b>Section 5: Financial statements</b>	<b>221</b>
Independent auditor's report	223
Statement by the Chief Executive and Chief Financial Officer	225
Financial Statements	226
Notes to and forming part of the financial statements	237
<b>Section 6: Subsidiary material</b>	<b>297</b>
Guide to the report	299
Glossary of terms	300
Acronyms and abbreviations	302
List of tables	306
List of figures	307
List of photographs	308
List of requirements	311
Index	314



1.

del **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia **ياسستس**  
 Լա **Trade** ديپلوماسية **Diplomatija** **Treid** कूटनीति **ديپلوماسی** **Diplomatiko** 外交 **Kalakalan**  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး **تجارت** **La diplomatie**  
**تجارة** **торговля** **Thương mại** **Komersiu** **تجارت** **le commerce** **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** **ياسستس** **Perdagangan** ديپلوماسية **διπλωματία** **Kalakalan** بازرگانی  
**ديپلوم** **Diplomatiko** 外交 **Trade** εμπόριο **Diplomasi** **Com** kereskedelem 외교  
**Diplomasia** **Ticaret** **Commercio** سوداگری **การค้า** **تجارة** **торговля**



2.

#### Images:

1. Ambassador to China, Frances Adamson, visiting Yungog Central Boarding Primary School in Hainan Tibetan Autonomous Prefecture, Qinghai Province, 12 June 2013. [Australian Embassy Beijing]

2. DFAT staff lead a public consultation on the Australia in the Asian Century White Paper, Sydney, 14 May 2012. (From left): Peter Rowe, Mark Laduzko (PM&C), Philipp Ivanov, John Fisher, Vanessa Lai, Leigh Soding, Pierre Grobler. [DFAT]

3. Minister for Foreign Affairs, Senator Carr, accompanied by High Commissioner to Papua New Guinea, Ian Kemish AM, is greeted on arrival in the PNG Highlands, 5 December 2012. [DFAT/Michael Wightman]

# OVERVIEWS

## SECTION 1

دبلوماسية le commerce Diplomatie 貿易 သံတမန်ရေးရာ Handel **Diplomazia** 통상 ทางการค้า  
 Perdagangan διπλωματία ពាណិជ្ជកម្ម Diplomacy بازرگانی Trade دیپلوماسیة Diplomatiја  
 εμπόριο Diplomasi Comercio سفارت kereskedelem **Diplomati** 외교 **Commerce**  
 Ticaret Commercio سوداگری ការទូត Diplomacia व्यापार تجارة торговля Thương mại  
**Diplomazia** 통상 ทางการทูต Ngoại giao **Comércio** Дипломатия Diplomacy یاستس  
 သံတမန်ရေးရာ ពាណិជ្ជកម្ម Diplomatiја **Treid** कूटनीति دیپلوماسیة **Diplomatiko** 外交 Trade εμπόριο  
**Commerce** การค้า ကုန်သွယ်ရေး تجارت La diplomatie Diplomasia Ticaret Commercio





# OVERVIEWS

Secretary's review

9

Departmental overview

14

# SECRETARY'S REVIEW



Secretary, Peter Varghese AO. [DFAT]

In my first Secretary's Review, I'd like to start by thanking my predecessor, Dennis Richardson, for leaving the department in such fine shape. The culture of any organisation derives much of its nature from its chief executive – and Dennis's energy and drive left a lasting imprint on the ethos of the Department of Foreign Affairs and Trade.

Over 2012–13, economic and strategic power continued to shift inexorably from the Atlantic to the Indo-Pacific. Asia has re-emerged as a region of first order economic and strategic significance in its own right. The international system is working its way through a period of flux, against the backdrop of global economic uncertainty. Regional and global institutions are seeking to catch-up and properly accommodate these changes. Australia's future prosperity will depend more than ever before on its external environment and its ability to advance its national interests abroad.

This is of course the core business of the department. And the department's work depends vitally on our overseas network. It is our 95 overseas posts that do much of the heavy lifting in building networks of influence for Australia, advocating Australian interests abroad, supporting official visits, providing analysis, and assisting Australians in distress. The role of the department in Canberra and our offices across Australia is to provide policy advice to ministers and the government, negotiate bilateral and regional trade agreements, lead whole-of-government engagement in regional organisations such as APEC and the East Asia Summit (EAS), engage with business and community groups, deliver passports and consular services to Australians and provide corporate services for the organisation, both at home and abroad.

**... Australia's future prosperity will depend more than ever before on its external environment and its ability to advance its national interests abroad ...**

No department prospers in isolation. Strong whole-of-government collaboration is essential to the successful development and advancement of Australian interests abroad on issues as challenging and diverse as people smuggling, counter-terrorism, cyber security, disaster response, transport security, trade in agriculture, development assistance, peacemaking and peacekeeping. Our overseas missions reflect this increasingly varied mix, with our ambassadors and high commissioners leading teams with officers from 28 government agencies.

## Significant issues and developments

If Australia is to take full advantage of the opportunities of the Asian century, we need to work harder to build and deepen our understanding of and engagement with the region.

In the past year, the department dedicated considerable resources and diplomatic attention to our six core bilateral relationships — the United States, China, Japan, Indonesia, India and the Republic of Korea, recognising that Australia's prosperity is tied to that of our key partners. Highlights of the department's work on these relationships included:

- Leading a whole-of-government effort to develop country strategies out to 2025—a commitment under the *Australia in the Asian Century* White Paper—to better identify whole-of-Australia objectives and priorities for the Asian century to guide our engagement with Japan, China, Indonesia, India and the Republic of Korea.
- Sustaining high-level engagement with the US Administration. The Australia–United States Ministerial (AUSMIN) consultations in Perth in November 2012—co-organised with the Department of Defence—provided an early opportunity to engage with the newly-returned Obama Administration across the gamut of our shared international political, security and economic interests.
- Laying the groundwork for the enhanced bilateral consultation arrangements agreed with **China** during Prime Minister Gillard's visit to Beijing in April 2013. Australia now has an annual leaders-level meeting and ministerial-level economic, and foreign and strategic, dialogues. Australia joins the United States, Russia, Germany and Britain as the only countries to have similar arrangements with China. The department led difficult free trade agreement (FTA) negotiations

with Australia's most significant trading partner.

- Further strengthening our already comprehensive relationship with **Japan**, our most comprehensive in Asia, agreeing to a joint vision for security and defence at the fourth annual '2+2' dialogue between foreign and defence ministers in September 2012. We narrowed negotiations on an FTA to a small number of sensitive market-access issues.
- Engaging more closely with **Indonesia**, through the second Annual Leaders' Meeting in Darwin in July 2012 and the second Foreign and Defence Ministers' Meeting in Jakarta in April 2013. Starting negotiations on the Indonesia–Australia Comprehensive Economic Partnership Agreement was a significant milestone.
- Continuing to build Australia's strategic partnership with **India**, by supporting the Joint Ministerial Commission, and progressing negotiations on a comprehensive economic cooperation agreement. The department also led the first round of negotiations on an Australia–India nuclear cooperation agreement.
- With the **Republic of Korea**, setting up the first '2+2' meeting (held July 2013), the first such meeting the ROK has held with any country apart from the United States. Negotiations on an FTA are close but unfinished owing to differences on a small range of sensitive issues.

Australia's immediate neighbourhood remains a perennial priority for the department. In this we have worked closely with **New Zealand**. Our engagement is centred on a desire for security, stability and prosperity shared through the region:

- Supporting the conclusion of the UN Integrated Mission in **Timor-Leste** (UNMIT) and withdrawing the Australian-led International Stabilisation Force, marking an important milestone in the progress of this new nation.



- In the **Pacific**, leading Australia's participation in the Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations, which have expanded and intensified, assisting with the implementation of the Seasonal Worker Program.
- Coordinating the further drawdown of the Regional Assistance Mission to **Solomon Islands** (RAMSI), and following national elections in **Papua New Guinea**, the department led Australia's intensive engagement to provide a framework for our modern and dynamic partnership.

As we look more broadly at the world today, demographic, economic and political shifts require regional approaches to solving our biggest challenges. New players are emerging in all parts of the globe. Increasingly, as relationships among the world's established and emerging great powers shift, we will need to work with regional powers to harness our common interests and influence changes in accordance with our national interests.

Regional institutions will be of enduring importance for Australia. With this in mind, we focused our diplomatic efforts on the EAS and ASEAN. Over time, we hope the EAS will develop into the premier regional institution, driving financial and economic integration, building confidence, and nurturing a culture of collaboration on security issues.

- The department supported ministerial and leaders' discussions in the **EAS** and the **ASEAN Regional Forum** on regional security issues, including on the South China Sea, the Korean peninsula, and non-proliferation. The government announced the appointment of Australia's first resident Ambassador to **ASEAN** in 2013.

We believe a global rules-based approach and strong institutions are a vital support for and driver of Australia's continued peace and prosperity.

- Consequently, the department led a whole-of-government effort to secure Australia's election to the UN Security

Council as a non-permanent member for 2013 and 2014. In the first six months we have established ourselves as a constructive and capable council member, contributing to international sanctions work, and playing an important role in the council's approach to Afghanistan, the debate on Syria, as well as counter-terrorism.

### ... we will need to work with regional powers to harness our common interests and influence changes in accordance with our national interests ...

Just as the United Nations and the EAS are important to minimising strategic risk, **trade policy** is central to maximising economic opportunity. We are pursuing Australia's objectives of free trade through complementary routes. Both bilateral FTAs and regional agreements such as the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) underpin Australia's interest in expanding global free trade.

- The **Australia–Malaysia Free Trade Agreement**, Australia's seventh FTA, entered into force last year. In addition, we began **RCEP** negotiations, involving ASEAN and its six FTA partners.
- The department led negotiations on nine free trade agreements. The countries covered by Australia's current FTA negotiations and the six FTAs already concluded represent 73 per cent of Australia's global trade—a total of \$447 billion.
- We continue to push for momentum in multilateral trade negotiations despite the stalled **World Trade Organization** Doha Round, as well as pursuing other paths to trade reform, including taking a lead in the Trade in Services Agreement negotiations.

**APEC** also continues to operate as an important vehicle for deepening Australia's

economic integration with the Asia-Pacific region and fostering habits of practical, reform-oriented collaboration.

Australia's membership of the G20 is vital in times of economic uncertainty. The G20 has the right size and membership to get things done and is key to driving Australia's international economic engagement. It's small enough to make decisions, but weighty enough to have a global impact.

- In preparation for Australia's **G20** presidency from December 2013, the department contributed policy advice on trade, development, food security and energy issues. We escalated our advocacy efforts with G20 countries and a range of international organisations to build support for the G20 forum and its forward agenda.

**... Australia cannot assume that our interests and values, or the international rules which we helped shape and continue to adopt, will remain unchallenged ...**

## Delivering services to Australians

Providing Australians with high-quality consular and passport services represents a significant dimension of our work as Australians travel abroad in ever greater numbers. For most Australians, the Australian Passport Office is their only point of contact with the department. In the interests of ensuring the ongoing security of Australian passports we are working to develop the next generation of passports, the P-series, scheduled to be issued in August 2014.

With 8.8 million departures by Australian citizens and permanent residents over the past year, we issued just over 1.7 million passports and assisted 11 927 Australians in difficulty overseas. Many of those consular cases were in remote places and under challenging circumstances. Over the year, a number of high-profile cases involving detention and legal proceedings required substantial resources.

## Corporate governance and management

The past year has been challenging, requiring careful reflection on Australia's current and future interests and allocation of resources.

Staff development and language training remained a priority. We increased the language training budget by a modest 3.3 per cent to allow for the language introductory program to include Japanese, Arabic and Indonesian. Despite an ageing information and communications technology system, we completed 42 development projects to improve capability, particularly at overseas posts, and to prepare a suitable platform for long-term improvements. We secured budget funding for the International Communications Network program, which from 2013-14 will replace the present secure communications network for use by the department and other government agencies.

We continued to manage, maintain and improve Commonwealth-owned property and leased estate which is used by 28 Australian government agencies. In June 2013, this was valued at \$1.8 billion. We progressed plans to construct new embassy complexes in Jakarta and Bangkok. The department allocated substantial capital and other resources to monitoring, maintaining and improving security at Australia's missions overseas.

## Outlook

The world is becoming more complex and our strategic environment more crowded. Australia cannot assume that our interests and values, or the international rules which we helped shape and continue to adopt, will remain unchallenged. As China and India assume great power status, we must adapt to a changing strategic arena. Our priority interests are better considered now in the multipolar context of the Indo-Pacific, including the security of maritime passages so vital to our increasingly globalised trade.

Taking multilateral approaches to optimise our influence in solving global problems is getting harder as membership broadens. We will continue to respond to this creatively: by advancing institutional reforms, building and adapting other bodies to reflect new and changing needs, and forming new coalitions. The coming year will be a busy period for the UN Security Council, with our membership continuing to provide Australia with unique opportunities to bring the perspectives of Australia and the wider Pacific region to the highest decision-making table in global affairs.

### **... the corporate challenge ... will be to maintain an effective overseas network and adequately staffed Canberra-based operation ...**

We have a strong interest in preserving and promoting the role of the G20. A successful G20 not only advances Australia's economic prospects, but preserves our influence in a key international body. Our chairmanship in 2014 will not only help us to shape the agenda but also demonstrate the value of our participation in such formative institutions.

2014 will see the end of Australia's military deployment through the International Security Assistance Force in Afghanistan. We must now ensure that the follow-up

'soft power' engagement is right, including through more training of national security forces, assistance with good governance, and providing on-going humanitarian aid.

In the coming year we plan to develop a consular strategy that will outline a three-year plan to promote improvements and innovation in the delivery of consular services. A key element of the strategy will be to focus resources on assisting Australians most in need of help, and to sharpen our public messaging to emphasise that consular assistance should be an option of last resort, not the first port of call when travellers find themselves in difficulty.

The department's greatest assets remain its people and its overseas network. In the tight fiscal environment, the corporate challenge for the department will be to maintain an effective overseas network and adequately staffed Canberra-based operation.

Transitioning from the ageing secure communications network to a new platform will be complex but fundamental to improving the department's productivity and effectiveness.

An important priority for the coming year will be to reflect on and respond to a Capability Review of the department undertaken between April and June 2013, as part of an APS-wide review program agreed by the government in 2011. The department will develop an Action Plan to respond to the review findings. We will continue to provide high quality policy advice and meet our corporate needs but as resources diminish we must look at doing less with less. We will also need to shift resources from corporate to policy functions.

Underpinning all this effort will be the department's dedicated staff, who, I am confident, will continue to display their distinctive professionalism and determination in serving the government with the advice, analysis and follow-through to secure Australia's future prosperity in a changing and challenging world.



# DEPARTMENTAL OVERVIEW



*Secretary and Deputy Secretaries of the Department of Foreign Affairs and Trade (as at 30 June 2013). Left to right: (seated): Secretary, Peter Varghese AO, Deputy Secretary, Chris Moraitis. (standing): Deputy Secretaries, Gillian Bird, Paul Grigson and Jan Adams. [Norman Plant]*

## Organisational structure

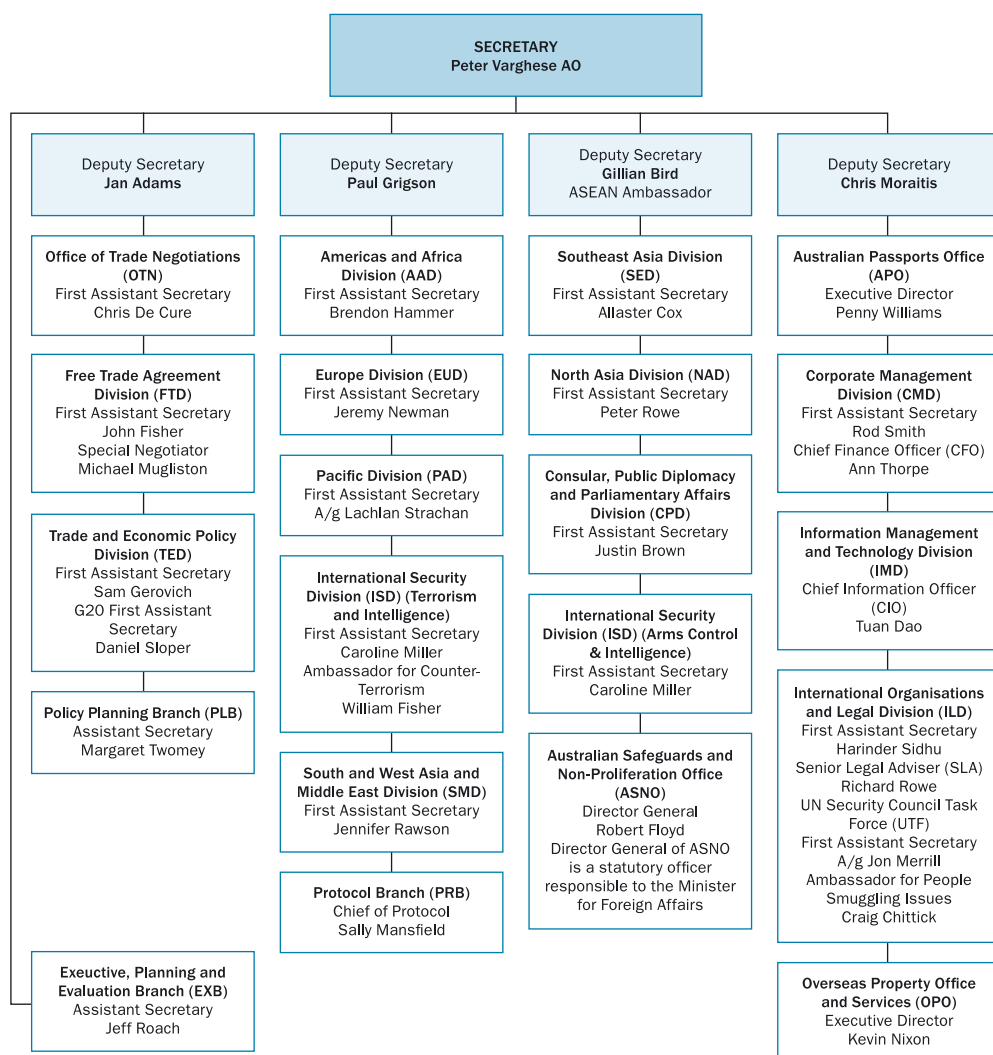
The Secretary and four deputy secretaries (the executive) are supported by the senior executive service to manage the department and provide leadership on foreign and trade policy, consular and corporate issues. The executive shapes the values and culture of the department, promotes the highest professional standards of service to the government and to Australia, and provides a fair and professionally rewarding working environment for staff.

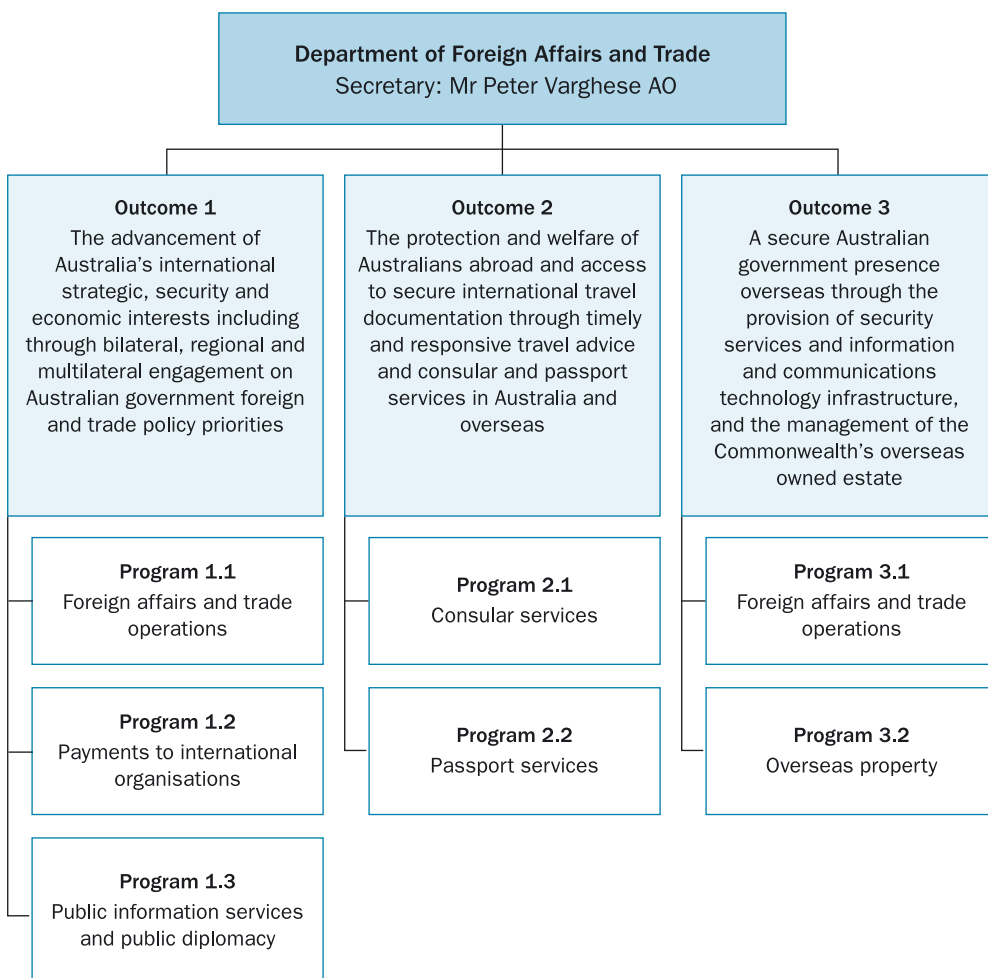
The department's organisational structure is outlined in Figure 1. Additionally, the department manages an overseas network of 95 embassies, high commissions, consulates-general and multilateral missions (see Appendix 12, p. 210). Each overseas post is attached to a parent division in Canberra. The department maintains offices

in all Australian state and territory capital cities. These offices provide consular and passport services to the Australian community and liaison services to state and territory governments and Australian business. We also maintain a Passport Office in Newcastle and a Liaison Office on Thursday Island in the Torres Strait. Details of our offices in Australia are provided inside the back cover of this report.

The department also engages people overseas to act as honorary consuls. Honorary consuls provide consular assistance on behalf of the department to Australian travellers in locations where the Australian Government does not maintain other representation (see Appendix 12).

FIGURE 1: EXECUTIVE STRUCTURE (AS AT 30 JUNE 2013)



**FIGURE 2: OUTCOME AND PROGRAMS FRAMEWORK 2012-13**

## Structure of the Foreign Affairs and Trade Portfolio

The foreign affairs and trade portfolio supports the Minister for Foreign Affairs, the Minister for Trade and Competitiveness, the Parliamentary Secretary for Trade and the Parliamentary Secretary for Pacific Island Affairs in the conduct of Australia's foreign and trade policy.

Six agencies make up the portfolio:

- Department of Foreign Affairs and Trade
- AusAID (Australian Agency for International Development)

- Australian Trade Commission (Austrade)
- Australian Secret Intelligence Service (ASIS)
- Australian Centre for International Agricultural Research (ACIAR)
- Export Finance and Insurance Corporation (EFIC)

NB: EFIC is not included for outcome reporting purposes in Figure 3 because it is covered by the Commonwealth Authorities and Companies Act 1997 (CAC Act).

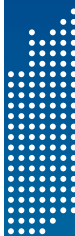
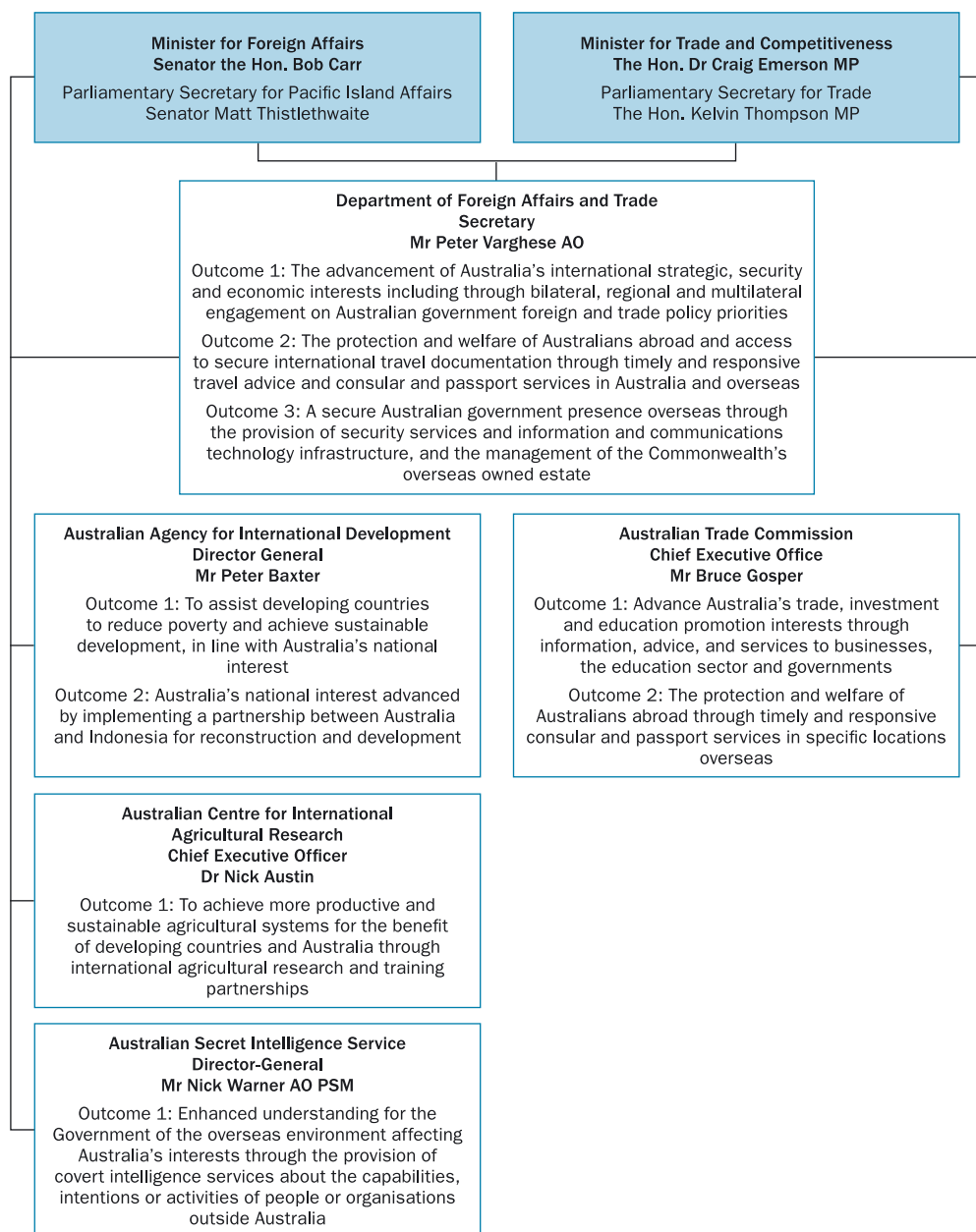


FIGURE 3: PORTFOLIO OUTCOME STRUCTURE (AS AT 30 JUNE 2013)





1.

del **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia یاستس  
 با Trade دیپلوماسیة **Diplomatija** **Treid** कूटनीति پیلوماسی **Diplomatiko** 外交 Kalākalan  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး تجارة **La diplomatie**  
 تجارة торгoвля Thương mại **Komersiu** تجارت le commerce **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** یاستس **Perdagangan** دیپلوماسیة διπλωματία **Kalakalan** بازارگانی  
 پیلوم **Diplomatiko** 外交 Trade εμπόριο **Diplomasi** Com **kereskedelem** 외교  
**Diplomasia** Ticaret **Commercio** سوداگری ကုန်သွယ် **торгoвля** تجارة



2.

#### Images:

1. Minister for Trade, Dr Craig Emerson (right), and Indonesia's Trade Minister, Gita Wirjawan, at the 10th Australia-Indonesia Trade Ministers' Meeting, Canberra, 12 October 2012. [DFAT/Mark Graham]

2. Provincial Reconstruction Team (PRT) Director, David Windsor, with Barakzai tribal leader Haji Khoshal, at the opening ceremony of a shura building constructed with the support of the Uruzgan PRT, Afghanistan, 12 June 2013. [ADF/Cpl Chris Moore]

3. Then Acting Secretary Gillian Bird greets US Secretary of State Hillary Clinton on her arrival for AUSMIN, Perth, November 2012. Also present (from left): Minister for Foreign Affairs, Senator Carr; US Ambassador to Australia, Jeffrey Bleich; and Ambassador to the United States, Kim Beazley AC. [DFAT/Ron D'Raine]



# PERFORMANCE REPORTING SECTION 2

دىپلوماسىيە **le commerce** **Diplomatie** 貿易 သံတမန်ရေးရာ **Handel** **Diplomazia** 통상 ทางการค้า  
 Perdagangan διπλωματία ពាណិជ្ជកម្ម **Diplomacy** بازرگانی Trade دیپلوماسیة **Diplomatija**  
 εμπόριο **Diplomasi** **Comercio** سفارت **kereskedelem** **Diplomati** 외교 **Commerce**  
 Ticaret **Commercio** سوداگری ការទូត **Diplomacia** व्यापार تجارة торговля Thương mại  
**Diplomazia** 통상 ทางการทูต **Ngoại giao** **Comércio** **Дипломатия** **Diplomacy** یاستس  
 သံတမန်ရေးရာ **ពាណិជ្ជកម្ម** **Diplomatija** **Treid** कूटनीति دیپلوماسی **Diplomatiko** 外交 Trade εμπόριο  
**Commerce** การค้า ကုန်သွယ်ရေး تجارت **La diplomatie** **Diplomasia** **Ticaret** **Commercio**



# OUTCOME 1

The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian government foreign and trade policy priorities.

## **Program 1.1: Foreign affairs and trade operations 22**

### **Program management (advocacy and protection of Australia's interests)**

1.1.1	North Asia	24
1.1.2	Southeast Asia	32
1.1.3	Americas and Africa	41
1.1.4	Europe	49
1.1.5	South and West Asia and Middle East	57
1.1.6	Pacific	64
1.1.7	Bilateral, regional and multilateral trade negotiations	73
1.1.8	Trade development and policy coordination	84
1.1.9	International organisations, legal and environment	90
1.1.10	Security, nuclear disarmament and non-proliferation	99

### **Program management (services to other agencies)**

1.1.11	Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	104
--------	--	-----

### **Program management (services to diplomatic and consular representatives)**

1.1.12	Services to diplomatic and consular representatives in Australia	108
--------	--	-----

### **Program management (public information services and public diplomacy)**

1.1.13	Public information services and public diplomacy	111
--------	--	-----

## **Program 1.2: Payments to international organisations 123**

Administered item: Payments to international organisations

## **Program 1.3: Public information services and public diplomacy 124**

Administered items:

International relations grants program

Australia Network

Bali Peace Park

Expositions special account



# PERFORMANCE INFORMATION FOR OUTCOME 1

## Outcome 1 strategy

The department will assist the Government to meet its foreign, trade and economic, and security objectives over 2012–13 and forward years through:

- developing further Australia's relations with key international partners and countries of growing significance to Australia's national interests;
- working multilaterally to address global challenges relating to peace and security, climate change, sustainable growth and human rights and to advance Australia's interests through the United Nations, G20 and significant regional forums;
- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling and nuclear proliferation;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means; and
- developing and implementing programs and projects to enhance international awareness and understanding of Australia and Australian policies to advance our national interests.

As the lead agency managing Australia's external affairs, the department will also continue to provide leadership at Australia's diplomatic missions overseas, manage and maintain Australia's diplomatic network, including the provision of services to other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

# PROGRAM 1.1: FOREIGN AFFAIRS AND TRADE OPERATIONS

## Program 1.1 Objectives

- To protect and advance the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia's foreign, trade and economic, and international security interests.
- To deliver accurate and timely policy advice to ministers and other high-level clients that addresses the challenges of an evolving international environment.
- To promote a whole-of-government approach in pursuit of Australia's interests abroad, including through leadership at overseas missions and coordination of the overseas diplomatic network.
- To ensure the security and protect the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia's obligations under the Vienna Conventions.

## Program 1.1 Deliverables

- Australia's foreign and trade policy interests and international standing are advanced through:
  - strengthened key international relationships, including a strong alliance with the United States, high-level political and economic engagement with Japan, China, India, Republic of Korea, and the countries of Southeast Asia, a stronger partnership with the European Union and its members, and continued close ties with New Zealand and Canada;
  - sustained engagement with Pacific Island countries, the Middle East, Africa, Latin America and the Caribbean, to meet shared challenges and to promote global and regional stability, security and prosperity;
  - strong participation in the United Nations and other multilateral forums, including international support for Australia's election to the UN Security Council for the 2013–14 term, promotion of effective international climate change action and sustainable development, and advocacy of human rights;
  - effective contribution to the UN Security Council as a non-permanent member for the two-calendar year 2013–14 term;
  - contribution to enhanced regional architecture through the East Asia Summit, the Asia-Pacific Economic Cooperation forum and dialogue with the Association of Southeast Asian Nations; and
  - promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian government foreign and trade policies.
- Australia's trade and economic opportunities are maximised, including through:
  - effective participation in the World Trade Organization (WTO), including through the Doha Round, leadership of the Cairns Group of agricultural exporting countries and G20 processes; and



## Program 1.1 Deliverables

- effective leadership in advancing our interests through sectoral initiatives as well as Australia's free trade agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities where appropriate for new FTAs.
- An enhanced environment for security and development, including through:
  - effective whole-of-government efforts to promote stability and development in Afghanistan;
  - promotion of nuclear non-proliferation and disarmament, and counter-proliferation and arms control efforts, including in arms trade treaty negotiations and as chair of the Australia Group;
  - participation in counter-terrorism programs and activities, including in South Asia, Southeast Asia, the Middle East, eastern Africa, and in the Global Terrorism Forum; and
  - contribution to whole-of-government efforts bilaterally and regionally to counter people smuggling, in particular through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.
- Australia's international and portfolio responsibilities are met through:
  - effective coordination and sound advice to ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public;
  - sound advice on compliance with international legal obligations and contribution to the development of a strong international legal framework;
  - effective leadership of, and provision of advice and support to, other government agencies at overseas missions in line with the *Prime Minister's Directive: Guidelines for Management of the Australian Government Presence Overseas* and service level agreements;
  - quality service and support to the diplomatic and consular corps serving in Australia, including facilitation of accreditation and diplomatic visas, and the security and protection of dignity of diplomatic missions and their personnel, upholding Australia's obligations under the Vienna Conventions; and
  - administration of the EFIC National Interest Account.

## Program 1.1 Key performance indicators

- High level of satisfaction of ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, and international security interests.
- The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.
- Government agencies at overseas missions are satisfied with service provided in accordance with the *Prime Minister's Directive: Guidelines for Management of the Australian Government Presence Overseas* and service level agreements in place.
- The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.



# PROGRAM MANAGEMENT (ADVOCACY AND PROTECTION OF AUSTRALIAN INTERESTS)

## 1.1.1 North Asia

### Overview

The department led whole-of-government efforts to engage with new governments in Japan, China and the Republic of Korea—three of Australia's top four trading partners. Through dialogue with these countries and other partners, including the United States, we worked to promote security and stability in North Asia—a region vital to Australia's long-term security and prosperity, central to the interests of the major powers, and home to two of the world's longest-running flashpoints (the Taiwan straits and the Korean peninsula).

The department supported several high-level visits that advanced relations with our key partners and projected Australia's interests in the region. We laid the groundwork for the enhanced bilateral arrangements agreed during the Prime Minister's visit to China in April. We secured agreement to the joint vision for Australia's security and defence relationship with Japan at the fourth annual '2+2' dialogue between foreign and defence ministers. We

also began preparations for a '2+2' meeting with the Republic of Korea in July 2013, the first such meeting it has held with any country apart from the United States.

The department's advocacy in the region focused on promoting peaceful and rules-based approaches to competing interests, while expanding trade and investment ties, including through negotiations on free trade agreements (FTAs) with Japan, China and the Republic of Korea. Bilaterally, and via regional and global forums, we worked with North Asian partners to strengthen global financial governance, regional architecture and nuclear non-proliferation.

We coordinated the development of country strategies for Japan, China and the Republic of Korea, three of the five countries featured in the *Australia in the Asian Century* White Paper. The strategies were prepared in conjunction with other government agencies and in consultation with business, governments and the community in each state and territory. (See also 1.1.2, pp. 33, 34 and 1.1.5, p. 63.)

**TABLE 1: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH NORTH ASIAN ECONOMIES (a)**

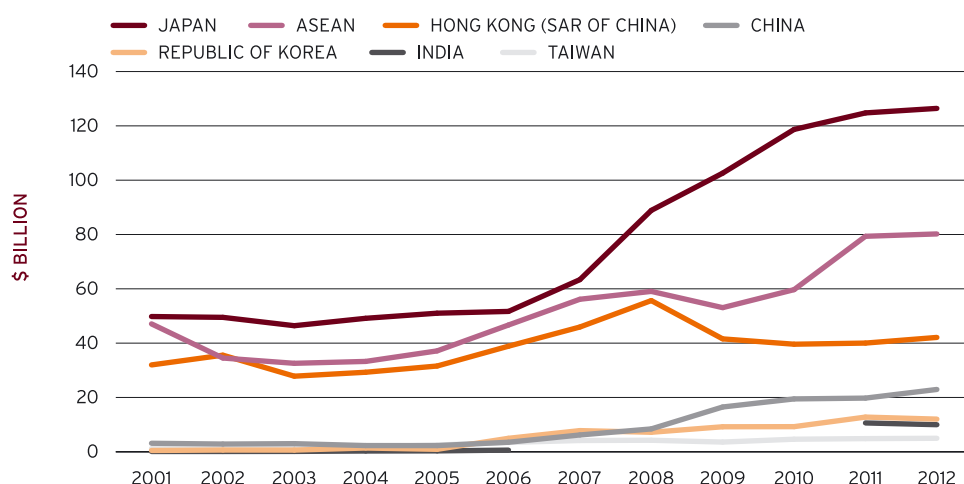
Goods and services	Exports			Imports		
	2011	2012	Trend growth 2007-2012	2011	2012	Trend growth 2007-2012
	\$m	\$m	%	\$m	\$m	%
China	77,103	78,715	24.6	43,929	46,335	8.2
Japan	52,366	49,756	5.6	20,118	21,298	0.2
Republic of Korea	24,989	21,562	7.7	7,644	10,313	8.1
Taiwan	9,679	8,631	5.8	3,976	4,006	-3.1
Hong Kong, China	4,757	4,337	0.1	3,131	3,206	-0.5
Other (b) (c)	91	72	-0.7	16	17	-4.7
<b>Total North Asia</b>	<b>168,985</b>	<b>163,073</b>	<b>12.7</b>	<b>78,814</b>	<b>85,175</b>	<b>4.8</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Goods data only. Services data is not published by the ABS for these countries.

(c) Other comprises Democratic People's Republic of Korea, Macau and Mongolia.

Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

**FIGURE 4: FOREIGN INVESTMENT FROM ASIA TO AUSTRALIA**

Note: India data is not published from 2007 to 2010 inclusive.

Based on ABS catalogue 5352.0 - International Investment Position, Australia: Supplementary Statistics, 2012.

## Japan

Japan is our closest partner in Asia. The decisive election victory by the Liberal Democratic Party in December offered fresh opportunities to deepen our comprehensive relationship and to take advantage of reforms occurring in both countries.

The department supported ministers in strengthening Australia's engagement across a range of portfolios critical to the bilateral relationship. We arranged Senator Carr's meeting with Japan's then Minister for Foreign Affairs Gemba in July 2012, in the margins of the Tokyo Conference on Afghanistan. We subsequently facilitated a visit by Foreign Minister Kishida to Sydney in January 2013 for early discussions on cooperation with the new Abe government. We also supported visits by: the Minister for Defence; the Minister for Resources and Energy and Minister for Tourism; the Parliamentary Secretary for Pacific Island Affairs and Parliamentary Secretary for Foreign Affairs; and the Parliamentary Secretary to the Prime Minister.

Working closely with the Department of Defence, we steered negotiation of the vision statement for the Australia–Japan security and defence partnership agreed by foreign and defence ministers in September 2012 at their fourth '2+2' consultations in Sydney.

Consistent with this vision, the department oversaw the ratification of the Australia–Japan Agreement on the Security of Information. We shepherded the entry into force of the bilateral Acquisition and Cross-Servicing Agreement, which enables mutual logistical support between our forces in peacekeeping, humanitarian assistance and disaster relief.

Under the department's special visits program, Upper House member Dr Kenzo Fujisue visited Australia in September 2012 for meetings on security and economic issues. We supported the eighth Australia–Japan Conference in Tokyo in March 2013, sponsored by the Australia–Japan Foundation, which brought together high-level political, business and academic representatives and yielded a range of recommendations for strengthening the bilateral relationship.

We continued to advance economic relations with Japan, our second-largest trading partner in 2012 and our largest source of foreign investment from Asia (see Figure 5). The third Australia–Japan Public Private Infrastructure Policy Dialogue, in Canberra in October 2012, discussed models of infrastructure financing and potential government–business coordination on projects in Asia. We narrowed negotiations on an FTA down to all but a small number of

remaining sensitive market-access issues, and welcomed Japan's participation in the negotiations for the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP) agreements. (See also 1.1.7, pp. 80–2.)

We worked closely with Japan to achieve shared objectives in regional and multilateral forums including the East Asia Summit (EAS), APEC, the World Trade Organization, the G20 and the United Nations. We continued to enhance our broader relationship notwithstanding our differences on whaling.



Minister Counsellor in Tokyo, Dara Williams (left), with local Mayor, Jin Sato (centre), at a ceremony to mark a milestone in the building of the ANZ-funded 'Koala House' in Minami Sanriku, part of the recovery effort following the devastation of the town by the earthquake-tsunami in 2011, 17 October 2012. [Australian Embassy Tokyo]

**FIGURE 5: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH JAPAN (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis. Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

## China

The department continued to pursue a comprehensive, constructive and cooperative relationship with China, including through engagement with the new Chinese leadership installed in March.

We worked closely with China in regional and multilateral forums to take forward our interest in a stable and prosperous Asian region, including through the EAS, the G20, the ASEAN Regional Forum, APEC and the United Nations.

We managed another busy year of high-level visits. The Prime Minister, Minister for Foreign Affairs and Minister for Trade were among the first senior foreign government representatives to meet the new leadership in China in April. Australia and China committed to establish enhanced bilateral consultative arrangements, including an annual leaders-level meeting and ministerial-level economic, and foreign and strategic, dialogues. Leaders agreed on the value of regular, senior-level consultations to provide strategic direction for the relationship and help avoid misunderstandings.

We continued our exchanges with China on sensitive human rights, consular and commercial disputes issues. We hosted the 14th round of the Australia–China Human Rights Dialogue in July, including facilitating an NGO meeting with the Chinese delegation.

China remained Australia's largest two-way trading partner, with total trade growing by 3.3 per cent to \$125.1 billion in 2012. It is our ninth-largest source of foreign direct investment (and 11th largest source of foreign investment). We continued to pursue a more diverse trade and investment relationship, targeting opportunities presented by China's emerging middle class and growing urbanisation, and to address impediments to commerce. We continued difficult negotiations on an FTA. (See also 1.1.7, p. 78.)

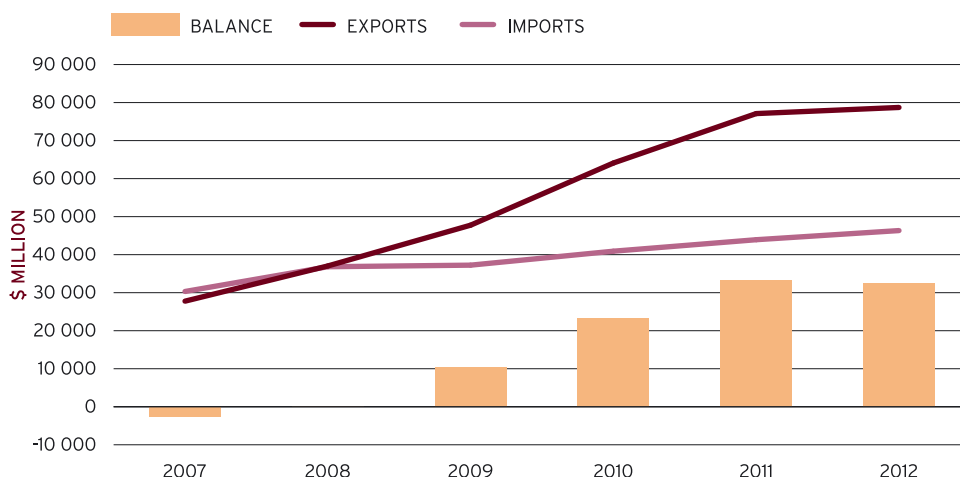
The department led the Feeding the Future study, jointly released in December by trade and agriculture ministers from both

countries, which sets a course for closer investment and technological cooperation in agriculture to enhance food security. We also coordinated a whole-of-government initiative, *Doing Business in China*, under the *Australia in the Asian Century White Paper*, to inform Australian businesses about the opportunities and risks of doing business with China. We took forward deeper economic partnerships with Chinese provinces, promoting the establishment of the Australia-Guangdong Business Cooperation Council to bring together Australian and Chinese businesses in southern China. We continued preparations for the opening of the new consulate-general in Chengdu.

We coordinated a program of events to mark the 40th anniversary of diplomatic relations between Australia and China on 21 December 2012. The highlight was a gala dinner hosted by the Prime Minister, with State Councillor Ms Liu Yandong, now a Vice-Premier, attending as guest of honour. Under the department's special visits program, we facilitated the visit to Australia of Dr Fang Xinghai, Director-General of the Shanghai Financial Services Office, to identify opportunities for closer financial integration between Australia and China, including internationalisation of the renminbi (RMB).



Minister for Trade, Dr Emerson (right), and Prime Minister Julia Gillard (3rd right), prior to the press conference to announce direct trading between AUD and RMB, Shanghai, 8 April 2013. With them (left to right), Minister for Financial Services and Superannuation, Bill Shorten, Mike Smith (ANZ) and Gail Kelly (Westpac). [AUSPIC/David Foote]

**FIGURE 6: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH CHINA (a)**

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

### Staff Profile

#### Marco Salvio

I coordinated the department's follow-up action to implement the *Australia in the Asian Century* White Paper. As part of this process, I participated in Australia-wide consultations to develop country strategies for China, India, Indonesia, Japan and South Korea. Each strategy outlines a vision of where Australia's relationship with these countries should be in 2025, and how we, the Australian community, intend to get there. More than 1 300 people overall attended 'town hall'-style public forums in every state and territory capital, and the department received more than 250 formal submissions.

I remember hearing a teacher from the outskirts of Hobart talk about the challenges of enthusing students to learn an Asian language. She said she was often asked why students should bother to learn a foreign language when they can speak English. I believe that knowing a foreign language gives you a better understanding of how people from that country think and act—a skill essential in diplomacy. I grew up speaking Italian and English and when I joined the department in 1999, I was given Japanese language training ahead of my posting to Tokyo. My job was to manage Australia's relations with the Japanese parliament and language skills were essential.

I have found knowledge of Asia helps anywhere in the world. As First Secretary in Washington, I had responsibility for supporting Australia's dialogue with the United States on Asian issues. I worked for a period within the Department of State's Bureau of East Asia and Pacific Affairs. Working with US colleagues on the development of the US 'rebalance' towards Asia, the US-China relationship and the region's response to North Korean provocations was a fascinating experience.





## Hong Kong

Hong Kong is Australia's leading business base in Asia and our sixth-largest source of foreign investment. Capitalising on its role as the largest offshore RMB trading centre, we secured Hong Kong's agreement to set up a new high-level RMB trade and investment dialogue between senior government, banking and business leaders. We facilitated visits to Hong Kong by the Deputy Prime Minister and the Parliamentary Secretary for Trade, as well as numerous state premiers and ministers.

## Taiwan

We helped strengthen economic ties with Taiwan through the annual Bilateral Economic Consultations, which focused

on promoting two-way investment and clean-energy cooperation. Taiwan remained Australia's sixth-largest merchandise export market in 2012, worth \$8 billion. Our advocacy contributed to the finalisation of Taiwan's strategic investment in the Prelude floating LNG project in the Browse Basin and the emergence of ANZ Bank as the biggest foreign investor in Taiwan in 2012. The department assisted unofficial visits to Taiwan by Trade Minister Emerson in September and Parliamentary Secretary for Trade Thomson in April. The visits, together with the annual joint meeting of bilateral business councils, gave added impetus to business engagement. Negotiations to amend the bilateral double taxation agreement remain stalled.

**FIGURE 7: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH TAIWAN (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

## Republic of Korea (ROK)

The department took forward Australia's strong relationship with the Republic of Korea following the election of a new National Assembly and President, including through support for high-level visits. The Governor-General's attendance at President Park's inauguration in February was a highlight. Mr Kim Sung-hwan visited Canberra in August for meetings with the Prime Minister and the Ministers for Foreign

Affairs and for Trade, the first stand-alone visit by a ROK foreign minister since 2009 and only the second in 28 years.

We began preparations for the first Australia–Republic of Korea '2+2' Defence and Foreign Ministers' Meeting in Seoul in July 2013. We strengthened our close cooperation on economic and security issues in APEC, the EAS, the G20 and the UN Security Council (UNSC)—where we are both non-permanent members. We continued extensive dialogue

on climate change issues, including on the development of emissions trading schemes.

The Republic of Korea remained our fourth-largest trading partner, reflecting complementary economic strengths. Australia continued to be the ROK's largest supplier of iron ore and coal. Total investment between the two countries has grown to over \$22 billion as at 2012. ROK investment is beginning to diversify

beyond its traditional focus on resources. Negotiations on an FTA advanced but remained challenging owing to differences on a small range of sensitive issues. (See also 1.1.7, p. 79.)

We continued to promote deeper community links, including through participation in Expo 2012 in Yeosu. The Australian Pavilion was the first foreign pavilion to attract over a million visitors.

**FIGURE 8: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH REPUBLIC OF KOREA (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.



Commissioner General for Australia, Kevin Nixon (3rd right, back), hosts a thank you reception for the Korean Organising Committee members and other international participants, Australian Pavilion, Expo 2012, Yeosu, July 2012. [DFAT]

## Democratic People's Republic of Korea (North Korea)

Following North Korea's missile test in December and its nuclear test in February, we worked closely with our regional partners and through the United Nations to urge North Korea to cease its provocations and threats, abandon its nuclear-weapons programs and comply with its international commitments. The Prime Minister and the Foreign Minister remained in regular contact with other regional leaders and Australia called for the strongest possible response from the UNSC. North Korea remained defiant. The department coordinated the government's implementation of UN sanctions and commenced a review of Australia's autonomous sanctions. We also strongly supported the establishment, by the UN Commissioner for Human Rights, of a commission of inquiry to investigate human rights violations in the country.

## Mongolia

The department was at the forefront of Australia's increasing engagement with Mongolia. Senator Carr's October visit, the first by an Australian foreign minister for over five years, highlighted the growing importance of our commercial, investment and development relationship, with Australian merchandise exports to Mongolia tripling to \$35 million over the last three years. We continued to advocate a stable and predictable investment climate.

We held a successful series of events to mark the 40th anniversary of diplomatic relations in September and facilitated a visit by the House of Representatives Rural Affairs Committee.

## Outlook

New country strategies for Japan, China and the Republic of Korea, under the *Australia in the Asian Century* White Paper, will provide an important framework to take forward these key bilateral relationships. We will finalise establishment of a consulate-general in Chengdu in western China (from current temporary premises) in the second half of 2013. When circumstances allow, we will upgrade our consulate-general in Ulaanbaatar (Ulan Bator) to an embassy, and establish a consulate-general in Shenyang in north-eastern China.

We will continue to promote Australia's economic interests in North Asia by pursuing negotiations on bilateral FTAs and regional trade agreements such as the TPP and RCEP.

The department will play a leading role in Australia's growing collaboration with China, building on the new enhanced bilateral architecture now in place. Australia's chairing of the G20 and China's chairing of APEC in 2014 provide opportunities for stronger economic cooperation. We will take forward our support for cultural engagement with *Australia Week in China*, a new campaign to promote Australian tourism, trade and investment, to be held in Shanghai in 2014.

We will further develop strategic cooperation with Japan under the joint vision for the security and defence relationship, including through a fifth foreign and defence ministers '2+2' meeting and an Australia–Japan–United States ministerial Trilateral Strategic Dialogue.

Building on growing business interest and ongoing FTA negotiations with the Republic of Korea, we will promote a diversified investment partnership. We will aim to develop an agreed vision for our future defence and security partnership.

We will continue to support efforts by like-minded countries including in the United Nations to induce North Korea to embrace dialogue and meet its international obligations. Advocacy on the business and investment environment in Mongolia will be a priority.

## 1.1.2 Southeast Asia

### Overview

Southeast Asia is fundamental to Australia's strategic, political and economic interests. In 2012, the Government announced it would appoint a resident Ambassador to ASEAN, highlighting Australia's ongoing commitment to deepening engagement with the organisation and its constituent countries.

We supported the conclusion of the UN Integrated Mission in Timor-Leste (UNMIT) and the withdrawal of the Australian-led International Stabilisation Force. We assisted with the inaugural meeting of Australian, Timorese and Indonesian leaders in November 2012.

The commencement of negotiations on the *Indonesia–Australia Comprehensive Economic Partnership Agreement* (IA-CEPA) was an important step in strengthening our trade and economic relationship. The Malaysia–Australia Free Trade Agreement entered into force on 1 January 2013. We managed the Singapore–Australia Joint Ministerial Committee meeting which agreed to establish a regular strategic dialogue of senior officials.

The department supported a ceremony in Bali to mark the 10th anniversary of the first bombings. We broadened engagement with Myanmar, and in 2013, marked the 40th anniversary of bilateral relations with Vietnam.

In the East Asia Summit (EAS), we promoted strategic discussions and practical cooperation to build confidence through programs in health, education, energy and the environment, disaster management and finance. In November 2012, the department co-chaired with the Philippines the ASEAN–Australia Forum. We also supported the *Malaria 2012* regional conference in Sydney which recommended the establishment of an Asia–Pacific Leaders Malaria Alliance to help combat the disease in the region.

The department strengthened relationships with Southeast Asian leaders by supporting a large number of visits to and from the region. The Prime Minister, Senator Carr and Dr Emerson all visited Cambodia for ASEAN and EAS-related meetings. The Prime Minister also visited Indonesia, and attended the 9th Asia–Europe Meeting (ASEM) in Laos. Senator Carr visited Indonesia, Thailand, Malaysia, Timor-Leste and Laos.

**TABLE 2: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH SOUTHEAST ASIA (a)**

	Exports			Imports		
Goods and services	2011	2012	Trend growth 2007–2012	2011	2012	Trend growth 2007–2012
	\$m	\$m	%	\$m	\$m	%
Singapore	9,520	10,259	4.6	18,157	18,826	2.2
Thailand	7,731	5,772	4.0	10,698	12,657	2.8
Indonesia	6,656	6,116	5.7	8,115	8,516	9.1
Malaysia	6,132	6,744	7.2	9,877	10,913	4.3
Vietnam	2,961	2,711	9.0	3,592	3,924	-7.5
Philippines	1,979	2,308	8.6	970	1,130	-1.2
Other ASEAN (b)	319	342	2.9	1,581	1,434	2.2
<b>Total ASEAN</b>	<b>35,298</b>	<b>34,252</b>	<b>5.8</b>	<b>52,990</b>	<b>57,400</b>	<b>2.6</b>
Timor-Leste (c)	30	26	-5.2	1	2	-22.2
<b>Total Southeast Asia</b>	<b>35,328</b>	<b>34,278</b>	<b>5.8</b>	<b>52,991</b>	<b>57,402</b>	<b>2.6</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Other ASEAN comprises Brunei, Myanmar, Cambodia and Laos.

(c) Goods data only. Services data is not published by the ABS for these countries.

Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

## Indonesia

The department supported two visits by the Prime Minister to Indonesia—the first, to honour the victims of the 2002 terrorist attacks in Bali, and the second, to co-chair the fifth Bali Democracy Forum. In July 2012, Indonesian President Yudhoyono attended the Annual Leaders' Meeting in Darwin, the first time the meeting has been held in Australia.

Senator Carr visited Indonesia in July 2012 to promote two-way trade and investment links, cooperation on maritime search and rescue and counter-terrorism. The second '2+2' Defence and Foreign Ministers' Meeting was held in Jakarta in April 2013. We also supported Senator Carr's co-chairing, with his Indonesian counterpart, of the Bali Process Regional Ministerial Conference in April 2013. (See also 1.1.9, p. 94.)

The commencement of negotiations on the IA-CEPA boosted efforts to strengthen the trade and economic relationship (see 1.1.7, p. 79). We managed the visit of the Indonesian Trade Minister in October 2012 for the annual Trade Ministers' Meeting, where ministers also discussed priorities for the IA-CEPA negotiations with business representatives from both countries. The department continued to advocate increased market access, including quota increases,

for Australian horticulture, live cattle and beef exports. In May 2013 Indonesia agreed to quota-free access for prime cuts of beef.

The department partnered with the Australian Institute of International Affairs to host the second Indonesia–Australia Dialogue in Sydney in March 2013, exploring new ways to deepen and expand community, media and business ties. The department facilitated public consultations with government, business, academia, industry groups, cultural, community and youth organisations on the development of the Indonesia Country Strategy mandated in the *Australia in the Asian Century White Paper*. We received over 100 written submissions related to Indonesia. This public outreach provided a welcome avenue for dialogue with and between stakeholders, as well as a forum for ideas on the bilateral relationship.

We collaborated with other Australian agencies and Indonesian counterparts on a wide range of issues relevant to Australia's security, including counter-terrorism and people smuggling, disaster relief and human rights. We supported strengthened defence engagement, including through the inaugural annual Defence Ministers' Meeting and the signing of the Defence Cooperation Arrangement in September 2013.



Foreign Minister Carr (2nd left) with Indonesia's Foreign Minister, Dr Marty Natalegawa (left), Indonesia's Defence Minister, Purnomo Yusgiantoro, and Defence Minister Stephen Smith (right), at the Australia–Indonesia '2+2' Meeting, April 2013. [DFAT]



## Thailand

We continued celebrations for the 60th anniversary of Australia's diplomatic relations with Thailand in 2012, including through the visit to Australia in August of Princess Bajarakitiyabha, the granddaughter of the King. Throughout the year, the department also facilitated separate visits by Senator Carr and a number of other ministers, parliamentarians and high-level officials.

The department worked with Thai officials to improve certain implementation procedures under the Thailand–Australia Free Trade Agreement, including processes for certificates of origin to facilitate the trade in goods.

To stimulate business and investment links, Australia's Ambassador to Thailand undertook a trade roadshow in Australia in March 2013. Around 300 people attended events, representing 180 mostly small to medium size companies.

### Profile

### *Australia in the Asian Century* White Paper Taskforce

*The Australia in the Asia Century White Paper Taskforce. Left to right: (standing) Andrew Wallace (PM&C), Amelia Johnstone (AusAID), Tim Wong (PM&C), Kerrie Burmeister (PM&C), Dana Robertson (DFAT), Eugenie Hwang (DFAT); (seated) John Quinn (DFAT), Kerry Doyle (PM&C), Victoria Walker (DFAT), Gordon de Brouwer (PM&C), Canberra, June 2013. [DFAT]*



Production of the government's White Paper—*Australia in the Asian Century*—released by the Prime Minister in October 2012, involved close collaboration between different levels of government, business and the broader Australian community. The White Paper reviewed the economic, strategic, social and cultural changes in Asia and the opportunities these present for Australia. It provides a roadmap for Australia's engagement in the region through to 2025.

Drawing on their deep and broad knowledge of Asia and the profound changes being driven by the region's rise, the department's staff were closely involved in all elements of the development, drafting and advocacy of the White Paper and were active participants in the taskforce led by Dr Ken Henry. Heather Smith was the department's representative on the high-level advisory panel.

In the drafting phase, the taskforce received over 200 submissions from organisations and individuals keen to contribute to this important initiative. A secretariat within the department coordinated and shaped our contributions. Posts also supported four visits by Dr Henry and his team to the region and played an active role in promoting the outcomes of the White Paper.

For the department, the next phase of the process has been to lead the development of whole-of-Australia country strategies to guide our engagement with China, India, Indonesia, Japan and South Korea.



Ambassador to Thailand, James Wise (3rd left), with embassy staff and families, celebrated the 60th anniversary of Australia's diplomatic relations with Thailand and Laos by taking part in the Thai-Laos Friendship Bridge Fun Run, November 2012. [Nopparat Wongpanichayakul]

## Malaysia

During Senator Carr's visit to Malaysia in November 2012, the two countries agreed to establish an Australia–Malaysia Cultural Exchange program. The Australia–Malaysia Institute implemented the exchange with visits in May and June 2013 (see 1.1.13, p. 119).

The Malaysia–Australia Free Trade Agreement entered into force on 1 January 2013. We also worked with Malaysia as negotiating parties to the Trans-Pacific Partnership Agreement (TPP) (see 1.1.7, p. 80).

Working with other Australian agencies and Malaysian counterparts, we addressed a number of shared issues, including people smuggling and counter-terrorism. We assisted the Department of Industry, Innovation, Science, Research and Tertiary Education's finalisation of a new bilateral memorandum of understanding (MOU) on higher education in November 2012.

## Singapore

The department delivered increased high-level engagement with Singapore, including through the Singapore–Australia Joint Ministerial Committee Meeting in September 2012, involving our respective foreign affairs, defence and trade ministers.

Ministers agreed to establish a regular strategic dialogue of senior foreign affairs and defence officials and discussed cooperation on the TPP and the launch of the Regional Comprehensive Economic Partnership (RCEP) negotiations. In June 2013 Secretary Peter Varghese visited Singapore for senior officials' talks. As well, we managed the visit of nine Australian government secretaries and senior officials attending the third bilateral Public Sector Roundtable, designed to enable public sector leaders to share experiences in delivering public services.

In October 2012, Singapore Prime Minister Lee visited Australia and renewed an MOU on combating transnational crime and strengthening police cooperation.

Under the department's special visits program, Brigadier-General Tan Chuan-Jin, Minister of State (National Development and Manpower) visited in August 2012 for meetings on Australia's infrastructure and construction sector. Former foreign minister, Mr George Yeo, visited in May 2013 to receive an honorary award in the Order of Australia presented by Senator Carr.

## Myanmar

The department continued to play a central role in the government's rapidly expanding engagement with Myanmar, supporting several bilateral exchanges. The President of Myanmar, U Thein Sein, undertook the first visit to Australia by a Head of State of Myanmar since 1974. He was preceded by the Foreign Minister, U Wunna Maung Lwin, in October 2012, and the speakers of the Lower and Upper Houses of Parliament.

High-profile Australian visitors to Myanmar included the Minister for Employment and Workplace Relations, Financial Services and Superannuation with a 12-member Australian business delegation (October 2012). Visits by the President of the Senate (April 2013) and an Australian parliamentary delegation (September 2012), paved the way for greater bilateral engagement between our two parliaments.

We worked with international partners on policy approaches to Myanmar and also towards expanding our engagement across the spectrum, including on defence, trade and investment. The department raised human rights concerns directly with the Myanmar Government and in international forums, including the UN Human Rights Council.

## The Philippines

The department was at the forefront of efforts to expand engagement with the Philippines. President Aquino's visit to Australia in October 2012 saw the signing of a new Air Services Agreement to promote increased trade and people-to-people links. Australia also agreed to contribute to building peace and stability in Mindanao by assisting with improved access to education.

Our sustained advocacy resulted in the entry into force of the Status of Visiting Forces Agreement by the Philippine Government in September 2012, a significant milestone in our defence relationship. The department hosted the first Australia–Philippine Strategic Dialogue in Canberra in October 2012.

We worked to ensure that Australian investment interests, such as approvals and regulatory requirements for the Tampakan Copper-Gold Project, were considered in a fair and transparent manner, consistent with Philippine law.

## Vietnam

In collaboration with the Australia International Cultural Council, the department promoted a number of events in Vietnam to mark the 40th anniversary of the establishment of diplomatic relations, including visits by Bangarra Dance Theatre and Questacon.

We supported visits by Defence Minister Stephen Smith in August 2012 and Agriculture Minister Joe Ludwig in

November 2012—the first visit ever by an Australian Minister for Agriculture—to strengthen ties and build trade opportunities for the agricultural sector. The Speaker of the House of Representatives, Anna Burke, visited in May 2013, following an Australian parliamentary delegation visit in April 2013. The department also assisted with bilateral visits to Australia by the Vietnamese Ministers of National Defence, Finance, and Science and Technology.

To advance Australia's trade interests, particularly in the resources and energy sector, we coordinated the visit by Vietnam's Minister of Industry and Trade, Dr Vu Huy Hoang, together with an accompanying business delegation.

We hosted the tenth Australia–Vietnam Human Rights Dialogue and contributed to negotiation of the Agreement on Scientific and Technological Cooperation signed by the two countries in June 2013.

The department facilitated a nine-month loan of the Long Tan Cross from the Dong Nai Museum in Biên Hòa to the Australian War Memorial. The Cross was originally erected in 1969 at the site of the Battle of Long Tan.

## Timor-Leste

The department assisted Australian parliamentary and ASEAN Regional Forum (ARF) missions observing Timor-Leste's parliamentary elections on 7 July 2012. We steered the conclusion of UNMIT and the withdrawal of the Australian-led International Stabilisation Force, in consultation with the Timorese Government.

We supported the inaugural trilateral leaders' meeting of the Australian and Timorese Prime Ministers and the Indonesian President, in Bali in November 2012. Leaders committed to strengthening economic and business activity across the three countries.



First Secretary in Dili, Alexandra Owens, greeting a trainee at the 2012–13 Direct Aid Program-funded Ahisaun Disability Foundation, Dili, 19 April 2013. [Australian Embassy Dili]

During Senator Carr's visit to Timor-Leste in December 2012, he reinforced Australia's commitment to the country's development, thanked Australian police and military personnel for their contributions to UNMIT and presented Australia's 10th anniversary of independence gift documenting Timor-Leste's cultural heritage and history.

We supported the visit to Australia by Timor-Leste's Minister of State and Minister for Foreign Affairs and Cooperation, Dr José Luís Guterres, in April 2013.

Timor-Leste initiated arbitration under the 2002 *Timor Sea Treaty* for a dispute related to the 2006 *Treaty on Certain Maritime Arrangements in the Timor Sea* on 23 April 2013. The government responded on 19 June 2013.

The department made written and oral submissions to the Australian Parliament Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia's relationship with Timor-Leste in 2013. (See Appendix 5, p. 193.)

## Cambodia

The department provided support for visits to Cambodia by the Prime Minister, Senator Carr and Dr Emerson, to attend EAS and ASEAN-related meetings chaired by Cambodia. The Prime Minister and her Cambodian counterpart, Samdech Hun Sen, also held formal talks at the ASEM Summit in Laos.

The department, through its missions in Phnom Penh and New York, monitored the work of the Extraordinary Chambers in the Courts of Cambodia (ECCC) and chaired the ECCC Principal Donors Group at the United Nations from April to June 2013. Senator Carr announced two further contributions to the ECCC—\$1.4 million, while in Phnom Penh in July 2012, and \$3.25 million in June 2013.

## Brunei Darussalam

There was a marked increase in high-level exchanges with Brunei, including through its chairing of ASEAN and the EAS. The department supported a visit to Australia by the Brunei Second Minister for Foreign



Affairs and Trade and Minister for Energy in July 2012, followed by a visit to Brunei by then Parliamentary Secretary Marles in August 2012 to discuss Brunei's priorities for its year as EAS chair.

The department organised a visit to Brunei by the Governor-General in October 2012, the first Australian vice-regal visit since Brunei's independence in 1984. This was followed by a visit to Australia by the Sultan of Brunei in May 2013.

## Laos

The department supported several high-level visits and increased parliamentary engagement with Laos as part of our commemoration of the 60th anniversary of Australia–Laos diplomatic relations in 2012. The Prime Minister attended the 9th ASEM in Laos in November 2012 and Senator Carr visited in February 2013. We supported

Australian parliamentary involvement in the 7th Asia–Europe Parliamentary Partnership Meeting in Laos in October 2012.

The President of the Lao National Assembly led a parliamentary delegation to Australia in August 2012. The Lao Minister of Health visited Australia to attend the *Malaria 2012* Conference in November 2012 and the Lao Minister of Education and Sports also visited Australia in November 2012 to study Australia's education system. The Vice Foreign Minister, Dr Sounthone Xayachack, visited Australia under the special visits program in June 2013.

The department provided technical assistance to Laos for its accession to the World Trade Organization in February 2013. We supported a program to improve human rights awareness in Laos to underpin our bilateral human rights dialogue and raised specific cases of concern with the Lao Government.

### Profile

#### Jonathan Gilbert

*First Secretary in Manila, Jonathan Gilbert (centre), celebrates UN Interfaith Harmony Week with students from Miriam College, Manila, and Rajah Muda High School, Cotabato, 4 February 2013. [Australian Embassy Manila]*



As First Secretary at the Australian Embassy in Manila, I report on foreign policy developments, the Philippines' engagement with ASEAN, and counter-terrorism issues. I also supervise the Embassy's interfaith small grants scheme.

Every day is different. From reporting on tensions in the South China Sea, to meeting with Muslim youth leaders in rural Mindanao, or observing national elections in a small barangay in the Visayas, it has been a unique and rewarding experience.

While I have been privileged to work on a range of complex issues of importance to Australia, I have also enjoyed discovering and learning about the Philippines—a fast-changing, beautiful and culturally-rich country on Australia's doorstep—and working alongside a fine team of professional colleagues at the embassy.

In Canberra, I worked on the India Desk as well as in the Defence Strategy and Regional Security Section. Prior to joining the department in 2007, I served in the Defence Policy Office at the Australian Embassy in Washington and worked for an international education firm in San Francisco.

## East Asia Summit, ASEAN and regional issues

Our membership of the East Asia Summit provides an opportunity to work with ASEAN to build and shape an institution to help manage the historic shifts in economic, and therefore strategic, weight in our region. It is a complex and long-term project. The stakes are high. Avoiding strategic disruption and harm to regional economic opportunity is core to Australia's wellbeing.

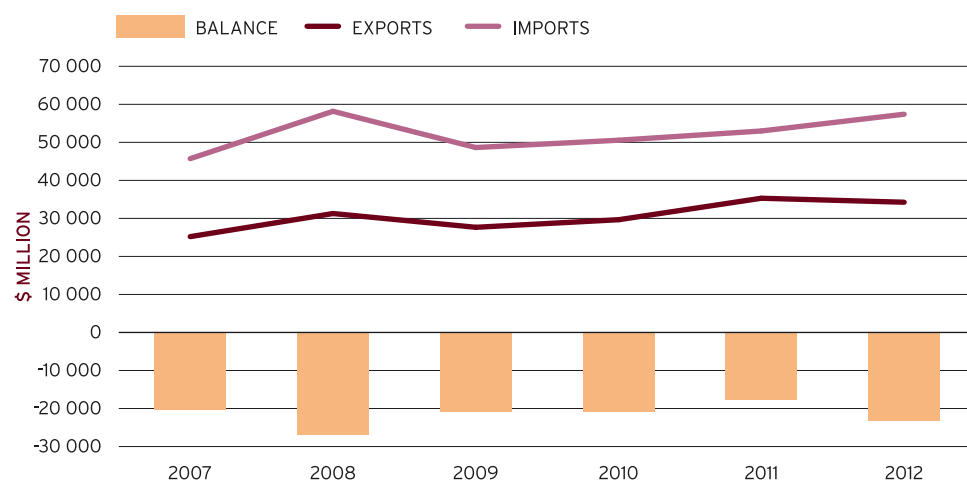
The seventh EAS in Phnom Penh in November 2012 produced good outcomes for Australia and the region on economic integration. The meeting demonstrated the value of the summit in bringing regional leaders together to discuss key political, security and economic challenges. Leaders endorsed an Australian-sponsored declaration on drug-resistant malaria, and welcomed Australia's proposal to establish an Asia-Pacific Leaders Malaria Alliance to help combat the disease. While in Phnom Penh, the Prime Minister and Dr Emerson joined leaders from 15 countries to launch negotiations for the RCEP. (See also 1.1.7, p. 81.)

The department facilitated Senator Carr's participation in the EAS Foreign Ministers' Meeting in July 2012. We supported ministerial and leaders' discussions on regional security issues, including the South China Sea, the Korean peninsula, and non-proliferation. We also advocated with EAS partners for deeper cooperation on finance, education, disaster management, and environment issues.

We strengthened engagement with ASEAN through co-chairing, with the Philippines, the ASEAN-Australia Forum and commencing discussions on a new plan of action to implement the Joint Declaration on the ASEAN-Australia Comprehensive Partnership. The department also supported the October 2012 visit to Australia by then ASEAN Secretary-General, Dr Surin Pitsuwan.

Australia had an active year in the ARF—a regional security body with 27 member countries. In addition to supporting the forum's work on preventive diplomacy by participating in the first ARF election observer mission for Timor-Leste's parliamentary elections, we co-chaired meetings on: non-proliferation and disarmament (with the Philippines and Japan); key trends in transnational crime in East Asia and the Pacific (with Vietnam); and disaster relief (with Indonesia).

**FIGURE 9: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH ASEAN (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.



## Outlook

In 2014 we will support initiatives to mark the 40th anniversary of ASEAN-Australia relations, including an ASEAN-Australia leaders' summit. In 2013-14, Australia's resident Ambassador to ASEAN will be appointed and we will support the EAS Leaders' Meeting in Brunei in October 2013. We will also work closely with Myanmar as incoming ASEAN and EAS chair to help make its inaugural chairmanship of the EAS a success.

The department will continue to focus on building the EAS's political and security agenda and entrenching it as

a key institution for managing regional challenges. We will support deepening regional cooperation on drug-resistant malaria, finance, disaster management, regional connectivity, environment and energy, and education. Australia will host the second round of RCEP negotiations in September 2013.

The Australian embassy in Jakarta will monitor Indonesia's legislative elections in April 2014. We will support the inaugural Australia-Singapore Strategic Dialogue, the second Australia-Vietnam Strategic Dialogue, the Philippines-Australia Ministerial Meeting and the Australia-Malaysia Joint Trade Committee meeting.

## 1.1.3 Americas and Africa

### Overview

Australia's hosting of the Australia–United States Ministerial (AUSMIN) consultations, together with ongoing high-level political engagement, further strengthened the bilateral relationship with our most important strategic and economic partner. The department worked closely with the United States to progress Australia's security, political and economic interests globally and in the region, including promoting a broad bilateral trade agenda, particularly through the World Trade Organization (WTO) and Trans-Pacific Partnership (TPP) negotiations. We continued to ensure effective implementation of the Australia–United States Free Trade Agreement (AUSFTA).

High-level visits, academic and business-related conferences and expanded trade and diplomatic ties helped advance Australia's relations with Canada, Latin America and the Caribbean. We gained observer status at Pacific Alliance negotiations. The Council on Australia Latin America Relations (COALAR) played a key role in facilitating engagement and broadening understanding of Latin America—an important agriculture and mining region proving to be an increasingly attractive export market and investment destination for innovative Australian businesses.

We made strong contributions to UN Security Council (UNSC) debates on peace and security concerns in Africa; improved stability and prosperity on the continent protects Australian economic and national security interests and ensures our development investment is not squandered. The department helped reshape Australian sanctions on Zimbabwe.

### United States

The department supported visits by the Governor-General (April 2013), the Prime Minister (September 2012),

and the Deputy Prime Minister and Treasurer (November 2012 and January 2013), to advance Australia's international political, security and economic interests with our most important strategic and economic partner.

Foreign Minister Carr's four visits helped progress Australia's close engagement with the US Administration and congressional figures on key global, regional and bilateral issues, particularly following President Obama's re-election. Various meetings with Vice President Joe Biden, Secretary of State John Kerry and his predecessor, Hillary Clinton, offered opportunities for further cooperation, including on regional engagement, responding to the conflict in Syria and promoting the Middle East Peace Process. Minister for Trade Dr Emerson visited Washington DC in July 2012 to participate in the Australian American Leadership Dialogue, an important second track initiative focused on strengthening the bilateral relationship.

Two visits to Australia under the special visits program—by Richard Fontaine, President of the Center for a New American Security and Ernie Bower, Senior Adviser at the Center for Strategic and International Studies—further advanced two-way engagement.

The Prime Minister's meetings with both Secretary of State Clinton and Secretary of Defense Panetta in conjunction with the AUSMIN consultations in Perth in November 2012, further strengthened high-level dialogue. AUSMIN reviewed implementation of the Australia–United States alliance including recent force posture initiatives, and explored medium-term avenues to enhance naval cooperation and closer collaboration on space. The outcomes demonstrated the adaptability of the alliance in meeting contemporary and evolving strategic challenges.



*Minister for Foreign Affairs, Senator Carr, US Secretary of State, Hillary Clinton, and Defence Minister, Stephen Smith, speak to the press following the AUSMIN consultations, Perth, 14 November 2012. [DFAT/Ron D'Raine]*

The department worked in cooperation with the Department of Defence to deepen Australian–US cooperation in the Asia–Pacific in support of the United States' rebalance to the region.

We also maintained close dialogue on the UNSC and the G20, the international mission in Afghanistan, democratic reform in Myanmar, international responses to the conflict in Syria, the Middle East Peace Process, and the nuclear ambitions of Iran and North Korea.

As part of our efforts to advance Australia's global and regional trade agenda through the WTO and TPP, we supported Dr Emerson's advocacy with the US Administration.

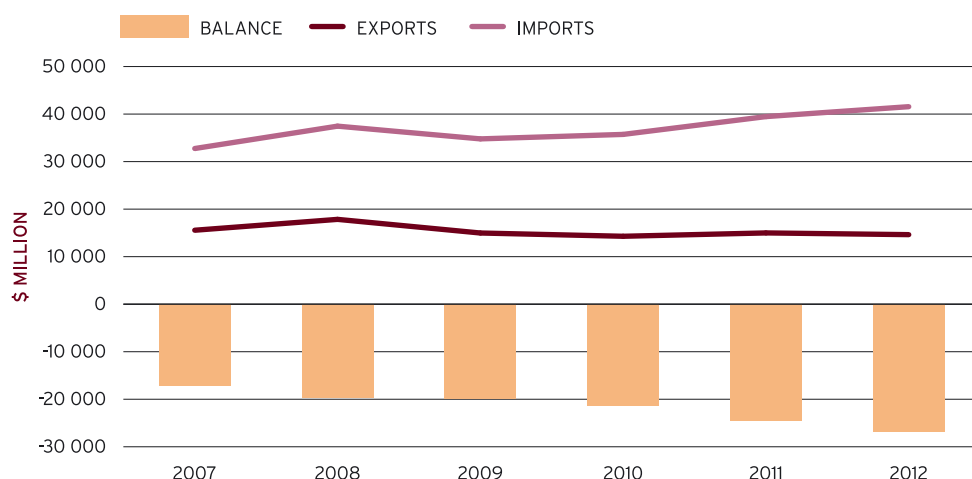
The United States remains Australia's largest total two-way investment partner with total investment stock worth over \$1 trillion in 2012, an increase of 8.8 per cent from 2011. The United States was Australia's largest two-way services partner (\$16.3 billion in 2012), and our third-largest overall trading partner in 2012, with goods and services trade worth \$56.2 billion, an increase of 3.2 per cent over 2011.

The department analysed developments in US fiscal policy and the potential impacts on Australia's interests. We raised specific trade concerns with the US Administration, pressed for genuine agricultural reform, including through the next US Farm Bill, and pursued expanded market access for Australian agricultural products. Implementation of the AUSFTA remained a priority (see also 1.1.7, p. 82).

We worked closely with other Australian government agencies to assist Australian companies successfully resolve market access issues in the United States. Close engagement with business, including with respective chambers of commerce, helped cement strong economic ties.

The department supported *G'Day USA 2013*. Over 25 events in eight US cities showcased Australian business capability, innovation, policy, research, education, tourism and culture.

The department continued its strong support of the Australian–American Fulbright Commission through its representation on the Fulbright Board and agreed to extend sponsorship of the Fulbright Professional Scholarship in Australia–US Alliance Studies for a further three years.

**FIGURE 10: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH THE UNITED STATES (a)**

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Canada

The first official visit by an Australian Governor-General in April 2013 helped boost bilateral relations with Canada. With the inclusion of Australian Indigenous leaders in the delegation, the visit gave a modern focus to cooperation between the two countries on indigenous economic development, education and multiculturalism.

The department helped facilitate an enhanced policy dialogue among senior Australian and Canadian policy makers in Ottawa in July 2012 under the auspices of the Canada–Australia Public Policy Initiative. The Secretary, Department of Prime Minister and Cabinet, Dr Ian Watt, led two days of discussions between the Australian delegation of seven departmental secretaries and Canadian counterparts. Discussion covered common challenges, including engagement in Asia, natural resource management, demographic shifts, productivity, government service delivery and social inclusion.

We promoted the 2nd Australia–Canada Economic Leadership Forum in Toronto in July 2012, including support for participation by the Minister for Resources and Energy. The forum endorsed eleven recommendations for improving economic links, six of which we are pursuing through the TPP agreement negotiations and the remainder bilaterally.

We also assisted with visits to Canada by the Minister for Workplace Relations and a number of parliamentary delegations.



Former Speaker of the House of Representatives Harry Jenkins, accompanied by Third Secretary Ottawa, Lucas Robson, chairs a workshop on the UN Declaration on the Rights of Indigenous Peoples, 127th Parliament of Canada Ottawa, Québec City, 23 October 2012. [Parliament of Canada Ottawa]

## Latin America and the Caribbean

The department partnered with business and universities to strengthen commercial and education engagement with Latin America and raise the profile of the region in Australia. Through COALAR, we supported the inaugural University of Melbourne-hosted Latin America Dialogue in August 2012, together with an Australian Football League event to promote broader sporting links. We also participated in the University of Queensland-hosted Latin America Colloquium in October 2012.

In 2012–13, COALAR funded 16 projects worth over \$420 000 and launched *Great Southern Lands*, a publication on Australia's relations with **Brazil**. A board member visited Brazil, **Chile**, **Colombia** and **Mexico** to promote Australia as a supplier of energy and water management solutions.

Also, in conjunction with COALAR, we worked with education and business stakeholders to hold the first Australia–Brazil Second Track Dialogue in São Paulo in March 2013. The inclusion of high-profile journalists in the Australian delegation led to extensive media coverage of the opportunities for Australian business in Brazil. As agreed by leaders under the Australia–Brazil Strategic Partnership, the Second Track Dialogue will be followed by an officials-level Strategic Dialogue to be held in 2013–14.

In November 2012, Australia achieved observer status at the Pacific Alliance—an outward-looking, Asia-focussed progressive trade and economic negotiation among Chile, Colombia, Mexico and **Peru**. In May 2013, Parliamentary Secretary for Trade Kelvin Thomson attended the Pacific Alliance summit in Colombia and visited Chile to discuss trade interests. We also supported the Deputy Prime Minister's visit to Mexico for a G20 meeting in November 2012.

The department supported the high-level visit by Chilean President, Sebastián Piñera, to Australia in September 2012. The President witnessed the signing of agreements on mining, development cooperation and biosecurity and endorsed future officials-level defence-related discussions. The Australia–

Chile Double Taxation Agreement entered into force in February 2013.

The department brought visitors to Australia from Brazil, **Argentina** and **Dominican Republic** to strengthen economic, cultural, agriculture and education linkages and we worked with Tourism Australia on a visit by an Argentine journalist.

Australia's engagement with Latin America over the last two decades has been led by the private sector. From only 24 in 1999, there are now over 240 Australian companies active in Latin America, primarily from the mining sector. To support the growing Australian commercial engagement, Minister for Trade Dr Emerson spoke at the South America Diggers mining conference in September 2012.

In May 2013, Senator Carr addressed the Latin America Down Under (LADU) mining conference held in Sydney and also met department-sponsored journalists from Argentina, Brazil, Chile and Mexico. The conference was well attended, with seven visiting delegations which included mining ministers from Chile, Peru and **Guyana** and senior officials from Brazil, Colombia, Dominican Republic and Mexico. Austrade arranged some 88 meetings in the margins of the conference between Australian business and the delegations. Australian ambassadors and consuls-general in the region used LADU to underscore commercial opportunities.

The department facilitated **El Salvador** opening an embassy in Canberra, the first resident embassy from a Central American country in Australia. We also supported Austrade's establishment of a consulate-general in Bogotá.

To strengthen engagement with Latin America through dialogue, departmental officials participated in the Forum for East Asia Latin America Cooperation (FEALAC) Foreign Ministers' Meeting held in Bali, in June 2013, and the FEALAC Senior Officials' Meeting in Bogotá in 2012. Following the conclusion of memorandums of understanding in 2010–11, we held inaugural senior officials' talks in Peru and **Uruguay**, and participated in the first Australia–New Zealand Closer Economic Relations–Mercosur talks in Brasília. We held

discussions with the Community of Latin America and Caribbean Economic States troika (Chile, **Cuba** and **Venezuela**) in 2012.

We supported efforts to strengthen the flow of students to Australia, particularly from countries with government-funded schemes such as Peru's PRONABEC (Peruvian national tertiary education program). Our advocacy resulted in Australian universities being allocated 3 000 students under the Brazilian Government's 'Science Without Borders' scholarship program. There were over 10 000 Brazilian students studying in Australia in 2012.

The department continued to support parliamentary ties, including a visit to Argentina and Brazil by Senate President John Hogg and parliamentary delegations to Argentina, **Paraguay** and the International Parliamentary Union Conference in Quito.

We advanced engagement with Caribbean nations across a range of shared bilateral, regional and multilateral interests, including through high-level meetings in the United Nations and the Commonwealth. We supported then Parliamentary Secretary Marles' visit to **Haiti** in September 2012, highlighting Australia's humanitarian disaster support to the island.



Ambassador to Brazil, Brett Hackett (left), moderates a panel discussion with regional heads of mission/post at the Latin America Down Under Conference, Sydney, 29 May 2013. Panel (left to right): Consul-General in Bogotá, Crispin Conroy; Ambassador to Argentina, Patricia Holmes; Ambassador to Peru, John Woods; Ambassador to Trinidad and Tobago, Ross Tysoe; and Ambassador to Chile, Tim Kane. [PAYDIRT/Bryan Charlton]

**TABLE 3: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH THE AMERICAS (a)**

	Exports			Imports		
	2011	2012	Trend growth 2007–2012	(b) 2011	(b) 2012	Trend growth 2007–2012
Goods and services	\$m	\$m	%	\$m	\$m	%
United States (c)	14,993	14,632	-2.5	39,469	41,556	4.0
Canada	2,327	2,453	-1.0	2,579	3,225	-0.9
Mexico	1,187	936	7.7	1,826	2,036	11.3
<b>Total NAFTA</b>	<b>18,507</b>	<b>18,021</b>	<b>-1.8</b>	<b>43,874</b>	<b>46,817</b>	<b>3.9</b>
<b>Total Central America &amp; Caribbean (d)</b>	<b>303</b>	<b>253</b>	<b>-7.9</b>	<b>1,066</b>	<b>1,177</b>	<b>3.7</b>
Brazil (e)	1,391	991	2.3	825	638	-7.9
Chile	674	661	12.5	1,160	1,480	18.2
Argentina (e)	380	273	17.5	550	606	16.0
<b>Total South America</b>	<b>3,557</b>	<b>3,112</b>	<b>6.3</b>	<b>3,019</b>	<b>3,251</b>	<b>6.4</b>
<b>Total Americas</b>	<b>22,367</b>	<b>21,386</b>	<b>-0.9</b>	<b>43,998</b>	<b>48,159</b>	<b>2.0</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Imports total excludes imports of ABS confidential items (mainly aircraft) from September 2008 onwards.

(c) 2011 and 2012 based on unpublished ABS data and includes confidential items (incl aircraft) imports.

(d) Excluding Mexico.

(e) Goods data only. Services data is not published by the ABS for these countries.

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.



## Profile

### Chris Lim

As First Secretary and Consul at the Australian embassy in Mexico City, I lead the team providing financial, property, human resources, security and visits support. I also manage an extensive consular and passport services network that enables us to assist Australians in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Cuba and Dominican Republic.



It has been a privilege to work in Mexico and the Central American region where Australia has growing engagement. It was particularly interesting to observe Mexico's presidency of the G20 in 2012 which culminated in the Leaders' Summit in Los Cabos. The embassy's work in support of our UNSC campaign in Mexico and eight other countries of accreditation was also a highlight. My role has enabled me to travel across the region and represent Australia, including in Cuba—a unique country with many challenges but also incredible beauty and vibrancy. Working with the department has been very rewarding and has allowed me to use my skills in different environments.

I joined the department as a corporate graduate in 2003 and am a qualified CPA. I have worked in numerous corporate areas in Canberra, most recently managing the department's internal budget in the Finance Management Branch. I have also worked overseas in South Korea and Cambodia.

## Africa

The department used our enhanced diplomatic presence on the continent and high-level visits, including ministerial attendance at two African Union summits, to strengthen relations with countries and regional institutions in Africa.

We held senior officials' talks with **Nigeria** in November 2012 and **South Africa** in May 2013, and assisted with visits to Australia by the **Mozambique** President in March 2013 and the Foreign Minister of **Mauritania** in June 2013.

We supported then Parliamentary Secretary Marles' visit to **South Africa**, **Kenya** and **South Sudan** in January 2013 as part of our effort to contribute effectively to debate on key African issues before the UNSC. Mr Marles also visited the

**Seychelles** in January 2013 for the Council of the Indian Ocean Commission meeting—representing Australia as the Vice-Chair of the Indian Ocean Rim Association for Regional Cooperation. In March 2013, he visited **Mauritius**, **Comoros** and **Réunion**, demonstrating Australia's commitment to working closely with small island states in the Indian Ocean.

Australia's engagement with the **African Union** grew, including as a result of Mr Marles' attendance at the July 2012 and January 2013 summits in Ethiopia. In line with our efforts to expand cooperation with other regional institutions on the continent, we signed a memorandum of understanding with the **Southern African Development Community** and supported a visit to Australia by the organisation's executive secretary.



Then Parliamentary Secretary Richard Marles (centre) talks to the Managing Director, East African Standby Force (EASFOR), Major General Cyrille Ndayirukiye, at the opening session of the African Union Executive Council, with DFAT officers Dave Sharma (left) and Gaia Puleston, Addis Ababa, 12 July 2012. [DFAT]

We worked with African partners and fellow members of the UNSC to address peace and security concerns, including in the **Democratic Republic of the Congo, Central African Republic, Mali, Somalia and Sudan/** South Sudan. We participated in the London Conference on Somalia in May 2013.

The department again led Australia's response to **Zimbabwe's** political situation and conducted a fresh review of Australia's sanctions. We oversaw two phases of the easing of sanctions in response to positive political developments in Zimbabwe including the adoption of a new constitution. Zimbabwe's Prime Minister, Mr Morgan

Tsvangirai, and Finance Minister, Mr Tendai Biti, each visited Australia in 2012 with the department's support.

We promoted Australia's growing trade and investment partnership with Africa, including at the Mining Indaba conference in Cape Town in February 2013 and the Africa Down Under (ADU) mining conference in Perth in August 2012. The ADU was opened by Senator Carr and attended by 17 African ministers. Since 2009 Australia's merchandise trade with Africa has more than doubled, to over \$10 billion in 2012, while current and prospective Australian investment in Africa remains strong.

**TABLE 4: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH AFRICA (a)**

	Exports			Imports		
Goods and services	2011	2012	Trend growth 2007–2012	2011	2012	Trend growth 2007–2012
	\$m	\$m	%	\$m	\$m	%
South Africa	2,081	1,915	-7.8	1,222	1,286	-6.9
Other	2,646	2,642	2.3	4,822	6,420	57.2
<b>Total Africa</b>	<b>4,727</b>	<b>4,557</b>	<b>-2.8</b>	<b>6,044</b>	<b>7,706</b>	<b>27.0</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

**Profile****Bianca Milner**

I joined the department as a locally engaged accountant in November 2010, after working for over eight years with the international accounting firm, Deloitte & Touche. I am now the Office Manager in Harare overseeing the various roles and functions of the post.

I am dedicated to perfecting corporate systems and carrying out all my duties with pride and precision. In November 2012, I was selected to attend the LES Leadership Development Program in Canberra. I learned critical lessons and discovered the value of networking with colleagues across the globe to share knowledge. The experience assisted me to improve operations at post.

Working for DFAT has broadened my knowledge of Australian culture and the responsibilities of the Australian Government. The environment in a small post can be challenging so to be successful it is important to find the right balance between the cultures and effectively manage changes in staff. I am grateful for the experiences to date and look forward to learning more and growing with the department. It is a pleasure to work for an organisation that takes pride in, and values, its staff.

**Outlook**

The department will continue to partner with key areas of the US Administration to enhance our countries' respective engagement in the Asia-Pacific region. AUSMIN 2013 will provide further impetus to the bilateral relationship. We will continue to focus our efforts on the implementation of AUSFTA, to enhance and strengthen trade and investment links.

The department will deepen dialogue with Canada, Latin America and the Caribbean, including through the third Australia-Canada Economic Leadership Dialogue, inaugural Australia-Brazil Strategic Dialogue, inaugural

Australia-Mexico Second Track Dialogue and inclusion of defence representatives in the next iteration of Australia-Chile Senior Officials' Talks. We will look for opportunities to support Pacific Alliance members in their ambitious plans to create a single market for goods, services, capital and labour.

The department will continue our increased level of engagement with African countries and regional institutions, and make effective contributions on African security issues through our membership of the UNSC and our work with international partners.

## 1.1.4 Europe

### Overview

Australia's relations with the European Union (EU) and with individual European countries matter. Europe remains a major focus of trade and investment and an important strategic player in dealing with emerging 21st century security threats. Despite ongoing uncertainty in much of the continent, we maintained good momentum in Australian–EU engagement. Australia's UN Security Council (UNSC) membership and Europe's increased interest in Asia helped prompt closer collaboration.

We concluded a Strategic Partnership with Germany, establishing a high-level institutional framework to guide our wide-ranging cooperation.

We agreed on the text of a Crisis Management Agreement with the European Union and helped conclude a delegated cooperation arrangement—the first such EU arrangement with a non-European country. Key differences precluded finalisation of an Australia–European Union Framework Agreement.

The department promoted Australia's trade and investment interests in Europe, including through support for the June 2013 visit, led by the Governor-General, to Austria, Belgium, Slovakia and France by a delegation of the European Australia Business Council.

We maintained high-level dialogue with our key European partners, conducting annual ministerial talks with the United Kingdom and political–military talks with France.

The department reached out to a range of bilateral partners through high-level visits and an expanded program of senior officials' meetings, including with Belarus, Denmark, the Netherlands, Norway, Italy, Russia, Spain, Switzerland and Turkey.

Australia's relationship with the North Atlantic Treaty Organization (NATO) continued to grow, extending from cooperation in Afghanistan to emerging new security threats. We hosted the annual Asian Partners Conference of the Organisation for Security and Cooperation in Europe (OSCE) in Adelaide in March 2013, enabling greater engagement with European and Central Asian partners on physical and economic security issues affecting women and girls.

We increased our engagement with Russia through joint membership of the UNSC and collaboration in APEC and the G20, both of which Russia chaired. We worked constructively with Turkey, including on preparations for the 2015 ANZAC centenary.

Reflecting tight budgetary pressure, the government decided to close the embassy in Budapest.

**FIGURE 11: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH THE EUROPEAN UNION (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

## European Union

The department continued to promote Australia's enhanced engagement with the European Union. The Governor-General led a high-level business mission representing the European Australian Business Council on a visit to Belgium, Austria, Slovakia and France. The visit deepened ties between business communities and highlighted the strong investment partnership between Australia and the European Union—worth \$1 trillion in 2012. As a bloc, the European Union is our second biggest trading partner and largest investor.

We supported Senator Carr's visit to Brussels in April 2013 to address the Foreign Affairs Committee of the European Parliament and meet senior EU figures. The pattern of biennial parliamentary visits continued in 2013 with a delegation of seven members of the European Parliament visiting Australia in February. These visits helped maintain momentum created by the commemoration of 50 years of Australian–EU diplomatic relations in 2012.

Negotiations for a treaty-level framework agreement between Australia and the European Union slowed. While the vast majority of chapters have been agreed, negotiations stalled due to some key outstanding differences. Better results were achieved in negotiations led by the department for a Crisis Management Agreement with the European Union. Once approved, including by respective parliaments, the agreement will strengthen our ability to respond to international crises by enabling Australian contributions to EU-led civilian and military missions.

By supporting the Prime Minister's participation in the Asia–Europe Meeting (ASEM) summit in Laos in November 2012, the department facilitated political dialogue with Europe at the highest levels. The department-led initiative to reform ASEM's working methods received good initial support and will be progressed further at ASEM meetings in late 2013.



Minister for Foreign Affairs, Senator Carr (left), accompanied by Ambassador to the European Union, Duncan Lewis, addresses the European Parliament, Brussels, April 2013. [Australian Embassy Brussels/Fred Guerdin].



In Brussels we helped AusAID finalise agreement on a delegated cooperation arrangement with the European Union—the first such EU arrangement with a non-European country. The arrangement will maximise each partner's relative development assistance strengths, allowing the European Union to deliver a project on food security in South Sudan for Australia, and Australia to deliver a vocational training project in Fiji for the European Union.

On climate change, the department played an important role in enabling Australia and the European Union to reach agreement on a one-way emissions trading link, which will allow Australian entities to access European emissions allowances. We laid important groundwork for future negotiations on a two-way link. As part of this effort, two visits were facilitated to Brussels for the Minister for Climate Change and Energy Efficiency, as well as a number of senior officials.

Through ministerial and officials-level contact in Canberra, Brussels and EU member state capitals, the department continued to advocate open and liberal global trade. We led the Australian delegation to the annual Australia–EU Trade Policy Dialogue in Brussels in May 2013. The embassy in Brussels pressed Australian interests in response to developments in the Eurozone, the EU's internal market and new areas of regulation, including by supporting the Treasury-led annual macroeconomic dialogue with the European Union.

## European Security

Australia's growing relationship with NATO is built on our contribution to the International Security Assistance Force (ISAF) mission in Afghanistan and the perspectives we bring to NATO as an Indo–Pacific nation. In February 2013, NATO Secretary-General Anders Fogh Rasmussen and Defence Minister Stephen Smith signed the Australia–NATO Individual Partnership Cooperation Program, which provides the basis for ongoing practical cooperation, including on maritime security.

The department also hosted the Australia–OSCE Conference on Improving the Security of Women and Girls in Adelaide from 18–19 March 2013. (See also 1.1.6, p. 70.)

## Europe – bilateral relationships

The department continued to pursue priority Australian foreign policy and economic interests with the **United Kingdom**, Australia's closest economic, security, intelligence and development partner in Europe. Australia hosted the fifth Australia–United Kingdom Ministerial (AUKMIN) Consultations in January at which ministers agreed to close cooperation on the UNSC agenda in 2013–14 and on global economic issues ahead of Australia's G20 presidency in 2014. Australia and the United Kingdom signed a memorandum of understanding to permit exchange of diplomatic staff, which has begun.

Our High Commission in London continued to manage effectively a heavy workload of official visits. This included provision of strong support to the Australian athletes, Governor-General and ministers during the London Olympic and Paralympic Games from June to September 2012.

The department built relations with the Hollande administration, including through support for visits to France by the Governor-General, Foreign Minister and other ministers, business delegations and senior officials. During her visit to Paris in May 2013, the Governor-General participated in the opening of a landmark installation by Indigenous artist Lena Nyabdi, which traverses the roof of the Musée du quai Branly and is visible from the nearby Eiffel Tower. The installation symbolises Australia's continued commitment to cultural cooperation with France and promotion of Indigenous art overseas. The opening complemented other initiatives by the embassy in Paris to promote Indigenous art, including support for the exhibitions 'Tjurrkutjanu – the Origins of Aboriginal Painting' and 'Luminous'. (See also 1.1.13, p. 115.)

## Profile

### Thomas Vitart

I first experienced Australia as a student. I enjoyed it so much that I joined the Australian embassy in Paris in 2003, first as an intern and then as a Special Events Coordinator in charge of the launch and promotion of the Working Holiday Visa. In June 2004, I joined DIAC, processing visa applications and providing information to clients, but also representing Australia at professional fairs and representative events. Working in various areas of the embassy has developed my knowledge of the large range of activities pursued by the Australian Government.



As Protocol, Visits and Transport Manager since April 2008, I am in charge of coordinating the logistics around high-level visits to France and other accredited countries such as Algeria and Morocco. I also supervise the transport team. We receive a large number of visits and each one is different. In November 2011, I was part of the advance team for the Prime Minister's visit during the G20 in Cannes. In June 2012, I was closely involved with Senator Carr's visit to Algeria. Each year, our team is involved in the ANZAC Day ceremonies, and in May 2013, I had the honour to participate in the visit of the Governor-General. I enjoy the diversity and the multicultural aspects of the job and seek to play my part in building the diplomatic relationships between Australia and the embassy's countries of accreditation.

We strengthened cooperation with France under the bilateral Strategic Partnership signed in January 2012, including intensive cooperation on the UNSC agenda. ANZAC Day commemorative activities in northern France continued to attract growing numbers of Australian visitors.

Commemorations of 60 years of diplomatic relations with **Germany** culminated in the signing of a bilateral Strategic Partnership by the Foreign Minister and his German counterpart, Guido Westerwelle, in Berlin in January 2013. The partnership provides a framework for enhancing cooperation across the breadth of relations, including on foreign policy, international security, economic relations, environment, science, culture, development cooperation and social policy.

Through sustained advocacy, working with the Office for the Arts, the department, through the embassy in Berlin, secured the first repatriation of Indigenous ancestral

remains from Germany (from Charité Medical University). We also achieved the return of ancestral remains from the **Czech Republic** after four years of negotiation. We continue to pursue repatriations from other European institutions holding ancestral remains.

Australia's relationship with **Russia** continued to grow and deepen. The department established regular consultations on matters of common interest and supported several high-level visits over the course of the year. Our bilateral trading relationship received a boost in 2012 with the first test shipment of Australian uranium. We worked closely with the Department of Agriculture, Fisheries and Forestry to secure Russian recognition of Australia's high-quality beef standards and, following the partial re-opening of the kangaroo meat trade in November 2012, to secure further kangaroo meat exports to Russia. Australia and Russia cooperated closely in APEC, which Russia hosted in 2012, as well as in the

G20 during Russia's 2013 presidency. Our UNSC membership provided opportunities for intensified consultations on international peace and security issues.



*Australia's Ambassador to Turkey, Ian Biggs, joins school children at a Clean Up The World activity—an Australian initiative that has spread throughout much of the world—Ankara, 17 May 2013. [Australian Embassy Ankara]*

Our engagement with **Turkey** continued to develop, with the department supporting Trade Minister Emerson's visit in October 2012. Discussions encompassed Turkey's role within the G20 troika and emphasised the government's interest in developing a Turkey–Australia Business Chamber with commercial links in both countries to boost bilateral trade. The embassy in Ankara and consulate in Çanakkale worked with Australian and Turkish authorities to hold successful 2013 Anzac Day commemorations at Gallipoli.

With **Spain**, the department assisted with the visit by Defence Minister Pedro Morenés to attend the naming of the Spanish-built Landing Helicopter Dock, HMAS *Canberra*, and to launch the Spain–Australia Foundation in Melbourne. Commercial relations were boosted by the April 2013 visit to Spain by Infrastructure and Transport Minister Anthony Albanese.

The department facilitated Minister Albanese's November 2012 visit to **Italy**, along with the Chief of the Air Force, and a

visit to Australia by Italian Undersecretary for Foreign Affairs, Dr Staffan De Mistura, who led a major infrastructure delegation. During senior officials' talks in Rome in April 2013, Australia's Ambassador to Italy signed a bilateral memorandum of understanding on scientific research and technology. Dr Enrico Letta, who visited Australia as a guest of the department in May 2012, was appointed Italian Prime Minister in April 2013.

The department supported a visit in May 2013 by **Polish** Foreign Minister, Radosław Sikorski, following which ministers agreed to participate in a summit involving foreign and defence ministers to develop our cooperation on global issues. The May 2013 visit by Marcin Zaborowski, Director of the Polish Institute for International Affairs, as a guest of the department enhanced bilateral exchange on issues of common strategic concern.

The government decided to close Australia's embassy in Budapest, solely as a result of financial factors in a tight fiscal environment. The closure in no way reflected a downgrading of our close and productive bilateral relationship with **Hungary** which will be managed by our embassy in Vienna. We are continuing to progress negotiation of a bilateral work and holiday visa agreement.

Increasing co-operation with **Denmark** on global security, development, and climate challenges was underpinned by more regular ministerial and senior official meetings. Danish Defence Minister, Nick Haekkerup, visited Australia in December 2012 and the permanent secretary of the Danish foreign ministry, Claus Grube, visited Canberra in April 2013. We continued to foster growing oil and gas sector links with **Norway**, including by advocating Australian investment opportunities at Norway's premier subsea conference in Bergen in June 2013. The department assisted with a visit to **Finland** by then Minister for Housing, Homelessness and Small Business, Brendan O'Connor, in August 2012.

The department supported visits to **Sweden** by the Minister for Disability Reform, Jenny Macklin, in August 2012 and Defence Minister, Stephen Smith, and Chief of the Defence Force, General David Hurley, in February 2013. Defence links were further underlined by the May 2013 announcement of a bilateral agreement on intellectual property rights for submarine design and technology. Foreign Minister Carl Bildt's visit in February 2013 was the first by a Swedish foreign minister since 1985.

The department managed a visit by Health Minister Tanya Plibersek to **Slovenia** in September 2012 for bilateral discussions with the Slovenian President, Prime Minister, Deputy Prime Minister and Health Minister. The department worked with other Australian agencies to facilitate negotiations for a bilateral Air Services Agreement with **Serbia** and a memorandum of understanding on

police cooperation with the **former Yugoslav Republic of Macedonia**. The department assisted with the opening of **Kosovo's** embassy in Canberra in February 2013.

In May 2013, Australia's Special Representative to **Cyprus**, Ric Wells, visited Nicosia as part of our efforts to help resolve the Cyprus question. The department also supported the visit to Cyprus by Minister for the Arts Tony Burke to strengthen bilateral cultural cooperation. We worked closely with **Greece's** authorities on commemorative events for the Battle of Crete, this year attended by the Chief of Navy. Australian parliamentary representatives and delegations visited **Malta** in November 2012 and **Portugal** in February 2013.

Relations with other European states were strengthened by then Parliamentary Secretary Marles' visit to **Croatia**, **Romania** and **Bulgaria** in July 2012—

## Profile

### Damien Miller

In May 2013, I took up my appointment as Australia's Ambassador to Denmark with non-resident accreditation to Norway and Iceland. I am the first Indigenous Australian to serve as head of an overseas Australian mission. I feel very honoured to be the first Indigenous ambassador and I am conscious of the legacy of the department's Indigenous officers who have gone before me. I look forward to seeing future ambassadors emerge from the ranks of the 50 Indigenous officers currently serving.

Based in Copenhagen, I see strengthening government, trade, education and people-to-people links as my priorities. Australia and the Nordics share the same values and there is much we are doing together to address global security challenges, such as in Afghanistan, and to promote sustainable development and good governance around the world. Building bilateral trade and investment links with Denmark, Norway and Iceland is an important objective. There are, for example, synergies between the Australian and Danish clean energy and biotechnology sectors, which I am working to exploit.

Before this appointment, I was deputy head of mission in Berlin. I have had a rich and rewarding DFAT career which is currently focused on Europe but has been previously focused on Asia. I served as director of the Afghanistan section in 2009 and my first posting was as Third Secretary in Kuala Lumpur. Before joining the department, I worked at a commercial law firm in Sydney while completing my law degree and was chosen as 'Aboriginal Scholar of the Year' by the National NAIDOC Committee in 1993.



the visit also underlined Australia's support for Croatia's accession to the European Union on 1 July 2013. The department welcomed visits by the foreign ministers of

**Armenia** (celebrating 20 years of diplomatic relations with Australia) and **Albania** and the deputy foreign ministers of Romania and **Belarus**.



High Commissioner to Cyprus, Trevor Peacock, and Superintendent Adrian Norris, Commander AFP contingent, UNFICYP, at a post overlooking Nicosia across the 'Green Line' into north Cyprus, June 2013. Australia has supported the UN's efforts in Cyprus continuously since UNFICYP's establishment in 1964. [DFAT]

**TABLE 5: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH EUROPE (a)**

	Exports			Imports (b)		
Goods and services	2011	2012	Trend growth 2007–2012	2011	2012	Trend growth 2007–2012
	\$m	\$m	%	\$m	\$m	%
United Kingdom	11,456	10,585	-3.4	11,855	11,761	-2.9
Netherlands	3,916	3,394	1.0	2,898	3,269	6.5
Germany	3,278	2,979	3.2	11,999	12,745	1.7
France (b)	1,830	1,739	-5.0	4,816	4,892	-3.2
Italy	1,589	1,189	-8.0	6,114	6,313	1.9
<b>Total European Union 27 (b)</b>	<b>27,840</b>	<b>25,468</b>	<b>-2.8</b>	<b>53,734</b>	<b>56,170</b>	<b>0.2</b>
Russian Federation	1,096	930	3.2	1,085	954	29.7
Other Europe	2,816	2,782	-4.4	6,626	6,412	4.6
<b>Total Europe (b)</b>	<b>31,752</b>	<b>29,180</b>	<b>-2.8</b>	<b>61,445</b>	<b>63,536</b>	<b>0.8</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Imports total excludes imports of ABS confidential items (mainly aircraft) from September 2008 onwards.

Based on DFAT STARS database and ABS catalogue 5368.0.55.004.



## Outlook

In the year ahead, Australia's UNSC membership and hosting of the G20 will deliver a robust agenda of activity with European partners and the European Union. We will continue to engage with the European Union, particularly in the high priority areas of crisis management, development cooperation and our joint interest in a stable Indo-Pacific area. We will seek to resolve differences in the Australia-EU Framework Agreement negotiations while protecting our interests.

We will remain active and constructive interlocutors with the European Union on international trade policy and global economic governance, particularly as the EU negotiations begin on the Transatlantic Trade and Investment Partnership with the United States.

We will consolidate our Strategic Partnerships with France and Germany and further

strengthen our close cooperation with the United Kingdom on a range of global issues.

Australia will coordinate closely with Russia and Turkey as part of the G20 troika over the next three years. We will continue efforts to deepen our relationship with Russia, focussing on Russia's G20 presidency in 2013 and enhancing our bilateral trade links.

We will build on our program of cooperation with NATO to pursue Australian interests in Afghanistan and other theatres.

As we step up preparations for the 2015 centenary of the Gallipoli campaign, we will consider ways to enhance our ties with Turkey to reflect the strength and diversity of the contemporary relationship. This effort will incorporate numerous cultural diplomacy initiatives as part of the 2015 'Year of Australia in Turkey' and 'Year of Turkey in Australia'.

## 1.1.5 South and West Asia and Middle East

### Overview

The department continued to add depth to Australia's strategic partnership with India, including through facilitation of high-level visits. We deepened the economic relationship by supporting the Joint Ministerial Commission, co-chaired by Dr Emerson, and the Australia–India CEO Forum. We progressed negotiations on a comprehensive economic cooperation agreement.

We led Australia's whole-of-government efforts in support of security, economic and political transition in Afghanistan, including Australia's military and civilian drawdown in Uruzgan province.

The department coordinated Australia's engagement with Pakistan on development, economic reform and security issues. We advanced Australia's relationship with Sri Lanka, building cooperation on people smuggling and constructive engagement to promote human rights.

The department worked to strengthen Australia's engagement with the Middle East and North Africa, including through Senator Carr's visits to six regional countries and the Palestinian Territories. The department led Australia's response to the crisis in Syria and its regional implications.

The department promoted Australia's trade and investment interests in the Middle East, particularly in the Gulf countries. We concluded a Joint Action Plan with the Gulf Cooperation Council (GCC).

### India

The department led implementation of a comprehensive whole-of-government strategy to build the strategic partnership with India.

We expanded high-level contacts through support for the Prime Minister's state visit to India in October 2012. The visit resulted in agreement to hold annual prime ministerial

meetings, establish a ministerial dialogue on energy security and commence negotiations on a civil nuclear cooperation agreement. The first negotiating round was held in March 2013.

In January 2013, we facilitated Senator Carr's participation in the 8th round of the Foreign Ministers' Framework Dialogue in New Delhi. Ministers resolved to work closely to strengthen regional and global institutions such as the East Asia Summit and G20. Building on the outcomes of the Prime Minister's visit, Senator Carr announced a \$12 million initiative under the bilateral Water Science and Technology Partnership to assist India in managing its water resources.



*Minister for Foreign Affairs, Senator Carr, and India's Minister for External Affairs, Salman Khurshid, at the 8th Foreign Ministers' Framework Dialogue, New Delhi, 21 January 2013.*  
[DFAT/Graham Crouch]

The department supported Dr Emerson's co-chairing of the 14th session of the Joint Ministerial Commission, held in New Delhi on 29 January. The meeting promoted closer trade and investment relations, with two-way trade exceeding \$17 billion in 2012, and highlighted the interests of both countries in further cooperation on regional and global economic issues.

In October 2012, the department supported the second meeting of the Australia–India CEO Forum which made recommendations to government, including on resources investment and services trade. We made progress in the 5th round of negotiations for a bilateral comprehensive economic cooperation agreement in May 2013 (see 1.1.7, p. 79).

The department and posts in New Delhi, Chennai and Mumbai, with strong support from other government agencies, state governments and the private sector, coordinated Oz Fest—a major celebration of Australian culture which helped to enhance

understanding of contemporary Australia in India. Following concerns in India about student safety in Australia, Oz Fest showcased Australia as a multicultural, tolerant and welcoming society. (See 1.1.13, p. 112.)

**FIGURE 12: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH INDIA (a)**



(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

**TABLE 6: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH COUNTRIES IN SOUTH ASIA AND THE GCC (a)**

Goods and services	Exports			Imports		
	2011	2012	Trend growth 2007-2012	2011	2012	Trend growth 2007-2012
	\$m	\$m		\$m	\$m	
India	17,392	14,005	3.8	2,957	3,448	9.9
Bangladesh (b)	579	490	23.4	244	375	57.1
Pakistan (b)	414	695	6.9	173	183	2.9
Other South Asia (b) (c)	285	252	3.8	123	135	5.9
<b>Total South Asia</b>	<b>18,670</b>	<b>15,442</b>	<b>4.3</b>	<b>3,497</b>	<b>4,141</b>	<b>11.1</b>
United Arab Emirates (b)	2,244	2,086	-9.8	4,133	3,044	10.6
Saudi Arabia (b)	1,531	1,734	-5.9	387	479	-17.3
Kuwait (b)	613	514	1.4	428	463	5.7
Oman (b)	418	458	-0.5	62	23	47.6
Qatar (b)	407	498	24.0	463	647	17.0
Bahrain (b) (d)	165	152	1.9	108	68	-16.7
<b>Total GCC (b)</b>	<b>5,380</b>	<b>5,443</b>	<b>-5.1</b>	<b>5,582</b>	<b>4,723</b>	<b>5.2</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Goods data only. Services data is not published by the ABS for these countries.

(c) Other South Asia comprises Bhutan, Maldives, Nepal and Sri Lanka.

(d) Excludes exports of alumina (aluminium oxide) to Bahrain which are confidential in ABS trade statistics.

Based on DFAT STARS database and ABS catalogue 5368.0.55.004.



## Staff Profile

### Claire Rochecouste

*Claire Rochecouste on a hill overlooking Kabul, near the Australian Embassy, August 2012. The tank is probably ex-Soviet – one of the many remnants of war still visible in Afghanistan. Other remnants include landmines and Australia supports a range of demining activities and mine risk education programs, working with the UN Mine Action Service and the Afghan Department of Mine Clearance. [DFAT]*

Since joining the department as a policy graduate in 2005, I have worked in various positions in Canberra and had two postings abroad, first to Buenos Aires (2008–10) and more recently to Kabul (2012–13).

Based in the Australian Embassy in Kabul, I covered human rights issues, working with the Afghan Government and international community to develop national institutions and legal frameworks that deliver access to rights and protection from violence—particularly for woman and girls. It was incredibly challenging and varied work. In a typical week, I would meet senior officials, the Human Rights Commission, local gender rights activists, UN agencies and coalition military leaders, ensuring the embassy's activities were coordinated with Afghan and international partners.

It was very rewarding to support the Australian government's commitment to international efforts to stabilise Afghanistan, working closely with AusAID and the Australian Defence Force. Travelling across the breathtaking landscape of Afghanistan to work in provinces like Uruzgan, Helmand and Parwan was a truly memorable experience.

I met so many Afghan women and men across government and civil society who, despite significant challenges, maintain a positive vision for their country's future and continue working to promote peace, security and economic and social development.

## Afghanistan

The department led Australia's whole-of-government effort in advancing security, economic and political transition in Afghanistan.

In July 2012, the department supported Senator Carr's participation in the Tokyo meeting of aid donors to Afghanistan. The meeting agreed on aid contributions by the international community and commitments by the Afghan Government to improve governance and economic and social development.

We contributed to planning for Australia's military and civilian drawdown in Uruzgan province by the end of 2013 and participation in the new, non-combat, NATO-led mission following the conclusion of the International Security Assistance Force mission at the end of 2014.

Through the Australian embassy in Kabul and the Provincial Reconstruction Team in Tarin Kowt, we coordinated civilian efforts to promote development, peace initiatives and preparations for elections in 2014. The department worked with Defence on Australia's detainee monitoring efforts.

Australia played a leading role on Afghanistan in the UN Security Council (UNSC), including on the renewal of the mandate for the United Nations Assistance Mission in Afghanistan (UNAMA) in March 2013. The department also managed Australia's role as chair of the council's Taliban Sanctions Committee from January 2013.

The department coordinated a number of high-level visits to and from Afghanistan, including the first visit by an Australian parliamentary delegation to Kabul from 28 April to 1 May 2013.

We supported the *Afghanistan, Hidden Treasures from the National Museum, Kabul* exhibition, which Foreign Minister Rassoul opened in Melbourne in March 2013. By the end of June 2013 around 50 000 people had seen the exhibition, which helped to build cultural links.

## Pakistan

Australia's engagement with Pakistan focused on development, economic reform and security issues.

The department facilitated high-level bilateral contact, including at the Prime Minister and Foreign Minister level.

Ahead of the Pakistan elections in May 2013, the department supported AusAID's assistance to the Electoral Commission of Pakistan and the Commonwealth's observation mission. The elections involved the highest ever number of women and new voters, and more than 50 million voters in total.

The Special Representative for Afghanistan and Pakistan, Deputy Secretary Paul Grigson, visited Islamabad in June 2013 for bilateral talks and co-chaired the 4th Australia–Pakistan Joint Trade Committee. The Committee explored new opportunities to further strengthen trade relations, with bilateral trade increasing to \$879 million in 2012.

## Sri Lanka, Bangladesh, Maldives, Nepal, Bhutan

The department advanced Australia's relationship with **Sri Lanka**, strengthening cooperation on people smuggling, engaging constructively to promote human rights and democratic governance, assisting education and other development efforts and promoting increased trade and investment.



High Commissioner to Sri Lanka, Robyn Mudie, meeting with beneficiaries of a Direct Aid Project that works to achieve inclusiveness for differently-abled children in Galle, southern Sri Lanka, 16 December 2012. [Australian High Commission Colombo]



We supported Senator Carr's visit to Sri Lanka in December 2012 when he opened the inaugural Joint Working Group on People Smuggling and Transnational Crime. In June 2013, we assisted with the visit to Australia of the Sri Lankan Foreign Minister, Professor Peiris, which further strengthened bilateral cooperation.

The department engaged with **Bangladesh** on a range of bilateral and multilateral issues, including through Bangladesh's role as Chair of the Commonwealth Ministerial Action Group (CMAG). We helped to manage Australia's expanding development assistance program in Bangladesh, including to improve disaster risk management.

The department encouraged the return of **Maldives** to a stable democratic process through Senator Carr's participation in CMAG and support for the Commonwealth good offices' role.

The department maintained Australia's longstanding relations with **Nepal**. We supported then Parliamentary Secretary Marles' visit in August 2012, during which he encouraged a peaceful and democratic pathway towards elections and highlighted Australia's expanding role in assisting Nepal's development.

Development assistance remained central to the relationship with **Bhutan**, including through scholarships and school feeding projects with the World Food Programme. The department supported a visit by members of Bhutan's Supreme Court to Australia in March 2013.

## Indian Ocean Rim Association for Regional Cooperation

The department continued its role in promoting cooperation and greater economic integration among Indian Ocean countries through the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). In Australia's role as vice-chair, we promoted further collaboration in the priority areas of maritime security and safety, oceans and

fisheries management, trade facilitation and disaster risk reduction.

We supported Mr Marles' participation in the annual IOR-ARC ministerial meeting in India in November 2012 and his announcement of several Australian capacity-building initiatives to strengthen cooperation on ocean sustainability.

## Central Asia

Australia continued to build its engagement with Central Asia—**Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan**—focusing on our shared interests in mining and international cooperation in Afghanistan. The department facilitated the participation of vice-ministers from Tajikistan and Kazakhstan in the Extractive Industries Transparency Initiative Global Conference held in Sydney in May 2013.

## Middle East and North Africa

The department helped position Australia as a credible, engaged player in the Middle East and North Africa during a period of significant transition in the region.

The department supported Senator Carr's visit to **Egypt** in September 2012, including his meeting with President Morsi. The visit reconfirmed Australia's support for a democratic and inclusive transition in Egypt.

The department led Australia's response to the unfolding crisis in **Syria**, including advocacy of Senator Carr's plan to protect medical workers and facilities and enable access to medical care. The department worked with AusAID on the expansion of Australia's humanitarian assistance to Syria to a total of \$78.5 million.

We supported Senator Carr's participation in ministerial meetings on Syria, including in Paris in July 2012 for the Friends of the Syrian People, and in Luxembourg in April 2013. We used Australia's non-permanent seat in the UNSC to press for council engagement on Syria. We implemented robust autonomous sanctions

measures against the Assad regime and co-chaired the 6th meeting of the Friends of the Syrian People Working Group on Sanctions in Bulgaria in February 2013.



*Minister for Foreign Affairs, Senator Carr (right), and Ambassador to Egypt, Dr Ralph King, speaking with senior members of the Coptic Church about the large number of Egyptian Coptic Christians living in Australia, Cairo, September 2012. [DFAT/Roger Anis]*

The department coordinated Senator Carr's visit to **Jordan** in August 2012 and his visit to **Lebanon** in May 2013, the latter the first by an Australian foreign minister since 2001. Both visits focused on the regional impact of the Syria crisis.

We reinforced Australia's strong position on a negotiated two-state solution between **Israel** and the **Palestinian Territories**, including through: support for Senator Carr's August 2012 visit to Israel and the West Bank; our contribution to Middle East consultations in the Security Council; and engagement with AusAID in providing targeted budget support for Palestinian institution-building. The department, together with AusAID, represented Australia at Ad Hoc Liaison Committee meetings, to coordinate international donor policy on development assistance to the Palestinian people.

In line with Australia's opposition to **Iran's** nuclear program, the department supported efforts to encourage Iran to comply with relevant UNSC resolutions and cooperate fully with the International Atomic Energy Agency. As chair of the Iran Sanctions Committee in the Security Council, we worked to improve effectiveness of UN sanctions measures. The department implemented additional Australian autonomous sanctions in August 2012.

Australia announced further sanctions in January 2013.

The department also coordinated Australia's advocacy on human rights in Iran, including through bilateral representations, the UN Human Rights Council and the UN General Assembly. The department supported continued dialogue with Iran on issues of mutual concern including Afghanistan, people smuggling and counter-narcotics.

The department worked to ensure Australia's links with the Gulf States continued to prosper. We managed a number of high-level visits to the region, including the first state visit by an Australian Governor-General to **Oman** in September 2012. Senator Carr undertook the first official visit to **Qatar** by an Australian foreign minister in May 2013.

The department helped to build Australia's strategic and economic engagement with the **United Arab Emirates (UAE)**. We supported Senator Carr's visit in July 2012, during which he signed a bilateral nuclear cooperation agreement. In May 2013, Senator Carr held inaugural annual talks with the UAE Foreign Minister and signed a memorandum of understanding establishing a Joint Committee for Cooperation.

The department focused on increasing commercial engagement with **Saudi Arabia**. We coordinated the 9th Saudi-Australian Joint Ministerial Commission, co-chaired by Dr Emerson and the Saudi Agriculture Minister. The meeting, which included significant Saudi business representation, strengthened commercial ties in agriculture, education and energy and resources and inaugurated a Saudi-Australian Joint Business Council.

The department consolidated relations with **Iraq** through annual bilateral senior officials' talks in Canberra in November 2012. Australia remains active in the Friends of **Yemen** process and in the UNSC to support political transition and stability.

We advanced relations with **Morocco**, including through assistance with the first

## Staff Profile

### Amani and Heba Shenouda

Amani Shenouda joined the Australian embassy in Cairo in 1984. Her sister, Heba, joined in 1989. Both have since become indispensable members of the embassy team, and an inspiration to other locally engaged staff.

As Consular Manager, Amani handles consular and passport issues in Egypt and Cairo's other countries of accreditation. She has managed complex and high-profile consular cases and emergencies, such as the 2006 Egypt bus crash, and the 2011 Egyptian revolution. Amani's work was an integral part of the embassy's receipt, in 2011, of two Citations and a Silver Medallion in recognition of its outstanding service. Her contribution was noted by colleagues and by the Foreign Minister. 'It is very satisfying to assist people in times of need', Amani said.

Heba Shenouda is Executive Assistant to the Ambassador, having started at the embassy as a receptionist. She provides administrative support to the head of mission and the political team, including arranging programs, appointments, travel bookings and official correspondence. She has a talent for securing meetings with even the most elusive high-level contacts. Heba has also been invaluable in organising and managing several ministerial visits. During the 2011 crisis, Heba provided invaluable support to the embassy team, after-hours and in critical situations. 'I love what I do', said Heba, 'and this is the key to my success'.



official visit to Australia by a Moroccan foreign minister in June 2013 and reciprocal parliamentary exchanges.

Senator Carr hosted the second GCC-Australia Foreign Ministers' Strategic Dialogue in New York in September 2012. Australia and the GCC agreed in June 2013 on a joint action plan to guide our political, strategic and trade cooperation.

## Outlook

The department will focus on Australia's strategic partnership with India. We will launch and implement the India Country Strategy commissioned by the government in the *Australia in the Asian Century* White Paper. We will work to deepen our political and strategic dialogue and expand trade and investment flows.

We will lead whole-of-government efforts through the transition in Afghanistan, with an emphasis on support for the completion of Australia's mission in Uruzgan province by the end of 2013. Renewal of the UNSC mandate for the International Security Assistance Force for the final stage of transition will be a priority.

We will support Australia's role as chair of the IOR-ARC from November 2013 and work with India, Indonesia and other members to build greater regional cooperation.

The department will add further depth to our relations with the Middle East and North Africa, supporting high-level visits, increased trade and investment, and closer education, business and people-to-people links, including through the Council for Australian–Arab Relations (see 1.1.13, p. 116).

## 1.1.6 Pacific

### Overview

Australia is the Pacific's major economic and security partner and its largest aid donor. Our interests are served by stability and economic growth in the neighbourhood and we are often judged domestically and internationally by our effectiveness in helping the region to grow opportunities and address major challenges.

The department used numerous high-level visits to advance Australia's key interests in the region. These visits included the Governor-General, Prime Minister, Minister for Foreign Affairs, Minister for Trade, Minister for Defence, Parliamentary Secretaries for Pacific Island Affairs, Parliamentary Secretary to the Treasurer, Parliamentary Secretary for Defence and the Global Ambassador for Women and Girls.

The department sought to shape the Pacific regional cooperation agenda, notably through its engagement with the review of the Pacific Plan that outlines regional priorities. Advancing regional economic integration was a continuing priority. We led Australia's participation in the Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations, which have expanded and intensified, and assisted with the implementation of the Seasonal Worker Program.

We worked closely with regional countries in support of the 2012 Pacific Islands Forum Leaders' Meeting in Rarotonga, Cook Islands. Australia's initiatives contributing to the empowerment of women in the Pacific were widely endorsed.

The department contributed to further progress in implementing the economic integration agenda with New Zealand. Trade ministers met in Canberra in November 2012 for the annual Australia–New Zealand Closer Economic Relations (CER) Ministerial Forum.

Following national elections in Papua New Guinea, the department led Australia's intensive engagement to provide a framework

for our modern and dynamic partnership. The department drove Australia's regional and international efforts to encourage credible elections and a return to democracy in Fiji in 2014. We coordinated the further drawdown of the Regional Assistance Mission to Solomon Islands (RAMSI).

### Regional engagement

The department supported the participation of the Prime Minister and then Parliamentary Secretary for Pacific Island Affairs Marles in the August 2012 Pacific Islands Forum Leaders' Meeting in Rarotonga. We also assisted the participation of Mr Marles in the Post-Forum Dialogue and a trilateral meeting involving the New Zealand Foreign Minister and the US Secretary of State. Key features of the leaders' meeting were the Prime Minister's announcement of significant new financial assistance to improve women's empowerment and the adoption of the Pacific Leaders' Gender Equality Declaration.

The department engaged with the Pacific Plan Review team to ensure the plan better reflected its original intent—namely, a high-level political document outlining the aspirations guiding regionalism in the Pacific and providing a framework for regional cooperation and integration.

Working closely with other departments and participating Pacific countries, the department supported the implementation of the Seasonal Worker Program from 1 July 2012, following a successful pilot phase. The program assists the economic development of participating countries, while offering Australian employers in the horticultural sector and four trial sectors access to workers from eight Pacific island countries and Timor-Leste. Over 1 400 Pacific workers have participated in the program since 1 July 2012.

Pacific Islands Forum leaders reinforced the importance of increased engagement to advance the PACER Plus negotiations.



Consistent with the guidance provided by the forum's leaders and trade ministers, the department led whole-of-government efforts and worked with other forum officials to make significant progress on the agreed priority issues, including rules of origin, customs procedures, and technical barriers to trade. We also had productive discussions on developing a roadmap to guide PACER Plus negotiations in relation to new areas, such as services and investment.

Pacific Islands Forum leaders also supported continued efforts to promote the effective management and protection of the region's fisheries. The department worked with the Department of Agriculture, Fisheries and Forestry to conclude negotiations on a regional treaty to strengthen maritime surveillance and other mechanisms to protect and develop Pacific fisheries, known as the Niue Treaty Subsidiary Agreement. This treaty was adopted by Pacific Islands Forum members and opened for signature on 2 November 2012.

## New Zealand

The department contributed to further progress in bilateral economic integration with New Zealand. Trade ministers met in Canberra in November 2012 at the annual CER

Ministerial Forum to review progress towards the goal of a seamless trans-Tasman market.

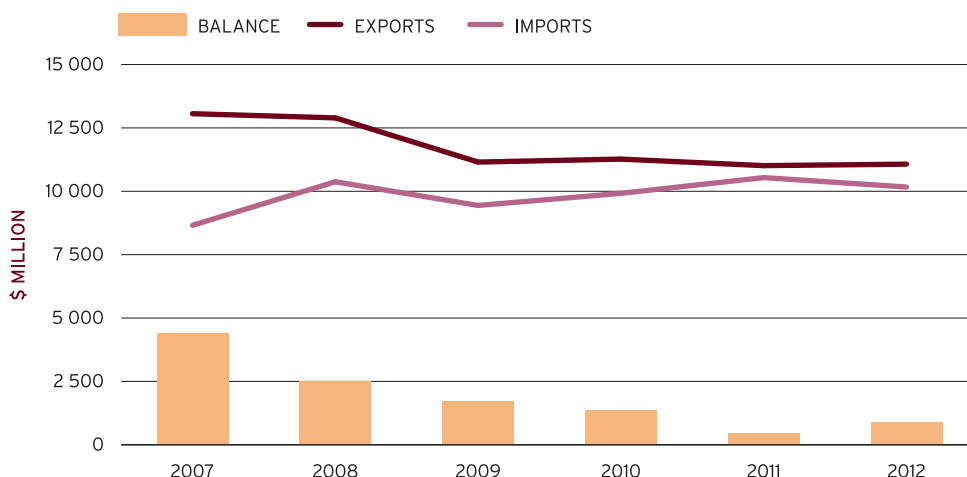
The department also assisted with the implementation of outcomes announced at the 2013 Leaders' Meeting, to mark the 30th anniversary of the Australia–New Zealand Closer Economic Relations Trade Agreement. Initiatives completed to date include entry into force on 1 March 2013 of the Investment Protocol, which will reduce compliance costs and provide greater legal certainty for trans-Tasman investors; the signing in April 2013 of an arrangement establishing a single trans-Tasman regulatory regime for patent attorneys; and new retirement savings portability arrangements to come into effect on 1 July 2013.

The department worked with other agencies on an agreement with New Zealand to address high trans-Tasman mobile roaming charges, and to explore the possible implementation of a reciprocal student debt recovery scheme. The department contributed to work on an Australian and New Zealand government response in 2014 to the Productivity Commissions' joint study into options to boost productivity, increase competitiveness and deepen economic integration between the two countries, with an emphasis on measures that would deliver net trans-Tasman benefits.



Prime Minister Julia Gillard and then Parliamentary Secretary for Pacific Island Affairs, Richard Marles, join local school children at the official opening of the Pacific Islands Forum, Rarotonga, Cook Islands, 28 August 2012. [DFAT]



**FIGURE 13: AUSTRALIA'S TRADE IN GOODS AND SERVICES WITH NEW ZEALAND (a)**

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

## Papua New Guinea

The department led Australia's extensive engagement with Papua New Guinea. We supported Papua New Guinea in its efforts to hold elections on time and in line with its constitution in July 2012, following a period of political instability.

The department coordinated the bilateral ministerial forum involving five Australian ministers in Port Moresby in December 2012. Key forum outcomes included the conclusion of negotiations on an Economic Cooperation Treaty, further assistance for the establishment of the PNG Sovereign Wealth Fund, endorsement of the reshaping of the aid program to align with PNG priorities and commitment to streamline visa processes for PNG nationals travelling to Australia. The department also promoted strengthened cooperation on people smuggling, including through the government's establishment of a regional processing centre on Manus Island.

We facilitated a range of leader-level and ministerial visits to and from Papua New Guinea to cement bilateral ties and strengthen engagement with key figures in the new government. During her visit in May 2013, Prime Minister Gillard signed with Prime Minister O'Neill

the *Joint Declaration for a New Papua New Guinea–Australia Partnership*, to provide a framework for our contemporary relationship. The Governor-General's visit in April 2013 highlighted our commitment to improving rights for women in Papua New Guinea and underscored the strong people-to-people links.



Assistant Policy Adviser, Office of the Special Coordinator, RAMSI, Katie Hamilton (sitting), discussing the mission's transition with women at the Obo Obo Community, Gold Ridge area, Solomon Islands, 27 January 2013. [DFAT/Johnson Honimae]

The department continued to raise awareness and build understanding of Papua New Guinea in Australia. In February 2013, we organised the second annual PNG Independence Day Oration by former PNG member of parliament, Dame Carol Kidu, at Parliament House and hosted the inaugural PNG Roundtable in Geelong in April 2013, bringing together leaders from community,

business, media and academic sectors. An advocacy visit by representatives of the Australian media in June 2013 provided insights for the journalists into contemporary Papua New Guinea.

## Solomon Islands

Several high-level bilateral visits supported by the department strengthened cooperation with Solomon Islands in a number of areas, notably security and stability. In August 2012, Foreign Minister Carr's visit helped consolidate bilateral relations, while Defence Parliamentary Secretary David Feeney took forward discussions on the withdrawal of RAMSI's military component. The previous month Parliamentary Secretary Marles led Australia's largest ever Indigenous delegation to the *Festival of Pacific Arts*.

Parliamentary Secretary for Pacific Island Affairs, Senator Thistlethwaite, participated in the May 2013 Pacific Islands Forum Ministerial Standing Committee Meeting and helped shape a number of important decisions on the next phase of the RAMSI drawdown.

The department advanced bilateral relations by contributing to Prime Minister Lilo's guest-of-government visit to Australia in August 2012. We also facilitated Mr Lilo's participation in the Extractive Industries Transparency Initiative Global Conference in May 2013, at which he committed to improving regulatory transparency in Solomon Islands' burgeoning mining sector.

## Fiji

The department led Australia's efforts to encourage Fiji's return to democracy and played a central coordinating role working with New Zealand and Australia's other regional and international partners to this end. The Pacific Islands Forum Leaders' Meeting in August 2012 noted the progress towards elections set down for September 2014 and reiterated the forum's intention to remain engaged with Fiji. The department supported Senator Carr's participation in Commonwealth Ministerial Action Group meetings in September 2012 and April 2013, which reiterated the Commonwealth's commitment to Fiji's reinstatement as a full member upon restoration of democracy and the fundamental values of the Commonwealth.

The department supported Senator Thistlethwaite's participation in a Pacific Islands Forum Ministerial Contact Group visit to Fiji in April 2013. The group saw some progress but expressed concerns about departures from Fiji's previously declared roadmap. The department continued to coordinate Australia's election-related assistance with international partners in the lead-up to Fiji's planned elections in 2014.

Australia's statements in the UN Human Rights Council and the International Labour Organization (ILO) emphasised our ongoing concern about the economic, social and human rights situation in Fiji. We worked closely with the ILO to encourage Fiji to allow an ILO 'direct contacts' mission to assess the current situation.



Parliamentary Secretary for Pacific Island Affairs, Senator Thistlethwaite, meeting with Secretary General Pacific Islands Forum, Neroni Slade, Suva, 11 April 2013. [DFAT]

## Vanuatu, Tonga, Samoa, Nauru

The department supported a visit by Senator Carr to **Vanuatu** in February 2013 that reaffirmed the close bilateral ties and increased cooperation on development assistance issues. The department also worked with other agencies to achieve the resumption of the Australian Federal Police's capacity building program with the Vanuatu Police in April 2013.

We assisted with a visit to Australia by the Prime Minister of **Tonga**, Lord Tu'iavakano, in November 2012 that advanced bilateral cooperation on superannuation policy and Seasonal Worker Program issues.

In February 2013, the department supported a visit to **Samoa** by Senator Carr, who saw firsthand Australian assistance in the recovery efforts after Cyclone Evan which devastated parts of Samoa in late December 2012. We led Australia's delegation at the second annual security partnership talks with Samoa in May 2013 which focussed on emergency cooperation.

Issues surrounding the planned regional processing centre were a focus of our bilateral relations with **Nauru**. We played an important role in supporting other departments to establish and operate the centre.

## Other countries and entities

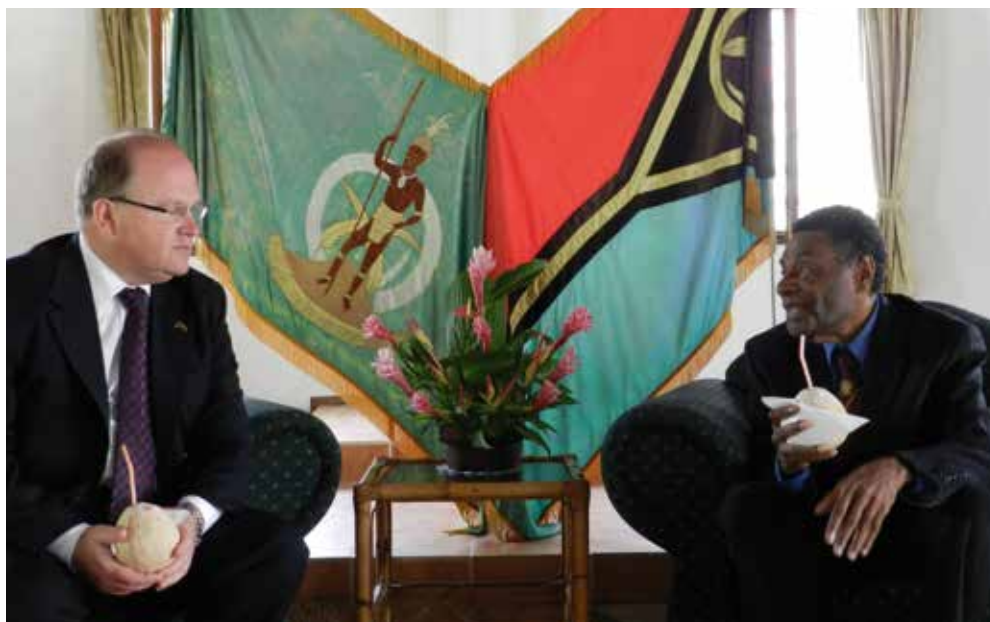
The department advanced bilateral relations with other Pacific countries and entities by assisting with a parliamentary delegation visit led by Mr Marles to the **Republic of the Marshall Islands** and **New Caledonia** in December 2012. We hosted a visit by **Federated States of Micronesia** Congressman, Senator David Panuelo, as part of our increased engagement with the North Pacific.

The department also supported visits by Senator Carr to **Kiribati** in February 2013, and Mr Marles to Kiribati and **Tuvalu** in July 2012. The department led bilateral security partnership talks with Kiribati in November 2012. These visits reinforced Australia's strong relationships with Pacific micro-states.

We led the Australian government delegation participating in annual discussions with **New Caledonia** in March 2013 that advanced bilateral cooperation in a number of areas, including on environment and air services issues.



Australian officials take a whole-of-government approach in security partnership talks with Samoa's Department of Prime Minister and Cabinet CEO, Vaosa Epa (back to camera). (Left to right, facing): AFP agent, Steve Jakiwczuk; High Commissioner to Samoa, Stephen Henningham; Delegation Leader, Tony Huber; and Defence representative, Captain Stephanie Moles RAN, Apia, 22 May 2013. [Australian High Commission Apia]



*High Commissioner to Vanuatu, Jeremy Bruer, enjoying a customary coconut drink with the President of Vanuatu, Iolu Johnson Abbil, following the presentation of his credentials, Port Vila, November 2012. [Australian High Commission Port Vila]*

## Outlook

In response to enduring and fundamental challenges in the Pacific, the department will continue to support the region's stability, security and prosperity. A regional priority will be ensuring the Pacific Islands Forum Leaders' Meeting in Majuro, Republic of the Marshall Islands, in September 2013, delivers substantive outcomes, particularly on the review of the Pacific Plan.

The department will lead Australia's engagement with Papua New Guinea, including through helping the country take steps to combat corruption, deliver economic development, implement accountable and transparent management of natural resources and improve service delivery to the people.

The department will continue to coordinate with New Zealand, Papua New Guinea, other regional partners and the international community to encourage Fiji to hold credible elections in 2014.

In Solomon Islands, we will steer the continuing drawdown of RAMSI. Australian development assistance, previously provided through RAMSI, will be provided directly to the Solomon Islands' Government from 1 July 2013. RAMSI's military component, including Australian personnel, is set to withdraw by September 2013. Australia's support for security in Solomon Islands will continue through its leadership of the RAMSI Participating Police Force.

The department will play a role in expanding and intensifying the PACER Plus negotiations and continue work to enhance the Seasonal Worker Program. The department will also support efforts to ensure the sustainable exploitation of the region's fisheries resources for the benefit of the Pacific Islands peoples, by seeking to finalise the renegotiation of the US Tuna Treaty and implement the Niue Treaty Subsidiary Agreement.



## Advancing gender equality

The department's work to promote gender equality remained a priority in 2012–13. International, regional and bilateral advocacy by the Global Ambassador for Women and Girls continued to be a key element of Australia's profile as an active proponent of women's empowerment.

### Women, Peace and Security

The women, peace and security agenda was an ongoing focus for Australia. As a member of the UN Security Council (UNSC), we worked to address gender dimensions of conflict across the UNSC's work. We defended and strengthened gender-related language in resolutions mandating peacekeeping and peace-building operations, including in African countries and Afghanistan. In relation to Mali and Somalia, we successfully advocated for specific language to promote women's participation and for the deployment of Women's Protection Advisors.

In the UNSC, we participated in open debates on women, peace and security and sexual violence in conflict; co-hosted a UNSC-civil society meeting on the work of gender practitioners in peacekeeping operations; and supported the adoption of UNSC Resolution 2106, which sets out a framework for the international community to address sexual violence in conflict. We also supported the UK's Preventing Sexual Violence Initiative which aims to end impunity for perpetrators of such crimes. As a co-author of the Arms Trade Treaty, Australia coordinated with other parties the inclusion of specific language on the risk of arms being used to perpetrate gender-based violence.

In March 2013, the department hosted the Australia-OSCE Conference on Improving the Security of Women and Girls, in Adelaide, and arranged the participation of the Afghan Deputy Minister for Women's Affairs.

### Multilateral and regional advocacy

The department engaged across government and civil society in multilateral and regional gender policy conferences. We contributed to the successful negotiation of strong agreed conclusions on addressing violence against women at the UN's 57th Session of the Commission on the Status of Women in March 2013. As well as supporting the attendance by delegates from Laos, the department supported Australia's co-hosting of 12 side events promoting discussion on women's empowerment issues.

Australia co-sponsored, and was a strong advocate for, resolutions on women's rights in the UN Third Committee and in the Human Rights Council. Key areas of focus were the elimination of violence against women, addressing trafficking in women and girls, ending obstetric fistula and a landmark UN General Assembly resolution on eliminating female genital mutilation (FGM).

The department supported the Minister for the Status of Women's visit to the Commonwealth's 10th Women's Affairs Ministers Meeting in Bangladesh and the participation by the Global Ambassador for Women and Girls in the inaugural ASEAN Ministerial Meeting on Women (Laos, October 2012), the 5th East Asia Ministerial Meeting on Gender Equality (Beijing, May 2013) and the US–Cambodia Lower Mekong Initiative Gender Policy Dialogue (Siem Reap, July 2012), strengthening Australia's regional cooperation on gender issues.





At the Pacific Islands Forum in the Cook Islands in August 2012, the department contributed to the development of the Pacific Leaders' Gender Equality Declaration adopted at the forum and to which the Prime Minister committed a 10-year, \$320 million Pacific Women Shaping Pacific Development Initiative.

The department continued its engagement with the US-led Equal Futures Partnership to promote economic and leadership opportunities for women, maintaining its gender balance target of over 40 per cent women on its government boards with 41 per cent at 30 June 2013.

### **Bilateral advocacy**

The department extended its bilateral engagement on gender issues in the Asia-Pacific region through a program of high-level visits. The Global Ambassador for Women and Girls visited 12 countries expanding Australia's partnerships with governments and civil society to promote gender equality and advance cooperation on the Prime Minister's Pacific development initiative. A visit to Trinidad and Tobago focussed on women's leadership and one to Thailand addressed women's access to justice, women's political participation, and cooperation on women, peace and security.

The department sustained advocacy on gender issues by supporting visits by the Prime Minister and Governor-General to Papua New Guinea; the Governor-General to Brunei Darussalam and the Republic of Korea; the Speaker of the House of Representatives to Singapore; senior Australian businesswomen to attend the Malaysian Global Summit of Women, and a visit by PNG parliamentarian, Governor Julie Soso Akeke, to Australia.

In Afghanistan, we continued our work on promoting women's rights and also supported visits to Australia by Afghan women parliamentarians, civil society activists and senior officials. We advocated for the implementation of laws on eliminating violence against women and made regular representations on women's rights to the Afghan Government.

### **National initiatives**

The department contributed to whole-of-government efforts to address FGM, presenting at the National Summit hosted by the Department of Health and Ageing in April 2013 and contributing to the summit's National Communiqué on FGM. We enhanced our policies and training for management of consular cases involving forced marriage and FGM, and we improved public information resources and services to provide more targeted support to those affected.

### **Outreach**

In Australia and overseas, the department actively supported campaigns such as International Women's Day, the International Day for the Elimination of Violence Against Women and the inaugural International Day of the Girl Child. The Global Ambassador for Women and Girls visited Solomon Islands for White Ribbon Day, promoting local programs to end violence against women and girls. Associated media and the ambassador's opinion-editorial on the day received strong coverage in the Pacific. As White Ribbon ambassadors, our male heads of mission in the Pacific continued to emphasise the role of men in eliminating violence against women.



Global Ambassador for Women and Girls, Penny Williams (centre), with the Solomon Islands Women in Business Association at the White Ribbon Day march, Honiara, 27 November 2012. [DFAT]

In 2012–13, the department increased the representation of women in its international media visits scheme and used the scheme to showcase Australia's programs to promote women's rights. A gender-focussed visit for women journalists from the Asia–Pacific in March 2013, coincided with the passage of Equal Opportunity for Women in the Workplace legislation.

During the reporting period, the department funded around 330 direct aid projects (DAP) that supported gender equality (to a combined value of \$4.9 million of the total DAP budget of \$8.94 million). Protection from, and prevention of, violence against women and girls was a focus, including in Mauritius, Belgrade and Kosovo. We funded projects to support women's economic empowerment in Africa and South America and women's farming projects in Argentina, Papua New Guinea, Sri Lanka and Vanuatu. We supported women's political empowerment through projects in Pakistan and through the Fund for African Women.

Maternal health was a priority under the Australia–Africa Community Grants Scheme. In Abu Dhabi, Ramallah and Vietnam, we ran programs to promote the equal participation of women in sports. The South East Asia Regional Discretionary Fund supported gender equality programs in Laos. The department funded Myanmar's participation in the National Human Rights Institutions' International Conference on Women's and Girls' Human Rights.

We continued to encourage strong engagement on gender issues through the International Relations Grants Program administered by foundations, councils and institutes. The Council for Australian–Arab Relations supported an Australian Arab Women's Dialogue in March 2013, bringing women from eight Middle East and North African countries to Australia, to highlight the role played by women in democratic movements in the Arab world.

## 1.1.7 Bilateral, regional and multilateral trade negotiations

### Overview

The department supported the government's strong commitment to advancing global trade reform and liberalisation for the benefit of Australian business. We worked through multilateral, plurilateral, regional and bilateral channels, to open new markets, consolidate access to existing markets and facilitate more efficient and transparent trading practices both within and between countries.

Delivering on the government's active bilateral and regional trade agreement strategy was a core priority across 10 of the department's 14 divisions. Australia's seventh free trade agreement (FTA), the Malaysia–Australia Free Trade Agreement, entered into force during the year. We commenced Regional Comprehensive Economic Partnership (RCEP) negotiations, involving ASEAN and its six FTA partners, and commenced bilateral negotiations with Indonesia. We also continued to progress negotiation of two other regional agreements (the Trans-Pacific Partnership (TPP) agreement and Pacific Island Forum's PACER Plus) and on bilateral agreements with four of Australia's largest trading partners—China, Japan, the Republic of Korea and India.

Through the various institutional mechanisms of the World Trade Organization (WTO), including the committees, we worked to strengthen the organisation as the centre of the rules-based trading system. The aim was to ensure the WTO continues to uphold the existing rules for multilateral trade, as well as advance trade reform and liberalisation.

We promoted the government's efforts to conclude the Doha Round of multilateral negotiations, focusing on manageable elements. We played a key role in preparing a package of outcomes for the December 2013 9th WTO Ministerial Conference. The department steered discussions on a Trade

in Services Agreement, played a central role in shaping possible outcomes in negotiations for agricultural trade liberalisation, worked towards conclusion of a WTO trade facilitation agreement and helped progress a number of negotiations on trade-related environmental and intellectual property issues.

We led Australia's participation in the WTO dispute settlement process, most notably in defending Australia's tobacco plain packaging measure. We actively promoted the government's trade objectives through the work programs of the G20, APEC and the OECD.

### Multilateral trade liberalisation and the WTO Doha Round negotiations

The overarching focus of negotiation work in the WTO throughout 2012–13 was preparation of a package of outcomes for the 9th WTO Ministerial Conference (MC9), to be held in Bali, in December 2013. At the World Economic Forum in Davos in January 2013, key trade ministers decided the MC9 package should include an agreement on trade facilitation, some initiatives on agriculture and a package of measures to assist least developed countries. The department's sustained advocacy efforts, including through the Cairns Group, helped secure a central position for agriculture in the MC9 agenda.

The proposed package of outcomes for MC9 was directly inspired by the 'new pathways' approach pioneered by Australia in 2011–2012. Motivating the approach is a desire to conclude the Doha Round by focusing initially on a sub-set of issues most likely to achieve agreement by consensus in the immediate to near term. Progress through this approach would help to inject confidence and momentum into the broader WTO negotiations.

The department pursued a multifaceted strategy to build support of other WTO members for a realistic and credible MC9 package. In October 2012, we facilitated a visit to Geneva by the Trade Minister along with then president of the National Farmers' Federation, Jock Laurie, to emphasise the importance of multilateral agriculture trade reform for the Australian agriculture industry. The department co-chaired with China a senior officials' meeting of WTO members in Geneva in April 2013, providing an opportunity for the members to identify specific areas of flexibility on the MC9 negotiating text. We also facilitated an informal gathering of 33 trade ministers and officials, chaired by Dr Emerson, in the margins of the OECD Ministerial Council Meeting in Paris in May 2013. The senior officials' meeting and the informal gathering of ministers and officials were regarded by WTO members as pivotal in providing high-level direction to the negotiations and in crystallising potential outcomes.



Ambassador to the WTO, Tim Yeend (right), with Director-General WTO, Pascal Lamy, at an Australian-hosted function to welcome non-resident delegations to 'Geneva week', organised annually by the WTO to inform these member countries and observers about recent developments taking place at the WTO, July 2012. [Australian Permanent Mission to the WTO Geneva]

Through the Doha Round agriculture negotiations the department advocated a deeper understanding of the role of trade and trade reform in strengthening global food security and reducing food price volatility. We highlighted the risks, particularly for developing countries, of food self-sufficiency as the sole strategy to achieve food security. We continued our long-standing tradition of close engagement with other Cairns Group members and worked with food importing countries to highlight concerns about the impacts of export restrictions and other government policy interventions, which have exacerbated global food and agricultural market volatility. The department also promoted stronger aid and trade policy coherence on food aid issues and worked with Russia towards implementation of its WTO accession commitments.

Services represent a significant proportion of Australia's total economic and trade output, accounting for over 70 per cent of GDP and over 18 per cent of total trade in goods and services. Given the potential benefits for the Australian economy of expanded growth in global services trade, the department actively pursued an international Trade in Services Agreement (TiSA) throughout 2012–13. A framework for the negotiations which draws on the WTO General Agreement on Trade in Services, as well as on regional and bilateral trade agreements, was finalised in December 2012. To date, 23 developed and developing economy WTO members, representing around two-thirds of global trade in services, have signed up to the negotiations. Additional participants are expected over time.

The department played a central role in the TiSA negotiations, leading discussions in Geneva with the United States and the European Union. We undertook extensive consultations with state and territory governments and public consultations with industry and community representatives to ensure development of a comprehensive Australian negotiating strategy.



The department was at the forefront of efforts to conclude a global agreement on trade facilitation. Such an agreement would boost the WTO and global trading system; modernise customs clearance procedures, particularly for perishable products; encourage greater cooperation between customs agencies; and deliver a possible increase in global GDP of \$67 billion.

Australia provided \$400 000 to support updated needs assessments for 12 developing countries designed to identify the assistance they would require to implement a trade facilitation agreement. The assessments helped highlight the substantial benefits and the relatively low cost of implementation of an agreement and prompted greater developing country participation in the negotiations.

The department continued to play an active role to expand the Information Technology Agreement (ITA). The negotiations have focused to date on expanding the product coverage of the ITA to eliminate tariffs on new IT products. An expanded ITA will lead to lower costs, increased access to technology and enhanced market access opportunities for Australian industry.

The department used the various institutional mechanisms available in the WTO to advocate the interests of Australian exporters and address barriers to trade and unfair trade practices. Through the WTO committee system, the department raised specific bilateral trade concerns.

Through the transparency function of each WTO committee, we monitored the trade practices of other members to ensure consistency with WTO rules and to protect the interests of Australian exporters. Through the WTO Committee on Agriculture, for example, the department confronted the United States and the European Union on their respective production and trade-distorting farm subsidy programs. The department also used the committee to seek the EU's full compliance with its WTO export subsidy commitments on sugar. These efforts were part of a broader government

strategy to encourage genuinely liberalising reforms to both the US Farm Bill and the EU Common Agricultural Policy.

We also used WTO committees as forums to discuss implementation and interpretation of existing WTO rules to ensure the protection of trade liberalisation gains.

Using the WTO setting we achieved bilateral market access gains. For example, we successfully petitioned to remove barriers preventing an Australian motorised wheelchair manufacturer from accessing a key export market. We also secured access for Australian pork, goat and sheepmeat to India and improved access for vacuum-packaged meat to Egypt. We made significant progress in addressing difficulties faced by the Australian meat industry in exporting beef to Turkey.

## Other multilateral trade policy issues

### Compliance and dispute settlement

The department leads Australia's participation in the WTO dispute settlement system. Defending Australia's requirement for plain packaging of tobacco products remained a priority. During 2012–13, Australia held WTO dispute settlement consultations with Dominican Republic (27 September 2012) and Cuba (13 June 2013) in relation to their complaints about Australia's requirement. Australia previously held consultations with Ukraine and Honduras in relation to the same measure. On 28 September 2012, at Ukraine's request, a dispute settlement panel was established by the WTO which attracted significant international interest; a record number of 35 members joining the dispute as a 'third party'. This will allow them to observe the proceedings and make statements to the, yet to be appointed, adjudicating panel.

Australia participated as a third party in WTO disputes affecting our commercial



and/or policy interests. These included a dispute taken by Japan, the European Union and the United States in respect of export restrictions by China on forms of rare earths, tungsten and molybdenum; a dispute taken by the United States with regard to measures imposed by Indonesia on the importation of horticultural products, animals and animal products; and a dispute taken by Japan and the European Union in relation to domestic content requirements for the renewable energy generation sector in Canada.

The department provided advice to other federal government agencies and state and territory governments on Australia's and our trading partners' commitments under the WTO and free trade agreements. The department also managed Australia's active engagement in the negotiations on the review of the WTO's dispute settlement system.

### WTO accessions

In July 2012, Australia joined other WTO members in adopting guidelines to streamline the process for the world's poorest countries to accede to the WTO, demonstrating a continued commitment to facilitating the participation of least developed countries (LDCs) in the multilateral trading system.

Australia supported the WTO accession of Laos, providing over \$4 million in technical assistance and chairing the WTO Laos Accession Working Party. Laos became the 158th member of the WTO in February 2013 after 15 years of negotiations. As part of its accession commitments, Laos agreed to lower its barriers to imports of goods and services, including on key Australian exports. The assistance and support provided to Laos throughout its accession reflected Australia's continued commitment to supporting trade development in our immediate region.

Russia and Vanuatu became WTO members in August 2012, while Tajikistan's accession was finalised in March 2013. Through Russia's accession commitments we secured improved access for Australian

beef to the Russian market and lower tariffs for sheepmeat and a number of mineral products. We strongly supported Vanuatu's accession to the WTO, which boosted the participation of Pacific countries in the organisation. The department was heavily involved in bilateral negotiations for a number of ongoing accessions, most notably Kazakhstan which, as part of a Customs Union with Russia and Belarus, represents a potential market for Australian beef exports.

### Trade and environment

The department, in close cooperation with other Australian government agencies, actively worked in international forums, including the United Nations, WTO and APEC, to further Australia's trade-related environmental objectives and to address international and domestic environmental challenges.

Significant negotiations where trade and environment intersected included the UN Framework Convention on Climate Change Conference of the Parties in Doha in November–December 2012 and negotiations on the development of a global legally binding instrument on mercury (the Minamata Convention on Mercury) in January 2013. The department pursued opportunities to further liberalise trade in environmental goods, building on the agreement by APEC leaders in Vladivostok in September 2012 to reduce tariffs to five per cent or less on a list of 54 environmental goods by 2015. (See also 1.1.8, p. 86.) We worked with the Department of Agriculture, Fisheries and Forestry to both inform and consult with our trading partners to maximise the effectiveness of the government's *Illegal Logging Prohibition Act 2012*. The department also focused on a number of international standards issues, including on carbon footprinting and biofuels.

### Intellectual property

As with other chapters in bilateral and plurilateral FTAs, the department led the intellectual property (IP) negotiations,

seeking balanced outcomes reflective of Australia's diverse interests. We also participated in negotiations on IP issues in the WTO and in the World Intellectual Property Organization (WIPO). In all IP negotiations, the department coordinated national policy positions with relevant domestic agencies, taking account of industry and other stakeholder views. The department worked with the Attorney-General's Department to help deliver a new WIPO treaty to facilitate access to published works by visually impaired persons, adopted in Marrakesh on 27 June 2013. We also played a constructive role in ongoing discussions in WIPO's Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Folklore, which is exploring the possibility of new international instruments on these issues.

In Geneva, the department helped broker an extension of a waiver exempting LDCs from most obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The waiver gives LDCs flexibility in meeting their TRIPS obligations, recognising their ongoing difficulty in implementing complex international IP rules.

The department worked closely with industry to protect Australia's interests in relation to geographical indications for food names and to resist efforts by some countries to restrict the use of product names that we consider to be generic.

With Thailand and New Zealand, the department co-chaired the Intellectual Property Committee established under the ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA), helping to take forward an important and ongoing program

## Profile

### David Kilham

As First Secretary at the Australian Mission to the WTO in Geneva, I advocate Australia's interests on international intellectual property issues in WIPO and the WTO.

I joined the department as a legal specialist in 2007, having previously worked for the then Department of Environment and Heritage and the Australian Antarctic Division. My work in DFAT has been challenging and diverse. I have contributed to the development of Australia's international intellectual property policy and represented Australia in bilateral and multilateral treaty negotiations on trade and environmental issues, such as the proposed Australia–Japan Free Trade Agreement and the Nagoya Protocol to the Convention on Biological Diversity.

In WIPO, I recently contributed to the successful conclusion of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or otherwise Print Disabled. The Marrakesh Treaty was a very rewarding outcome. The treaty will allow organisations representing the blind and visually impaired to make accessible format books under national exceptions or limitations to copyright and to share these books across international borders.

In the WTO, I represent Australia in the Council for Trade-related Aspects of Intellectual Property Rights. In this role, I have defended Australia's tobacco plain packaging laws and advocated Australia's interests in relation to issues such as geographical indications (geographical terms used in relation to products) and the protection of genetic resources. I also recently helped to broker agreement on an extension to the transitional period under the TRIPS Agreement for LDCs.



of capacity-building activities on IP in the ASEAN member states.

The department coordinated the government's response, tabled on 27 November 2012, to the Joint Standing Committee on Treaties' report on the Anti-Counterfeiting Trade Agreement.

### World Wine Trade Group

The department contributed to the successful negotiation of the treaty-level Protocol to the 2007 World Wine Trade Group Agreement on Requirements for Wine Labelling, concerning alcohol tolerance, vintage, variety and wine regions. Argentina, Chile, Georgia, New Zealand and Australia signed the Protocol in March and April 2013, with Canada, South Africa and the United States all planning to sign by the end of 2013. The protocol will allow current Australian wine labelling practices to be accepted by all signatories, reducing the need for Australian wine producers to change labels for different export markets.

### Free trade agreement negotiations

The department continued to advance Australia's FTA negotiation and implementation agenda, including through leadership of whole-of-government teams to take forward the government's negotiating

mandates. We undertook extensive consultation with industry stakeholders and the states and territories.

As at 30 June 2013, the department's FTA negotiating agenda comprised ongoing negotiations with China, Japan, the Republic of Korea, India, Indonesia, the TPP and RCEP negotiating parties, the Pacific Island Forum countries—PACER Plus, and the Gulf Cooperation Council (GCC).

### Ongoing bilateral negotiations

#### China Free Trade Agreement

The government intensified bilateral, including high-level political, engagement on the FTA with China, Australia's most significant trading partner.

The department facilitated the Prime Minister's visit to China in April 2013 during which both sides recommitted to concluding negotiations. We also provided support for Dr Emerson's meetings with China's new Commerce Minister, Gao Hucheng, and former Commerce Minister, Chen Deming. (See also 1.1.1, p. 27.)

In June 2013, the department led Australia's team during the 19th formal negotiating round in Beijing. This followed high-level discussions held by departmental officials with Chinese counterparts in May 2013 (Sydney), March 2013 (Beijing) and November 2012 (Sydney).



Ambassador to China, Frances Adamson (3rd right), with Chief Negotiator John Fisher (2nd right & inset right), in dialogue with Chinese counterparts, Australia–China Free Trade Agreement negotiations, Beijing, 6 June 2013. Additional members of the negotiating team (left to right): Ted Burgell; David Bomball; Paul Murphy; Neri Tarlinton (DIAC); and Ian McIntosh; with LES interpreter Qi Qi (right). [Wang Jinyong]

## Japan Free Trade Agreement

We made good progress on the Australia–Japan FTA. The department led a large interagency team in a very busy negotiation schedule, with 16 informal negotiating sessions held in Australia and Japan as well as a series of video conferences. We finalised most of the terms of the agreement but a small number of sensitive issues remained unresolved, such as agricultural market access investment and automotive tariffs.

The department conducted intensive industry and stakeholder consultations, and supported regular ministerial and political-level engagement on the FTA, including meetings between the Minister for Trade and Competitiveness and Japan's Ministers of Economy, Trade and Industry and Agriculture, Forestry and Fisheries. (See also 1.1.1, pp. 25–6.)

## Republic of Korea Free Trade Agreement

Negotiations are well advanced but progressed slowly due to differences on a small number of sensitive issues, including Investor-State Dispute Settlement arrangements, access to Republic of Korea for Australian agricultural goods and access to Australia for ROK manufactured goods.

The department led negotiating sessions in July 2012 and supported substantial engagement throughout the year at ministerial and leaders' level, with a view to achieving breakthroughs on outstanding issues. Machinery of government changes in the Republic of Korea, resulting in the trade portfolio moving to the new Ministry of Trade, Industry and Energy and the appointment of a new Trade Minister impacted on the pace of negotiations. (See also 1.1.1, p. 30.)

## India Comprehensive Economic Cooperation Agreement

The department managed a multi-agency team for the fourth and fifth rounds of negotiations (November 2012 and May 2013 respectively) to secure an Australia–India

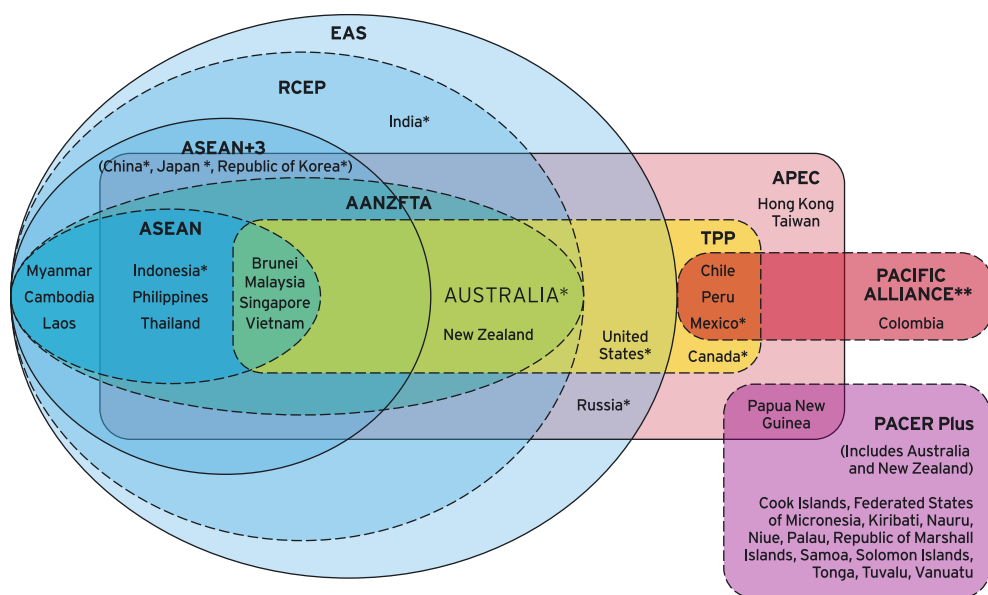
Comprehensive Economic Cooperation Agreement (CECA). We commenced detailed goods market access negotiations and undertook constructive preliminary exchanges on services and investment.

The Australian and Indian Prime Ministers renewed the commitment of both countries to achieving an equitable, comprehensive and high quality agreement in a joint statement issued in October 2012 in New Delhi. In January 2013, Trade Minister Dr Emerson and India's Minister for Commerce and Industry, Mr Sharma, emphasised the priority for both countries in concluding a mutually beneficial CECA. (See also 1.1.5, p. 57.)

## Indonesia Comprehensive Economic Partnership Agreement

Constructive engagement with industry characterised preparations for the first round of negotiations on the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA) in September 2012. The Australian and Indonesian governments welcomed submission of the Indonesia–Australia Business Partnership Group (IA-BPG) position paper in support of the negotiations and the round reconvened in March 2013. The IA-BPG, consisting of representatives from Australia and Indonesia's chambers of commerce and bilateral business councils, offered strong support for the IA-CEPA and made over 50 recommendations to improve trade, investment and economic cooperation. The group proposed two economic cooperation pilot projects (one dealing with nutrition and the other, skills exchange) which both governments are considering.

The negotiations reaffirmed the commitment by both sides to producing a comprehensive agreement with commercially meaningful outcomes covering trade in goods and services, investment and economic cooperation. Key outcomes included agreement on the guiding principles, objectives and organisation of negotiations, including a forward work plan to the end of 2014. (See also 1.1.2, p. 33.)

**FIGURE 14: AUSTRALIA'S PARTICIPATION IN REGIONAL ECONOMIC ARCHITECTURE (AS AT 30 JUNE 2013)**

\* Denotes G20 membership

\*\* Australia was granted observer status in November 2012

--- Denotes trade agreement/negotiation — Denotes regional grouping

## Ongoing regional negotiations

Promoting deeper regional economic integration through regional trade negotiations—TPP and RCEP—continued to be an important element of the department's trade policy work. Both agreements have the potential to build inclusive, outward-looking regional economic architecture and facilitate realisation of APEC's long-term goal of a free trade area of the Asia-Pacific.

### Trans-Pacific Partnership Agreement

Progress in the negotiations accelerated in 2012–13 with TPP trade ministers confirming the commitment to finalise a comprehensive, regional agreement by the end of 2013, if possible. Through the five negotiating rounds, the department led Australia's contribution to the conclusion of a number of chapters setting out disciplines for TPP parties.

The TPP has the potential to eliminate tariffs and other barriers to trade in key Australian export markets and streamline trade processes across the TPP membership, including through adoption of common rules of origin and reduction of production costs. During the year, the department pressed for unprecedented levels of services, investment and government procurement commitments from TPP partners and drew attention to greater opportunities for facilitating trade via electronic transmission.

In April 2013, current parties to the agreement—Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam—agreed by consensus to admit Japan to the initiative. As Australia's second largest export market, Japan's entry is important and now means that the TPP countries will account for 38 per cent of global GDP. The department conducted domestic consultations on the TPP negotiations, holding stakeholder briefings in mainland capital cities and in the margins of negotiating rounds.





## Profile TPP Team

*Departmental members of the TPP team alongside other agency members before a negotiation. Left to right: (standing): Sarah Stuart-Smith (Environment), Damien Hall (Environment), Jane Wagner (Finance), Siobhan Purcell, Andrew Jory, Richard Emerson-Elliott, James Pender (AGD), David Brightling, James Wiblin, Christopher Lee, Morna Bassi, Todd Dias, Andrew Wilkinson (IP Australia), Simon Henderson, Megan Keaney (Health), Robyn Foster (IP Australia); (seated): Susan Coles, Juliana Nam, Chief Negotiator Chris De Cure, Elizabeth Ward, Emily Flahive, Eugenie Hwang. [DFAT]*

The DFAT TPP team is a group of highly skilled and experienced negotiators from the department's Office of Trade Negotiations. They work with experts from other Australian government agencies on what is a comprehensive '21st century' trade agreement, with 29 chapters under negotiation. The 11 countries currently participating in the TPP negotiations are of differing sizes and levels of economic development, including the United States, Vietnam and Brunei. This makes navigating the dynamic and complex negotiating environment an enormous challenge. Japan's entry to the negotiations in July 2013 will bring membership to 12 countries and represent over 34 per cent of Australia's total two-way trade. Overcoming the sensitivities of individual countries and ensuring a strong outcome for Australia requires an in-depth knowledge of both the issues under negotiation and the countries at the table.

Lead negotiators draw on their trade, legal and economic expertise and their backgrounds in the department, as well as experience in the other government agencies and the private sector. The TPP team works closely with posts and holds regular public and private consultations with business, state government and other stakeholders across the country.

Participating countries in the negotiations take it in turns to host meetings that involve over 500 delegates participating in as many as 12 parallel negotiating sessions over a two-week period. A unique feature is that the negotiators take up to a day out of their schedule to engage with business and other stakeholders to listen to their views on the content of the agreement.

## Regional Comprehensive Economic Agreement

Leaders from ASEAN and those countries with existing FTAs with ASEAN—Australia, China, India, Japan, Republic of Korea and New Zealand—launched the RCEP in the margins of the East Asia Summit in Phnom Penh, Cambodia on 20 November 2012. Together, the 16 RCEP participating countries account for almost half of the world's

population, close to 30 per cent of global GDP and over a quarter of world exports. They also include nine of Australia's top 12 trading partners, and account for almost 60 per cent of Australia's two-way trade and 70 per cent of our exports.

The negotiations build on ASEAN's existing FTAs, including AANZFTA, and are based on agreed 'Guiding Principles and Objectives' which cover trade in goods and services, investment, economic and

technical cooperation, intellectual property, competition, dispute settlement and other issues that may be agreed in the course of negotiations. The agreed aim is to complete negotiations by the end of 2015.

Departmental officials participated in two rounds of preparatory meetings (October 2012 and February 2013), in addition to the first round of negotiations, 9–13 May in Brunei Darussalam.

### **Pacific Agreement on Closer Economic Relations (PACER) Plus**

Australian and other forum member officials increased engagement and made significant progress on the agreed priority negotiating issues. Officials also considered developing a roadmap to guide PACER Plus negotiations into new areas not covered by the existing priority negotiating issues. (See also 1.1.6, pp. 64–5.)

### **Gulf Cooperation Council Free Trade Agreement**

FTA negotiations with the GCC remained suspended pending consideration by member states of recommendations from their internal review of FTAs. Australian ministers and heads of mission continued to advocate Australia's willingness to resume negotiations with this important market.

### **Implementation of existing free trade agreements**

Countries covered by Australia's now seven concluded FTAs—New Zealand, Singapore, Thailand, the United States, Chile and Malaysia; and the regional agreement with New Zealand and ASEAN—accounted for 28 per cent of Australia's total two-way trade in 2012.

The Malaysia–Australia Free Trade Agreement, Australia's seventh FTA, entered into force on 1 January 2013, following the conclusion of domestic processes in both countries. The agreement adds to Malaysia's commitments to Australia under AANZFTA, providing significant new market access

opportunities for Australian goods exporters and services suppliers and improving the ease of doing business in Malaysia. The department, in conjunction with Austrade, undertook substantial outreach in Australia and Malaysia in support of the agreement.

The department continued to support the implementation of AANZFTA. We helped to resolve practical concerns relating to its implementation and to support ongoing business utilisation of the agreement. Departmental officials developed capacity-building activities and delivered workshops to ASEAN officials on rules of origin and transposition of the FTA's tariff schedules, as well as other forms of economic cooperation activities in areas such as: statistics on international trade in services; non-tariff measures; risk management; self-certification; international standards development; intellectual property; and competition policy.

The department supported Australia's role as host and co-chair of the 5th AANZFTA Joint Committee Meeting and related meetings, 17–21 June 2013. We assisted with committee meetings on Trade in Goods, Trade in Services and Investment, 1–7 December 2012.

The department worked with Chilean authorities to successfully streamline port-of-entry screening for beef exports under the 2010 Beef Grading memorandum of understanding that was a commitment in the Australia–Chile FTA. Beef remained Australia's second-largest merchandise export to Chile in 2012.

Effective implementation of the Australia–United States Free Trade Agreement, now in its ninth year of operation, remained a high priority. The department worked with other government agencies to assist Australian companies successfully resolve market access issues in the United States. Consultations with the American Chamber of Commerce in Australia and the US Chamber of Commerce added further momentum to our economic relationship with the United States.

In 2012–13, we agreed with the Government of Thailand to establish a Market Access



Implementing Committee to advance the general review of the Thailand–Australia FTA, progress the review of provisions on special agricultural safeguards and address other market access issues. The first meeting will be in July 2013.

The department made good progress on implementation of a number of initiatives designed to reduce costs and bureaucracy for business and the public under the Australia–New Zealand Closer Economic Relations Trade Agreement. (See also 1.1.6, p. 65.) The Protocol on Investment to the Australia–New Zealand Closer Economic Relations Trade Agreement entered into force on 1 March 2013.

The department's webpage <http://www.dfat.gov.au/fta/> contains the latest FTA developments.

## Outlook

This is a challenging time for the multilateral trading system. The Doha Round of negotiations is essentially at an impasse and there is little discussion of completing the Round as a single comprehensive package. Additions to the WTO membership have added to the complexity of the negotiating environment in recent years, as have

changes to the nature and balance of power among WTO members.

We will need to use all available avenues and opportunities to ensure the WTO can evolve and adapt to the changing global economic environment. This includes continuing to advocate new and creative approaches to concluding the Doha Round, as well as pursuing complementary plurilateral negotiations, such as the Trade in Services Agreement. In the immediate term, we will remain focused on achieving a credible outcome for the 9th WTO Ministerial Conference. Notwithstanding the challenges of the Doha Round negotiations, we will need to continue to emphasise the valuable role that the WTO trade rules and dispute settlement system play in underpinning trade liberalisation.

We will continue negotiations across the FTA agenda and seek to conclude those negotiations that are well advanced, such as TPP and our bilateral FTA negotiations with the Republic of Korea, Japan and China. The department will progress Australia's other key negotiations, particularly with Indonesia, India and the RCEP. The department will also manage Australia's role as host and co-chair of the second round of RCEP negotiations in September 2013.

## 1.1.8 Trade development and policy coordination

### Overview

Despite continued weak global economic conditions, Australia's economy remained resilient in 2012–13 with GDP growth projected to be around 3 per cent. High levels of business investment (particularly in the resources sector), strong improvement in non-rural commodity exports and solid increases in household consumption promoted positive growth. Australia outperformed most other advanced economies, growing 3.7 per cent in 2012. But domestic economic conditions remained uneven with global economic weakness, the strong Australian dollar and changing

household spending patterns weighing on some sectors. In 2012, Australia's total goods and services trade continued to grow, reaching \$616 billion.

The department sought to enhance Australia's interests by participating actively in the G20, APEC and the OECD including supporting the participation of the Prime Minister, the Trade Minister and other ministers in these forums.

### Profile

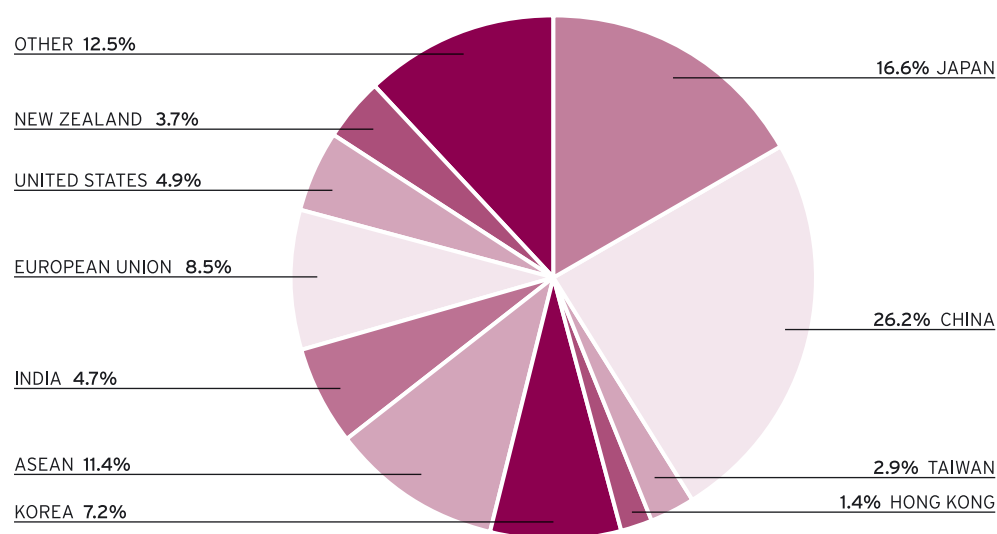
#### Joanne Loundes

In 2012, I spent six months as a member of the G20 team at the Mexican Ministry of Foreign Affairs. Given Mexico's G20 presidency, it was an opportunity to see 'up-close' how much preparation is required of a G20 host country. Australia takes on the role on 1 December this year which will put us right in the thick of it.

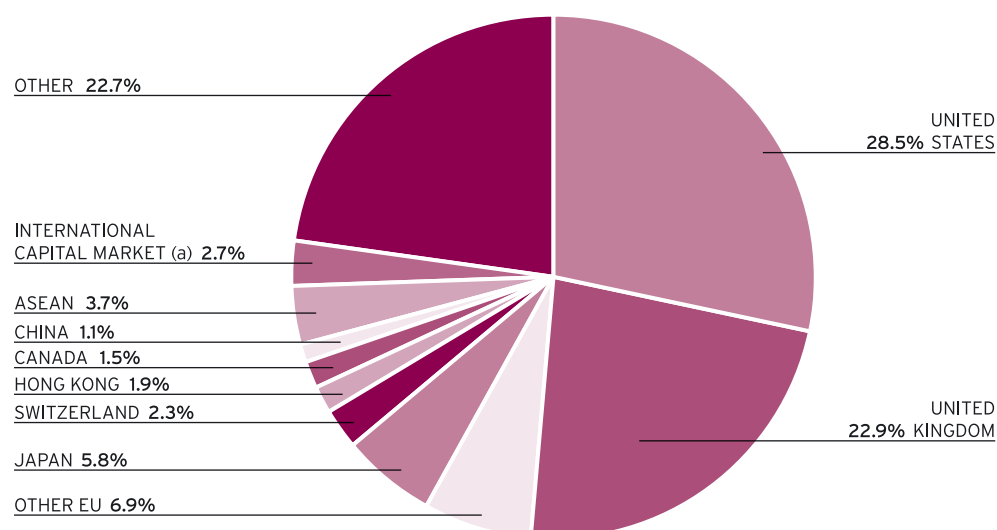
My Mexican experience has proved invaluable in my current role as Director of the G20 Trade and Economic Section, where it is our job to take forward our trade portfolio interests within the G20 and contribute to Australia's broader policy priorities in this forum.

My background is in economics and, prior to joining the department, I worked for three years at the Reserve Bank of Australia and six years at Melbourne University's Institute of Applied Economic and Social Research. I have drawn extensively on this experience throughout my DFAT career, including as First Secretary (Trade and Economic) in Tokyo and Director of APEC Branch's Trade and Investment Section.



**FIGURE 15: DIRECTION OF AUSTRALIA'S EXPORTS, 2012 (a)**

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.  
Based on DFAT STARS database and ABS catalogue 5368.0.55.004.

**FIGURE 16: TOTAL FOREIGN INVESTMENT IN AUSTRALIA, 2012**

(a) Excludes the Euro Bond

Source: ABS Cat. No. 5352.0 - International Investment Position, Australia: Supplementary Statistics, 2012

## G20

Building on the outcomes of the Los Cabos Summit in June 2012, the department worked in support of G20 decisions to deliver greater stability and resilience in the global economy and strengthen growth and job creation. There were no G20 summits or meetings involving portfolio ministers during 2012–13.

As a member of the 'G20 troika' of past, current and future hosts we worked closely with Russia and Mexico on practical outcomes to strengthen economic growth and job creation for the Leaders' Summit in September 2013. This included developing clear messages on trade's contribution to growth, jobs and development. We endorsed Russia's emphasis on outreach to civil society and to countries outside of the G20.



An officer of the department was deployed to our embassy in Moscow to work with Russia during its 2013 presidency.

In preparation for Australia's G20 presidency from December 2013, the department contributed policy advice on trade, food security, development and energy issues. We escalated our advocacy efforts with G20 countries and our region, as well as with a range of international organisations, to build support for the G20 forum and its forward agenda.

### Asia-Pacific Economic Cooperation (APEC)

As the premier economic forum in a fast growing region, APEC plays an important role among its 21 member economies in promoting trade and investment openness, encouraging unilateral economic reform and supporting the multilateral trading system. An extensive network of ministerial and officials' levels meetings, along with formalised links with business and academia, and an annual leaders'

summit, provide opportunities to share national experiences, identify best practice, develop commercially responsive regulatory practices, and collaborate in addressing new and emerging regional economic and human security challenges.

Australia made a significant contribution to the positive outcomes achieved at the annual APEC Leaders' Meeting in Vladivostok in 2012. Leaders agreed on a list of 54 environmental goods on which tariffs will be reduced to five per cent or less by the end of 2015. Officers from the department led the working group that negotiated the list and the department supported Dr Emerson in brokering the final outcome. Increased trade in these products, which include core renewable energy technologies, waste and water treatment products and measuring instruments, will promote green growth and help the region move to a clean energy future. Australia also shaped the leaders' statement on promoting cross-border education cooperation, which aims to enhance the mobility of students, education providers and researchers in the region.



Minister for Trade, Dr Emerson (left), with Chilean President, Sebastian Piñera (centre), and US Secretary of State, Hillary Clinton, APEC Leaders' Meeting, Vladivostok, September 2012. [AUSPIC]



Throughout 2012–13, the department was closely engaged in APEC's work on disaster management, supporting women in the economy and counter-terrorism. On services liberalisation and transparency, we led work to expand the information database used by small and medium-sized enterprises to identify regulatory requirements for exporting to the region. Australia also drove efforts to strengthen regional financial markets by convening a meeting of officials, regulators and academics to discuss good practice regulation of trade and investment in financial services. Another workshop on good practice regulation for trade and investment in higher education services has been scheduled for August 2013.

On structural reform, the department facilitated, in conjunction with AusAID, an APEC 'twinning program' between the Australian Productivity Commission and its counterpart agencies in Vietnam, Malaysia, Indonesia and China. The Philippines is preparing to join the program in the second half of 2013. The program aims to strengthen the institutional capacity of developing economies to deliver structural reform in the region. We assisted the Office of Best Practice Regulation to deliver workshops on regulatory impact assessment to over 600 officials in ten APEC economies. This training will help officials assess the trade impacts and costs and benefits of new regulatory measures before their adoption.

We supported Dr Emerson's participation in the APEC Ministers Responsible for Trade (MRT) meeting in Surabaya in April 2013. The MRT called for an agreement at the WTO 9th Ministerial Conference on trade facilitation, some elements of agriculture and development. The meeting also progressed APEC's work on enhancing cross-border education cooperation, expanding infrastructure development and investment, and promoting regional connectivity.

## Organisation for Economic Cooperation and Development (OECD)

The department assisted Dr Emerson as Vice-Chair of the OECD Ministerial Council Meeting (MCM) in Paris in May 2013. At the MCM, Dr Emerson advocated an agreement on trade facilitation in the current WTO Doha Round, noting the positive links between trade liberalisation and sustainable employment, increased productivity and growth. Participants at the meeting affirmed their commitment to a rules-based, open trading and investment system and to resist protectionism in all forms. The department also supported Dr Emerson as a panellist at the 2013 OECD Forum, where he outlined Australia's efforts to strengthen links with major economies in Asia and elsewhere.

The department's strong advocacy for closer cooperation between the OECD and Southeast Asia contributed to the launch of a new program at the MCM for enhanced strategic engagement with the region. We also encouraged continued strong engagement by the OECD with other important individual economic partners, including Brazil, China, India, Indonesia and South Africa.

## Trade finance

The department works closely with other government agencies in providing policy advice on the Export Finance and Insurance Corporation (EFIC), a statutory body that offers trade finance and insurance services to support Australian exporters in cases where the private sector does not.



Minister for Trade, Dr Emerson (seated right), chairing the trade session at the OECD Ministerial Council Meeting, Paris, 30 May 2013. [OECD]

The department led the whole-of-government response to the Productivity Commission report on Australia's export credit arrangements. This included developing two pieces of legislation—the *Export Finance and Insurance Corporation Amendment (New Mandate and Other Measures) Bill 2013* and the *Export Finance and Insurance Corporation Amendment (Finance) Bill 2013*. The bills outline EFIC's new mandate to address market failure and focus on small to medium enterprises and set out the corporation's new financial arrangements. Parliament passed the EFIC Finance Bill, which commenced on 31 March 2013. The EFIC Mandate Bill was passed by the House of Representatives but not by the Senate before Parliament rose in June 2013.

The department represented Australia in the OECD's Working Party on Export Credits and Credit Guarantees and the newly-formed International Working Group on Export Credits (IWG). The IWG was established to create a level playing field for the provision of official export financing by developing a set of international guidelines. The

IWG met for the first time in Washington in November 2012 and again in Beijing in May 2013. Representatives from OECD and non-OECD countries participated in the meetings, including Brazil, Malaysia, Russia and South Africa. The goal is to conclude an agreement by 2014.

## Enhancing trade competitiveness

The department supported Dr Emerson as Minister for Competitiveness to promote the government's productivity agenda. This included policy advice on infrastructure, innovation, business deregulation, skills and taxation issues. The department also advised portfolio ministers on a diverse range of trade competitiveness issues including productivity, global value chains, Australian industry competitiveness and foreign investment. We continued to work closely with the Department of Resources, Energy and Tourism on Australia's energy security policy.



Secretary, Peter Varghese AO (2nd left), at Fortescue Metals Group's Cloudbreak mine during a tour of Western Australia's Pilbara iron ore region, May 2013. [WA Department of Mines and Petroleum/Richard Sellers]

## Sustainable mining and conflict diamonds

Helping to position Australia as a global leader in sustainable mining, the department actively engaged in initiatives to improve international governance in the resources sector. Australia hosted the Extractive Industries Transparency Initiative (EITI) Global Conference, 23–24 May 2013—the first Asia–Pacific country to do so—with delegates from 96 countries participating. The conference saw the launch of a new and stronger EITI standard for resource revenue disclosure. Australia also continued its close involvement in the ongoing internal review of the Kimberley Process, which is designed to prevent rough diamonds being used to fund armed rebel groups.

## Outlook

The global economy is improving, but is still uneven. The International Monetary Fund forecasts global economic growth to be 3.1 per cent in 2013 and 3.8 per cent in 2014. The outlook continues to be marked by uncertainty over increasing market volatility associated with monetary stimulus measures in major economies, China's growth trajectory and lingering concerns

surrounding the Euro zone. The department will continue to play an active role in multilateral economic forums to reinvigorate trade liberalisation to support growth. We will advocate the benefits to be gained from participating in global value chains and the linkages between trade, economic growth and jobs.

In preparing to host the G20 Leaders' Summit in 2014, we will work with posts, the Department of the Prime Minister and Cabinet, Treasury and other agencies to promote policies for global economic growth and job creation. We will engage with our G20 troika partners (Russia and Turkey), APEC hosts in 2013 and 2014 (Indonesia and China) and non-members of the G20 to maximise complementarities across these forums and reinforce policy outcomes.

Given the importance of an economically strong region, Australia will continue working with APEC economies in the pursuit of further trade liberalisation, regulatory coherence and stronger supply chains. The department will implement APEC's agreement on environmental goods and services and will enhance people-to-people linkages through continuing cross-border education initiatives.



## 1.1.9 International organisations, legal and environment

### Overview

Australia was elected to serve as a non-permanent member on the UN Security Council (UNSC) for 2013 and 2014. The Prime Minister and Foreign Minister led a strong, whole-of-government campaign, coordinated within the department. Australia's election reflected our positive standing in global affairs and our significant contribution to international peace and security. In the first six months we established ourselves as a constructive and capable council member, contributing both to the deployment of several significant new peace operations and sharper focus on the implementation of existing resolutions and mandates.

As Chair of the UNSC Al-Qaida, Iran and Taliban Sanctions Committees, we strengthened the implementation of sanctions and helped align the work of the committees more closely with the UNSC's political agenda.

The department made an effective contribution to the United Nations, the Commonwealth and other multilateral forums on a broad range of human rights, international security and environmental issues.

We led Australia's engagement as Chair-in-Office of the Commonwealth and

worked to ensure the implementation of commitments made by leaders at the Commonwealth Heads of Government Meeting (CHOGM) in Perth, in 2011.

The department supported Australia's response to the UN Conference on Sustainable Development (Rio+20), focusing on initiatives to improve oceans governance and to establish new global sustainable development goals.

The department provided legal advice to the government on law of the sea and environmental law issues, including supporting legal action to end Japan's commercial whaling, and responding to Timor-Leste's initiation of arbitration proceedings under the Timor Sea Treaty. We secured agreement among Antarctic Treaty parties to improve strategic planning, and continued to build support for a network of marine protected areas in East Antarctica.

We advanced regional cooperation on people smuggling and trafficking in persons, including by co-chairing the Fifth Ministerial Conference of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (the Bali Process) with Indonesia in April 2013. We also facilitated the establishment of regional processing centres in Nauru and Papua New Guinea.



Minister for Foreign Affairs, Senator Carr, receiving congratulations on Australia's election to the UN Security Council. (At left): Ambassador and Permanent Representative to the United Nations, Gary Quinlan, 18 October 2012. [UN PHOTO/Evan Schneider]



## United Nations

The department promoted Australia's national interests in major international negotiations and debates, and supported the Foreign Minister at the UN General Assembly and other multilateral forums.

With AusAID, we continued to promote the principle of the Responsibility to Protect (R2P). The department represented Australia on the R2P Group of Friends in New York and co-facilitated (with Ghana, Denmark and Costa Rica) the Global Network of R2P Focal Points.

The department promoted efforts to bridge the gap between civilizations. We contributed \$75 000 towards the UN Alliance of Civilizations Youth Support Program in the Asia-Pacific. We supported Senator Carr's hosting of a roundtable in Sydney in July 2012 that brought together experts in theology, intercultural relations and human rights to promote intercultural understanding.

The department led Australia's engagement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and supported the Australian National Commission for UNESCO.

## United Nations Security Council

From July to October, the department intensified campaigning for Australia's UNSC seat. Australia's efforts included extensive overseas lobbying by Special Envoys, Ministers and Parliamentary Secretary Marles, visits to Australia by Ambassadors to the United Nations, and support for the Prime Minister's and Foreign Minister's attendance at Leaders' Week in September in New York.

The department consolidated whole-of-government planning for Australia's term, which delivered the necessary resources for Australia's Permanent Mission to the United Nations in New York and a number of posts in Africa. We finalised policy priorities and consulted widely with other council member states, including the United Kingdom, France, Russia, China and the Republic of Korea.

On 1 January, Australia took its seat on the UNSC. In the first half of 2013, we participated in 93 meetings, and negotiations on 73 council documents. We were closely involved with resolutions that renewed the mandates of 11 of the 23 UN peace operations and established two new peace operations in Somalia and Mali. Australia was selected as the UNSC's policy lead on Afghanistan.

Australia pushed for a strong and timely Security Council response to North Korean provocation. Our efforts contributed to the adoption of UNSC Resolution 2094 sending a clear message to North Korea that the international community would not tolerate expansion of its nuclear program.

Consensus among council members on Syria proved difficult but Australia worked to maintain the UNSC's focus on the deteriorating humanitarian situation, pushed for better protection for medical workers and humanitarian agencies and led discussions to secure council comment on human rights violations.

Australia helped ensure the UNSC's 13 sanctions committees supported the council's political agenda. In particular, as Chair of the Committees on Al-Qaida, Iran and the Taliban, we oversaw better implementation of sanctions to help reduce the threat of Al-Qaida, increase pressure on Iran's nuclear program and support Afghan-led reconciliation.

Australia co-sponsored a resolution to increase the UN's ability to end impunity for sexual violence in armed conflict and post-conflict situations.

The department also worked to increase transparency and accessibility to Council decision-making through regular briefings for non-members and civil society in New York and Australia. Australia convened a meeting between council members, UN experts and civil society on practical measures to increase consideration of gender in UN field operations.

## UNSC Campaign

On 18 October 2012, the UN General Assembly elected Australia to the UNSC in the first round with 140 votes. Luxembourg edged out Finland to take the second of the two vacant Western European and Others Group seats. Australia will serve for two years (2013–14). This is our fifth term on the Security Council and comes after a 27-year absence (last term served was 1985–86).

Following Prime Minister Rudd's announcement of Australia's bid for a non-permanent seat, we ran a sustained multifaceted campaign, founded on high-level political commitment, whole-of-government coordination, appropriate resources and meticulous attention to each bilateral relationship.

Commenting on the successful vote Senator Carr said the result was 'a clear vindication of Australian diplomacy and the work of Australian diplomats around the world. It's a win for Australian diplomacy and the people who conduct it'.

The head of the UNSC Taskforce, Caroline Millar, and Australia's Permanent Representative to the United Nations in New York, Gary Quinlan, and their respective teams, led the campaign within DFAT. However, Australia's success reflected the work of the entire department, including heads of mission and staff at overseas posts.



Minister for Foreign Affairs, Senator Carr, joins the UNSC Taskforce shortly after the election in New York, Canberra, 24 October 2012. (Left to right): Emily Luck, Julia Feeney, Scott Rutar, Anne Moores, David Lewis, Lizzie Landels, Therese O'Meally, Taskforce Head, Caroline Millar, Dieter Michel, Senator Carr, Simon Mamouney, Gaia Puleston, Hugh Robilliard, Rachel Lord, Deputy Secretary Gillian Bird. [DFAT]

Australia ran a positive campaign focusing on our credentials with an authentic Australian 'brand' that resonated both with officials in New York and in capitals around the globe. As a founding member with a strong record of commitment to the United Nations, we highlighted our unique perspective as a developed country of the Asia-Pacific region and emphasised Australia's role in successful regional peacekeeping missions in Bougainville in Papua New Guinea, Solomon Islands and Timor-Leste. We lifted our profile in the United Nations, including by taking on more leadership roles in UN negotiations and forums.

We maximised the use of our global network, did not take any vote for granted and remained engaged with countries until the very end. Personal contact was decisive—by the Prime Minister, ministers and parliamentary secretary and special envoys. An effective program of visits to Australia by New York-based UN permanent representatives and by Australian heads of mission to their countries of accreditation played an important role.

The campaign delivered clear long-term benefits for Australian foreign policy beyond winning a seat on the Security Council. The activities undertaken during the campaign helped deepen Australia's engagement beyond established relationships and improved other countries' understanding of Australia. It developed a store of goodwill towards Australia. In many cases the process of establishing or deepening bilateral relations revealed previously untapped opportunities for cooperation on areas of shared interest.

## Commonwealth

With Australia as the Commonwealth Chair-in-Office, the department played an integral role in implementing the commitments made by leaders at the Perth CHOGM in 2011. We led the process to finalise the Charter of the Commonwealth. The Charter was approved by leaders in December 2012, signed by Queen Elizabeth II on 11 March 2013 and tabled in the Australian Parliament by the Prime Minister on 20 March 2013.

We worked to reform and strengthen the Commonwealth to make it an effective institution capable of tackling today's challenges. We oversaw implementation of more than 80 agreed recommendations of the Eminent Persons' Group, the majority of which will be taken forward through the Commonwealth Secretariat's Strategic Plan for 2013–17.

The department supported the Foreign Minister's participation in Commonwealth Ministerial Action Group meetings, in September 2012 and April 2013, which continued to monitor the situation in Fiji and respond to political developments in the Maldives.

## Human rights

In the UN General Assembly, the department prepared Australia's national statements on human rights, negotiated resolutions and co-sponsored 25 texts, including on abolition of the death penalty, the rights of

Indigenous peoples, gender issues, freedom of expression and religious tolerance.

In the UN Human Rights Council (HRC), the department supported resolutions, including on persons with disabilities, torture and the rights of the child. Australia also led adoption of the HRC resolution on national human rights institutions (co-sponsored by 82 other states), and a resolution on the independence of judges and lawyers.

We advocated for the strengthening of resolutions on the human rights situations in a number of countries, in particular North Korea, Iran and Syria. We also co-sponsored the HRC's resolution on promoting reconciliation and accountability in Sri Lanka and a resolution on Myanmar, which was adopted without a vote for the first time.

The department led Australia's engagement with the HRC's Universal Periodic Review (UPR) process, a central element in the UN human rights machinery. Australia participated in 27 of the 28 UPRs held in 2012, and 26 of the 27 UPRs to July 2013.

We also participated in Australian delegations to other thematic UN meetings, including the 57th Session of the Commission for the Status of Women in March 2013 and the Sixth Conference of States Parties to the Convention on the Rights of Persons with Disabilities in July 2013.

Two Indigenous DFAT officers participated as members of Australia's delegation to the UN Permanent Forum on Indigenous Issues

and the department helped ensure the successful re-election of Professor Megan Davis to the forum.

The department led Australian delegations to the Australia–China Human Rights Dialogue in July 2012 and the Australia–Vietnam Human Rights Dialogue in June 2013. Discussions addressed issues such as freedoms of speech, assembly, association and the media; arrest and detention of political dissidents; prison conditions; use of the death penalty; torture; and specific cases of concern.

The department maintained its commitment to engage with civil society on human rights issues, inviting written submissions and holding consultations with NGOs in advance of both the China and Vietnam dialogues. We also debriefed NGOs on the outcomes of the China dialogue in September 2012, and will do the same on the Vietnam dialogue.

The department coordinated the government's response to the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Australia's human rights dialogues with China and Vietnam. We also worked closely with AusAID on the Human Rights Grants Scheme, which in 2012–13 provided \$3.7 million for projects in the Asia–Pacific, Africa, the Middle East and South America.

## People smuggling and trafficking in persons

The department continued to play a key role in the coordination of Australia's response to people smuggling. We supported the Department of Immigration and Citizenship (DIAC) in the implementation of recommendations from the Expert Panel on Asylum Seekers. We also led whole-of-government negotiations on the memorandums of understanding with Nauru and Papua New Guinea to establish regional processing centres, and managed ongoing consultation with foreign governments and regional partners. The department led efforts to develop an engagement strategy with Sri Lanka to address the significant increase in

irregular maritime arrivals, and supported the Foreign Minister's visit to Sri Lanka in December 2012 to this end. We also provided policy and logistical support to the Prime Minister's Special Envoy to advance regional cooperation on asylum seeker issues.

The Ambassador for People Smuggling Issues promoted Australia's interests with key regional partners, including through the Bali Process (an international framework agreement involving over 45 countries and international organisations). To mark the tenth anniversary of the process, in November 2012, the ambassador co-chaired a commemorative conference and a forum on advancing regional cooperation on trafficking in persons.

The department, working closely with DIAC and the Attorney-General's Department, continued to advance the work program of the Bali Process, including through the Regional Support Office established in Bangkok in September 2012. The department supported Senator Carr's co-chairing of the Fifth Ministerial Conference of the Bali Process (Bali, 2 April 2013). The conference agreed to progress the Regional Cooperation Framework; establish cooperation with the Jakarta Centre for Law Enforcement Cooperation; develop policy guidelines to assist countries criminalise people smuggling and human trafficking; and establish a working group to focus on trafficking in persons issues.

The department pushed for strong responses to human trafficking through the Bali Process, in the United Nations on human rights issues and through the work of the Ambassador for Women and Girls. Domestically, we participated in the National Roundtable on Human Trafficking and Slavery, and coordinated a joint submission with other agencies to an inquiry by the Joint Standing Committee on Foreign Affairs, Defence and Trade on Australia's international efforts to combat human trafficking and slavery. The Ambassador for People Smuggling Issues represented the department at a public hearing of the committee in May 2013.



## Environment and sustainable development

The department, together with the Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC), shaped the government's ongoing response to Rio+20. We pressed, in the United Nations, for an international instrument to strengthen the conservation and sustainable use of biodiversity beyond national jurisdiction, consistent with our engagement on global oceans governance.

We secured agreement for states to refrain from introducing new subsidies or extending or enhancing existing subsidies that contribute to overcapacity and overfishing. This was the first time UN member states have so clearly acknowledged the urgency required to combat harmful fisheries subsidies. We also worked closely with AusAID and DSEWPaC in contributing towards the establishment of new global Sustainable Development Goals—the framework that will replace the current Millennium Development Goals after 2015.

The department supported reforms, currently underway, to those UN institutions responsible for environmental management and sustainable development. In particular, implementing changes to strengthen the UN Environment Program, and working in the United Nations to establish the new High-Level Political Forum on Sustainable as a replacement for the Commission on Sustainable Development.

The department contributed to successful conclusion of negotiations on a new international treaty to strengthen protection of human health and the environment through the regulation of mercury throughout its lifecycle—Minimata Convention on Mercury (see also 1.1.7, p. 76). We continued to advocate the listing of chrysotile asbestos in the Rotterdam Convention, to help developing countries manage risks of unregulated imports of this significant health hazard.

## Climate change

The department contributed to whole-of-government efforts to galvanise an effective global response to climate change. We participated in negotiations under the UN Framework Convention on Climate Change, including the UN Climate Change Conference in Doha, UAE, in November 2012. Australia played an active role in these talks which made important steps towards a new legal agreement applicable to all countries. Negotiations on the new agreement are scheduled to be completed by 2015, with the agreement to come into effect from 2020.

We supported the Foreign Minister's participation in a debate of UNSC members on the impact of climate change on peace and security and in particular advocated the concerns of Pacific Island countries.

## Sea law, environment law and Antarctic policy

The department advocated against all forms of commercial whaling and contributed to the government's action against Japanese whaling in the International Court of Justice, oral hearings for which commenced in June 2013. The department encouraged all parties involved in the Southern Ocean to behave responsibly to avoid loss of life or damage to the marine environment.

We contributed to the government's response to the initiation of arbitration by Timor-Leste under the Timor Sea Treaty. The department supported ministerial and officials-level discussions on international law aspects of a range of maritime security issues, including piracy and the South China Sea.

The department worked with the Australian Antarctic Division (AAD) of DSEWPaC to promote Australia's Antarctic goals, including in science and environmental protection. We enhanced cooperation with Asian Antarctic Treaty parties. At the Antarctic Treaty Consultative Meeting in June 2013, Australia and Belgium led efforts to improve strategic planning by developing a Multi-Year Strategic Workplan. With AAD, the department built international support for the establishment





DFAT Senior Legal Adviser, Richard Rowe (right), then in the Antarctic, meets the Governor-General, Quentin Bryce AC CVO, making history as the first Governor-General to visit Antarctica, at Wilkins Aerodrome, Australian Antarctic Territory, 5 February 2013. The visit marked the Centenary of the Australasian Antarctic Expedition. [Government House/Sam Groves]

of a network of seven marine protected areas in East Antarctica, a joint proposal of Australia, the European Union and France. The proposal will be specifically considered at a Special Meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) in July 2013 in advance of the full meeting of CCAMLR in October 2013.

Together with the Department of Agriculture, Forestry and Fisheries we worked to strengthen regional fisheries management, contributing to the successful conclusion of negotiations on a subsidiary agreement to the Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement.

The United Nations Convention on the Law of the Sea (UNCLOS) is known as the 'constitution for the oceans' and provides the legal framework for humankind's interaction with the oceans. We joined in celebrations for the 30th anniversary of UNCLOS opening for signature, including by co-hosting a symposium of eminent academics and practitioners with the Australian National University, in Canberra in December 2012.

## Sanctions and transnational crime

### Sanctions

As a UNSC member, Australia participates in all 13 of its sanctions committees. Australia was appointed Chair of the Al-Qaida, Iran and Taliban Committees, and Vice-Chair of the Sudan, Côte d'Ivoire and Lebanon Committees.

We raised awareness of the applicability of the Al-Qaida sanctions to new areas of activity, including Mali and the Sahel. We also worked to strengthen cooperation between sanctions committees dealing with similar issues.

The department arranged for amendments to Australian law to reflect UNSC sanctions in relation to Al-Qaida, Côte d'Ivoire, the Democratic People's Republic of Korea, Eritrea, Libya, Somalia, Sudan and the Taliban. In January 2013, we contributed an expert to an international meeting relating to sanctions on Iran, convened by the UN Panel of Experts on Iran in Auckland and hosted a subsequent meeting of the panel in Canberra.

We oversaw amendments to Australian law to reflect changes in Australian autonomous sanctions in relation to Iran, Myanmar, Syria and Zimbabwe. We contributed experts to international meetings of the Friends of the Syrian People's International Working Group on Sanctions in Sofia in February 2013 and Ottawa in June 2013 and the Like-Minded Group on Iran Sanctions in May 2013.

The department conducted national outreach on sanctions in May 2013, providing briefings for industry and universities in Hobart, Melbourne, Sydney, Brisbane and Perth. In April and May 2013, we conducted a formal public consultation on new autonomous sanctions on Iran and considered written submissions from the public. The new measures are expected to be fully implemented by August 2013.



*Ambassador and Permanent Representative to the United Nations, Gary Quinlan, chairing the UNSC's Al-Qaida Sanctions Committee, supported by Counsellor, Peter Scott (left), and First Secretary, Lauren Henschke, New York, 10 May 2013. [UN PHOTO]*

As the Australian government's sanctions regulator, we received 215 informal inquiries and 429 formal applications related to sanctions permits in the year 2012–13.

### **Transnational crime and counter-terrorism financing**

The department contributed to the OECD Working Group on Bribery's third evaluation of Australia's implementation of the OECD Anti-Bribery Convention. The evaluation found that Australia had a strong record of implementing the Convention and acknowledged Australia's enforcement efforts. We continued to refer allegations of foreign bribery and extra-territorial offences to the Australian Federal Police. We also provided training on foreign bribery and other extra-territorial offences to departmental staff.

The department led the Australian delegation to the 6th Conference of the Parties to the UN Convention Against Transnational Organized Crime. We co-sponsored a resolution on migrant smuggling which called on states to criminalise people smuggling and to intensify immigration, law enforcement and judicial cooperation.

We provided technical assistance to key bilateral partners, including Indonesia and Pakistan, on meeting global counter-terrorism

and counter-proliferation financing standards developed by the Financial Action Task Force. We also participated in a UN Counter-Terrorism Committee Executive Directorate global initiative aimed at helping member states establish effective mechanisms to freeze terrorist assets in accordance with their UNSC obligations.

### **International law**

Consistent with the Legal Services Directions, the department provided legal advice both internally and to other Commonwealth agencies on issues of public international law, including international humanitarian, human rights and criminal law. We contributed to the successful conclusion of a range of international instruments, including the Arms Trade Treaty, a piracy Detainee Transfer Arrangement with the Seychelles and the Copenhagen Process on the Handling of Detainees in International Military Operations. We provided legal advice in support of Australia's work as Chair of the UN Group of Governmental Experts (UNGGE) on Developments in the Field of Information and Telecommunications in the Context of International Security and made a submission on legal issues to the UNGGE on Space. We offered legal advice in support of Australia's engagement in the UNSC.

With the Attorney-General's Department, we were heavily involved in efforts to end impunity for the most serious crimes of concern to the international community. In particular, we supported the work of the International Criminal Court and the Extraordinary Chambers in the Courts of Cambodia, responsible for prosecuting those most responsible for the atrocities of the Pol Pot regime.

The department cooperated with the Department of Defence and the Attorney-General's Department to ensure that the Australian Defence Force's operations in Afghanistan, including detainee activities, met all applicable domestic and international legal obligations.

The department led engagement with the International Committee for the Red Cross (ICRC) and its work to strengthen international humanitarian law. Together with AusAID and the Department of Defence, we partnered with the ICRC in its four-year Health Care in Danger project to enhance protection of medical care in armed conflicts and other situations of violence.

## Treaties

Parliament's Joint Standing Committee on Treaties (JSCOT) reviewed 25 new treaties with departmental support. We facilitated the signing of 14 treaties, including the Defence and Security Cooperation Treaty with the United Kingdom and the multilateral Arms Trade Treaty, and nearly 100 memorandums of understanding. We enabled consultation with the Australian states and territories on treaties under negotiation, consideration or review, and advised government agencies on treaty implementation and interpretation, including through an information seminar for government officials.

## Outlook

The coming year will be a busy period for the UNSC, with our membership continuing to provide Australia with unique opportunities to pursue our national interests.

The department will support Australia's rotating presidency of the UNSC for September 2013.

Renewing the UNSC's authorisation of the ISAF mission in Afghanistan, looking ahead to the form of international assistance following ISAF's departure, will be a priority.

The department will push for UNSC support for practical measures to increase consideration of gender in UN field operations.

As Chair of the UNSC Al-Qaida, Iran and Taliban Sanctions Committees, we will seek improved implementation of sanctions and encourage the wider application of sanctions regimes to new and emerging theatres of Al-Qaida activity, such as Mali and the Sahel.

The department will lead Australia's participation in the Colombo CHOGM in November 2013, including by facilitating a seamless handover of the Commonwealth chair-in-office role.

The department will support the Australian Red Cross in hosting the Statutory Meetings of the International Red Cross and Red Crescent Movement in Sydney in November 2013.

We will promote improved environmental outcomes through supporting negotiation of an implementing agreement on biodiversity beyond national jurisdiction, and through advocating the establishment of marine protected areas in East Antarctica.

The department will maintain the government's opposition to commercial whaling, particularly through our role in the International Court of Justice case against Japan. We will continue to manage Australia's response to Timor-Leste's initiation of arbitration under the Timor Sea Treaty.

We will steer the development of cooperative regional approaches to combat people smuggling and human trafficking, including under the Regional Cooperation Framework, through the activities of the Regional Support Office.

## 1.1.10 Security, nuclear disarmament and non-proliferation

### Overview

The work of the department was central to protecting and advancing Australia's international security interests as strategic and economic weight continued to shift to the Indo-Pacific region, and challenges such as proliferation of weapons of mass destruction (WMD) and an evolving terrorist threat persisted. Cyber and space security demanded increasing attention.

We contributed to the strategic and security-related elements of three major government policy pronouncements: the *Australia in the Asian Century* White Paper; the National Security Strategy; and the 2013 Defence White Paper. We worked closely with other key departments and agencies to implement the strategies set out in these documents.

The department played a major role in concluding a treaty to prevent the illicit trade in conventional weapons, the Arms Trade Treaty (ATT). Australia's Ambassador for Disarmament chaired the difficult, but ultimately successful final negotiations.

As a member of the UN Security Council (UNSC), we promoted a strengthened global response to the diffuse and complex terrorist threat and better implementation and coordination of counter-terrorism and counter-proliferation measures.

The department drove Australia's contribution to global and regional efforts to prevent the spread of WMD and their means of delivery. We engaged strongly in the main non-proliferation treaties; the major export control regimes; and in high-level meetings to strengthen the Proliferation Security Initiative (PSI) and take forward specific nuclear disarmament and non-proliferation measures through the Non-Proliferation and Disarmament Initiative (NPDI).

Led by the Ambassador for Counter-Terrorism, we maintained an emphasis on coordinating Australian counter-terrorism efforts in our own region and in areas in which we have special expertise. The department also strengthened other international partnerships. We contributed strongly to global efforts to address new and emerging challenges, both in the UNSC and in the Global Counterterrorism Forum (GCTF), where we focused particularly on the management of extremist detainees in prison and on youth radicalisation.

The department deepened Australia's international engagement on cyber. We chaired a UN Group of Governmental Experts which delivered a consensus report affirming the application of international law to states' use of Information and Communication Technologies (ICTs). In collaboration with international partners, we built support for the proposed International Code of Conduct for Outer Space Activities to address the challenge of proliferating space debris.

### National security and strategic policy

The department was closely involved in formulating the strategic and security related elements of the *Australia in the Asian Century* White Paper. These elements were taken forward in the National Security Strategy and 2013 Defence White Paper to which the department also contributed extensively. Key themes included: the rationale for a new Indo-Pacific regional construct; the critical importance of deeper regional engagement; strengthened regional architecture, notably the East Asia Summit; the importance of constructive and stable relations between the major powers, promoting a rules-based regional and global order; and consideration of the wider economic, environmental and other dimensions of regional security.

We also arranged briefings on these three major policy pronouncements for the diplomatic corps in Canberra and used DFAT's overseas network of posts to disseminate key messages to other governments.

The department continued to focus on the security aspects of the multifaceted US rebalance to the Asia-Pacific region, working closely with the Department of Defence (Defence) to support enhanced Australia-US defence cooperation initiatives. The first successful rotation of US marines through Darwin was undertaken during the period. Departmental staff participated in the major Australia-US biennial military exercise, TALISMAN SABER 2013.



*First Assistant Secretary, International Security Division, Caroline Millar, meets Deputy Commander, US Marine Forces Pacific, Richard Simcock, to discuss the US rebalance, Hawaii, June 2013. [US Marine Corps Forces Pacific]*

The department supported meetings of the National Security Committee of Cabinet, the Secretaries' Committee on National Security, the Strategic Policy Coordination Group and other interagency security-related bodies.

The department worked closely with the Australian intelligence community to counter terrorism and WMD proliferation, and to address other international security challenges.

Maintaining momentum in the Trilateral Strategic Dialogue (TSD), involving Australia, Japan and the United States, was a priority.

The department took forward the activities of various TSD working groups, participating in a meeting of TSD senior officials in Tokyo in September 2012 and in the trilateral Security and Defence Cooperation Forum led by Defence. The department also worked closely with Defence on ballistic missile defence issues, including participating in Exercise NIMBLE TITAN, a multilateral ballistic missile defence exercise organised by the United States.

Through sustained diplomatic effort, Australia became a member of the Regional Agreement on Combating Piracy and Armed Robbery Against Ships in Asia. This reinforced our practical engagement with regional partners on maritime security.

The department steered diplomatic efforts to advance the international cyber agenda, notably in relation to norms for responsible state behaviour in cyberspace. We chaired a 15-member UN Group of Governmental Experts to successfully broker a consensus report for UN General Assembly consideration affirming the application of international law, including the UN Charter, to states' use of ICTs. We also promoted practical cyber confidence building measures in the ASEAN Regional Forum (ARF).

The department's engagement on space security focused on the pressing problem of the proliferation of space debris which threatens critical satellite-based infrastructure. The department helped drive the proposal for an International Code of Conduct on Outer Space Activities, including through regional outreach. In December 2012, Australia co-chaired with Vietnam the first ARF Space Security Workshop. We also contributed to the development of Australia's first national Satellite Utilisation Policy.

## Nuclear non-proliferation and disarmament

The department led government efforts to strengthen the global non-proliferation and disarmament regime. We contributed strongly to Australia's multi-agency



delegations to the second Nuclear Non-Proliferation Treaty (NPT) preparatory meeting (PrepCom) for the 2015 NPT review cycle and the meeting of States Parties of the Biological Weapons Convention in December 2012. Australia's ambassador in The Hague led the delegation to the 2013 Chemical Weapons Convention Review Conference.

During the year, we continued to work closely with NPDI partners to advocate implementation of the 2010 NPT Review Conference action plan through practical initiatives, working papers and outreach—including at the second NPT PrepCom in April in Geneva. We supported the Foreign Minister's co-chairing of the 5th NPDI Ministerial Meeting in New York in September 2012, and provided significant leadership in the NPDI's meeting in The Hague in March 2013.

The department, together with the Australian Safeguards and Non-Proliferation Office, engaged in related forums such as the conference on the humanitarian consequences of nuclear weapons hosted by Norway in March, and the UN's open-ended working group on disarmament negotiations in May in Geneva.

The department led the first round of negotiations of a civil nuclear cooperation agreement between Australia and India, which began in New Delhi on 19 March. The agreement will enable the export of Australian uranium to India, while ensuring such material is used only for peaceful purposes under international supervision.

## Counter-proliferation and export controls

The department helped, and in many cases led, global efforts to prevent proliferators from exploiting differences in national export control systems to obtain access to sensitive, dual-use WMD-related materials and technologies. We engaged strongly in the four major international export control regimes: the Australia Group (AG); the Wassenaar

Arrangement; the Nuclear Suppliers' Group; and the Missile Technology Control Regime.

As permanent chair of the AG, we spearheaded a statement of concern on the part of all 41 AG members about the mounting evidence of the use of chemical weapons in Syria and secured AG agreement to subject exports to Syria to intensified scrutiny. We led a session at the 10th anniversary PSI High-Level Political Meeting held in Poland in June, which reinforced the international framework for interdiction of illicit WMD-related shipments.

## Conventional weapons

Australia's Ambassador for Disarmament chaired the final, difficult ATT negotiating conference, following which the treaty was adopted by the UN General Assembly on 2 April 2013 and opened for signature on 3 June. Australia was among the first member states to sign. This positive outcome, which involved a coordinated whole-of-government approach, including use of our overseas network over years, will enhance the regulation and transparency of the global conventional arms trade through the establishment of common international export standards.



*Ambassador and Permanent Representative to the United Nations and to the Conference on Disarmament, Geneva, Peter Woolcott, as President of the Final UN Conference on the ATT, presenting his report on the outcome of the conference to the UN General Assembly which subsequently adopted the treaty, New York, 2 April 2013. [UN PHOTO/Devra Berkowitz]*

We continued to work towards the universalisation of the treaties banning the production and use of cluster munitions and landmines, and took a leading role in the

clearance of landmines in our region and beyond. Through programs administered by AusAID, Australia has committed over \$175 million to mine clearance, victim assistance and mine-risk education in support of the Mine Ban Convention in Asia, the Pacific, Middle East and Africa. Australia itself ratified and became a State Party to the Cluster Munitions Convention.

## Counter-terrorism

Faced with a diffuse and changing threat, the Ambassador for Counter-Terrorism led Australia's international counter-terrorism engagement. The department maintained an emphasis on Southeast Asia, while building other international relationships and pursuing the global counter-terrorism agenda.

We continued to support programs in Indonesia and the Philippines to promote social cohesion, counter violent extremism and encourage dialogue and understanding between different religious groups. We also supported Indonesia's prisons system reform program with training and capacity building.

We used our membership of the UNSC, including our chairing of the Al-Qaida and Taliban Sanctions Committees, to promote better coordination of multilateral counter-terrorism efforts and to strengthen sanctions implementation.

As a member of global forums, including the GCTF, we contributed to international efforts to understand and anticipate the evolving terrorist threat and to devise appropriate responses, particularly in relation to the management of extremist detainees in prisons and youth radicalisation. The threat is increasingly diverse, characterised by smaller, more technologically sophisticated and isolated cells which are harder to detect and which often feature individuals, as seen in the April 2013 Boston bombings.

Australia's international engagement on the management of homemade explosive precursors was a priority area. We brought international delegations to Australia to study explosive precursor management

and hosted a workshop in Thailand on whole-of-government approaches to countering the misuse of dual-use chemicals and improvised explosive devices.

We maintained our role as coordinator of the UN's Group of Experts on improvised explosive devices under the Convention on Certain Conventional Weapons. The department provided whole-of-government coordination of Australia's work on the Global Initiative to Combat Nuclear Terrorism to build regional capacity to address the risks of nuclear smuggling and terrorist exploitation of radiological sources.

We strengthened our counter-terrorism partnerships in the Middle East, holding talks with partners including the United Arab Emirates, Kuwait, Saudi Arabia, Jordan, Lebanon and Turkey. In Yemen, we supported projects to address the risk of terrorists exploiting the charitable sector for funding and to build capacity in the Yemeni judicial sector on international counter-terrorism law, through the UN Office on Drugs and Crime.



*Ambassador for Counter-Terrorism, Bill Fisher, discussing the Syrian conflict with Lebanon's Director-General of Internal Security Forces, Acting Major-General Roger Salem, Beirut, 30 May 2013. [DFAT]*

Responding to the emergence of Al-Qaida affiliates in North Africa, the department helped African countries strengthen counter-terrorism capabilities through focused workshops and training in the legal sector. We supported workshops to address violent extremism and to build regional counter-terrorism legal capacity in Tanzania and Kenya respectively. As part of the same program, we delivered counter-terrorism training to Nigerian law enforcement officers and prosecutors.



We commenced international and domestic consultations as part of a large scale review of terrorist listings implemented under UNSC Resolution 1373.

The department hosted the launch by the UN Office on Drugs and Crime of its inaugural publication, *Transnational Organized Crime in East Asia and the Pacific – A Threat Assessment*, in Sydney on 16 April 2013. The event received wide domestic, regional and international coverage.

The department supported international efforts to address piracy in the Indian Ocean and West Africa. We hosted a conference with Defence in Perth in July 2012 on addressing piracy in the Horn of Africa and the Gulf of Guinea.

## Outlook

In a shifting regional and global security landscape, the department will reinforce Australia's credentials as a thoughtful and constructive partner on international security matters.

An important priority will be enhancing security-related dimensions of our relationships with the major powers. We will use our UNSC membership to accelerate progress on sanctions implementation, counter-proliferation and counter-terrorism. We will continue to support the multifaceted US rebalance to the region, strengthen our partnerships, especially in the Indo-Pacific region, and reinforce regional architecture, notably the East Asia Summit.

The department will continue to lead Australia's work with key ATT supporters to

promote the earliest entry into force of the treaty and its effective implementation.

We will advocate progress under the 2010 NPT Action Plan, including at NPDI ministerial meetings in New York in September 2013 and in Hiroshima in April 2014.

The department will lead the second round of negotiations with India on a civil nuclear cooperation agreement, in late July 2013 in Canberra, and continue to ensure that any exports of uranium meet the government's policy and safeguards requirements.

Cyber and space security issues will continue to grow in prominence. We will strengthen our engagement in the UN dialogue on norms, participate actively in the October 2013 Seoul Conference on Cyberspace, and conduct an ARF regional workshop on cyber confidence building measures in the first half of 2014. The department will also work to advance the proposed International Code of Conduct on Outer Space Activities initiative and other streams of space security policy, including through the ARF.

Led by the Ambassador for Counter-Terrorism, the department will strengthen cooperation with international counter-terrorism partners. We will maintain our whole-of-government approach to ensuring that resources are allocated in line with Australia's interests and where Australia can make a difference. For example, under the Australia-Indonesia Security Program, the department will coordinate projects focused on law enforcement and criminal justice, legal framework development, prison management, border and transport security and counter-terrorism financing.

## PROGRAM MANAGEMENT (SERVICES TO OTHER AGENCIES)

### 1.1.11 Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)

#### Overview

The department maintained a high level of service to the Parliament, ministers and Cabinet.

We provided financial, human resources and property management services to 28 government departments and agencies with overseas representation, as well as to the New Zealand Government. We provided information and communications technology services to 40 agencies in Australia and overseas and payroll services to 14 agencies overseas.

Through engagement of key stakeholders and contribution to whole-of-government outcomes, the department worked with business and state and territory governments to implement the government's foreign and trade policy, and promotion and development priorities.

#### The Australian Parliament

The department continued to give high priority to providing services to Parliament, ministers and Cabinet. We fulfilled our public accountability responsibilities by presenting information to parliamentary committees.

#### Parliamentary travel

We assisted with 105 overseas visit programs for individual federal parliamentarians and parliamentary

delegations. We facilitated overseas visits for parliamentary delegations to 26 countries, including Afghanistan, Timor-Leste, Mongolia, Myanmar and Russia. We recommended visits programs and scheduled appointments with relevant officials and provided written and oral background briefings on foreign and trade policy.

#### Incoming delegations

We assisted the Parliament with 21 visits to Australia by parliamentary delegations from other countries. The Hon. Thura U Shwe Mann, Speaker of the Lower House of the Myanmar Legislature, led the first parliamentary visit to Australia from Myanmar. We also provided the presiding officers with briefings in preparation for their meetings with visiting parliamentarians and officials.

#### Parliamentary committees

The department briefed and appeared before a range of parliamentary committees, as outlined in Appendix 5 (pp. 193–4). (See also *Section 3, p. 165.*)

#### Questions on notice

The department assisted portfolio ministers with responses to 87 written parliamentary questions on notice: 38 from the House of Representatives and 49 from the Senate.

In addition, we answered 637 questions submitted in writing or taken on notice during Senate Estimates hearings.



Minister for Foreign Affairs, Senator Carr (left), with Speaker of the Lower House of the Myanmar Legislature, the Hon. Thura U Shwe Mann (centre), during a Myanmar Parliamentary Delegation visit to Australia, September 2012. [DFAT/Mark Graham]

### Ministerial submissions and briefings

During 2012–13, the department produced 1 234 ministerial submissions, 256 meeting briefs, 258 Cabinet briefs and 36 Cabinet submissions.

### Ministerial correspondence

We received and processed 8 003 items of ministerial correspondence in 2012–13, compared with 9 654 in 2011–12.

### Services to attached agencies overseas

The Service Level Agreement (SLA) sets out the obligations of the department and other agencies for management services and determines service delivery standards in the areas of financial, human resources and property management for Australia-based employees and locally engaged staff in posts managed by the department. The department recoups a proportion of its costs from the departments and agencies. Feedback during the reporting period was positive.

Under the SLA, we provided services to 28 government departments and agencies with overseas representation, as well as to the New Zealand Government.

We also delivered information and communications technology services to 40 agencies in Australia and overseas and payroll services to 14 agencies overseas (see *Appendix 8, pp. 198–9*). We implemented the Memorandum of Understanding for Information and Communications Technology Services for over 40 client agencies in 2012–13 ahead of renegotiations planned for 2013–14.

### Services to state governments and other agencies overseas and in Australia

The department worked closely with other Australian government agencies in providing briefing, policy advice and logistical support for Australia's interactions overseas. This included participation in negotiations led by other agencies and support for Australian officials meeting with foreign counterparts.



Through our overseas posts and state and territory offices (STOs), we led the coordination of overseas visits by ministers, parliamentarians and officials from federal, state and territory jurisdictions. STOs were also a valuable conduit between the department and state and territory governments on Australian foreign and trade policy issues.

## Services to business

### Trade policy coordination, business liaison and state and territory offices

In cooperation with AusAID and the Department of Resources, Energy and Tourism, the department assisted around 1 200 delegates from 92 countries participating in two major conferences on sustainable mining and resources governance—the 6th Extractive Industries

Transparency Initiative Global Conference and the Mining for Development Conference—in Sydney in May 2013.

We worked with Austrade to support Australian companies seeking to increase their trade competitiveness by providing advice on the international business environment and market access opportunities.

STOs hosted seminars and consultations with state and territory governments, industry, non-government organisations and tertiary institutions on a wide range of issues affecting Australia's foreign policy, economic and trade interests, for example:

- STOs organised national consultations on the *Australia in the Asian Century* White Paper in May 2013, which were attended by over 300 participants in Sydney and over 200 participants in Melbourne

#### Profile

#### Debra Chapman

I am Director of the department's Northern Territory Office located in Darwin where I have a key representational and advocacy role. I regularly liaise and network with the Northern Territory Government, business and the broader community to provide information and guidance relevant to international activities. The office also coordinates with other Commonwealth agencies, provides passport and consular services and engages with the small consular corps. As the territory's agencies and organisations seek to expand trade and investment engagement with the Asian region and as the number of ministerial visits grows, I expect to see even greater cooperation with our posts overseas.

My service with the department began 20 years ago when I was recruited as deputy director of this STO on its opening in the early 1990s. Between periods accompanying my spouse on his ambassadorial appointments, I have had several placements within the office as manager of consular operations and as acting director. In particular, I led the case management and consular emergency teams during the major crises of 2005–2006, such as the Asian tsunami, the Bali-2 attacks, the London bombings, Hurricanes Katrina and Wilma, the Indonesian earthquake and the Lebanon evacuation.

I first joined the Commonwealth Public Service in 1983 and, prior to my STO appointment, I worked for the Attorney General's Department, Defence and AQIS (Northern Australia Quarantine Strategy Program).





- the Perth office facilitated Australia's hosting of the Australia–United States Ministerial Consultations in November 2012 and the Australia–United Kingdom Ministerial Consultations in January 2013, involving ministers from two of Australia's key partners on global strategic and economic issues
- in October 2012, the Hobart office supported a visit by the former president of Timor-Leste, José Ramos-Horta, who delivered the 2012 Plimsoll Lecture to over 600 people at the University of Tasmania.

## Trade statistics

The department provided valuable information on Australia's trade relationships with other countries by publishing a range of reference material on its website, including country fact sheets, trade statistics publications and trade time series data. We also published a number of articles containing detailed analysis of: Australia's foreign affiliates trade in services; trade in value added; trade in passenger

services; trade with China; and Australian resources exports.

## Outlook

The department will maintain a high standard of service to the Parliament, including prompt and efficient management of questions on notice and ministerial correspondence. We will keep federal parliamentarians, parliamentary delegations and committees informed of the Government's foreign and trade policy priorities and support their efforts to advance Australia's interests overseas.

We will continue to support state and territory governments, other agencies and the business community in Australia and overseas. This will include consultation on trade policy issues.

Management services will continue for other government agencies in our overseas network in line with commitments under the Service Level Agreement.

# PROGRAM MANAGEMENT (SERVICES TO DIPLOMATIC AND CONSULAR REPRESENTATIVES)

## 1.1.12 Services to diplomatic and consular representatives in Australia

### Overview

The department provided high-quality visa, accreditation and other protocol services to diplomatic and consular staff (and dependants) from 101 missions resident in Canberra, 42 non-resident missions, 361 consular posts and 12 international organisations with offices throughout the country. In 2012–13, Australia hosted up to 1 849 diplomatic and consular representatives from 158 countries (up from 1 148 in 2011–12).

Despite the growing size, diversity and geographic spread of the diplomatic and consular corps, the department effectively helped resolve concerns relating to diplomatic mission security and access to diplomatic privileges. The department also assisted agencies in the resolution of a wide range of reverse consular cases involving foreign nationals in Australia. Protocol services were provided in a manner consistent with Australia's obligations under the Vienna Conventions, which codify the rights and responsibilities of diplomatic and consular officials.

We worked closely with the Security Coordination Branch, Attorney-General's Department (AGD), the Australian Federal

Police and the Department of Immigration and Citizenship (DIAC) to protect the security and dignity of diplomatic and consular representatives in Australia.

### Services to the diplomatic and consular corps

The department assisted with the establishment of the 100th diplomatic mission in Australia with a fully-accredited ambassador—El Salvador—on 26 June 2013. We also supported the opening of new diplomatic missions in Canberra by Kosovo and Azerbaijan, as well as four new consular posts and 16 new honorary consular posts throughout Australia. Following the Syrian Government's decision to close its embassy in Australia, we facilitated the mission's closure. The department worked closely with Government House to ensure the smooth handling of credentials ceremonies for 21 new resident and nine non-resident heads of mission. We continued our close engagement with the ACT Government and the National Capital Authority on issues such as the diplomatic estates, environmental protection and the contribution of the corps to the broader community.



*Ambassador of El Salvador to Australia, HE Manuel Alfredo Gutiérrez Ruiz, presenting his credentials to Governor-General Quentin Bryce AC CVO, Canberra, 26 June 2013. [Andrew Taylor]*

The department worked with a growing number of Australian government agencies to assist the diplomatic corps conduct its business. We promoted understanding by law enforcement authorities and emergency services of our obligations as a receiving state. Those obligations mean, for example, that foreign consular officials have the right to visit and correspond with detained foreign nationals in prison, custody or detention and arrange their legal representation. We also managed a number of other issues involving the diplomatic corps, including security, immigration, defence, private domestic employment, airport security, customs and quarantine, land and premises for foreign missions, taxation and motor vehicle ownership and disposal. VIP airport facilitation continued to be a priority.

We pursued the negotiation of reciprocal bilateral employment arrangements with foreign governments to regulate the employment of dependants of diplomatic officers in the host country. After 18 years of negotiations, we concluded a new arrangement with Argentina in April 2013, bringing the total number of agreements managed by the department to 42. These agreements remain challenging to negotiate, including because of

differences of expectation and multiple legislative arrangements.

The department reinforced government and community expectations about foreign representatives adhering to the laws of Australia. In particular, we brought the issue of traffic infringements by diplomats to the attention of relevant heads of mission.

We began work to streamline processes through better information and technology services, to bring efficiencies to the department and the corps.

## Protection of diplomatic and consular missions

The department focused on ensuring compliance with Australia's international obligations to protect the security of diplomatic missions and consular posts in Australia. We responded promptly to some limited protest activity at these sites in 2012–13. We worked with counterpart agencies to address specific security concerns and to ensure appropriate protection and dignity for the missions and posts. We also worked with missions themselves to raise awareness of Australia's core values relating to freedom of expression and peaceful political protest.

## Engagement with the diplomatic and consular corps

In December 2012, the Secretary hosted the annual reception to thank the diplomatic corps for its contribution to strengthening bilateral foreign and trade relations, and for its cooperation on consular matters.

The department facilitated a number of briefings for the diplomatic corps on issues of priority importance, including Australia's hosting of the G20 in 2014, as well as security and VIP services, and requirements at Australian airports. We coordinated a briefing by DIAC, AGD, Fair Work Australia, and the Australian Taxation Office on the changes to Australia's legislation relating to human trafficking to assist missions in both their consular role and as employers.

## Outlook

The department will continue to offer international best practice protocol services to the growing diplomatic and consular community throughout Australia. To that end, we will regularly review and update the Protocol Guidelines, published on the DFAT website.

We will emphasise the importance of diplomatic and consular missions adhering to their local employment obligations, following changes to Australian legislation. Despite significant challenges, we will pursue additional reciprocal bilateral employment agreements for dependants of diplomatic officers.

Reflecting our UN Security Council term and forthcoming G20 host year we intend to provide briefings to the diplomatic corps on issues of interest as opportunities arise.

**TABLE 7: SERVICES TO DIPLOMATIC AND CONSULAR REPRESENTATIVES: STATISTICS**

	2010-11	2011-12	2012-13
Number of diplomatic representatives for whom the department provides services	1,068	1,148	1,849
Number of consular representatives for whom the department provides services	950	1,023	1,717
<b>Number and category of services provided:</b>			
• visas issued for the corps	2,330	2,925	3,527*
• arrivals and departures processed	1,202	1,692	2,614
• identity cards issued	1,265	1,362	1,505
• presentation of credentials	22	33	30
• exequaturs issued	21	33	22
• facilitation of purchase, registration and disposal of cars by privileged personnel	1,384	1,057	1,081
• requests processed for foreign awards to Australian citizens	59	91	15**
• requests processed for dependants seeking permission to work	94	111	57
• approvals for new foreign missions in Australia (includes diplomatic missions, consular posts and offices of international organisations)	9	19	23
• approvals for defence advisers/attachés	14	13	12

\* The rise in 'visas issued for the corps' reflected changes to DIAC's visa system and included international relations, overseas missions and other visa types which were unable to be captured previously.

\*\* The significant reduction in 'requests processed by DFAT for foreign awards to Australian citizens' was due to the implementation of new foreign awards guidelines. Under these guidelines, an Australian can accept such an award if it is listed on an approved schedule. Requests are therefore processed only for foreign awards not so listed. These, however, are submitted to Government House directly, rather than through the department. DFAT's approval is required only for departmental officers.





# PROGRAM MANAGEMENT (PUBLIC INFORMATION SERVICES AND PUBLIC DIPLOMACY)

## 1.1.13 Public information services and public diplomacy

### Overview

The department's public diplomacy programs made a positive contribution to shaping international perceptions of contemporary Australia and strengthening international partnerships at the government, institutional and community levels. We continued an active program of international media and cultural visits, domestic advocacy and outreach.

We promoted accurate and informed reporting of Australia and the government's foreign and trade policy goals and achievements through regular interaction with Australian and international media. The department's expanded social media footprint played a significant role in projecting key messages to a diverse range of audiences.

*Oz Fest*, the largest Australian cultural festival ever staged in India, was the centrepiece of the department's cultural diplomacy efforts and was delivered under the auspices of the Australia International Cultural Council (AICC). The council also had oversight of a program of cultural events in Vietnam to mark the 40th anniversary of diplomatic relations.

Senator Carr launched a major departmental publication on the history of Australia's membership of the United Nations in February 2013.

### International public diplomacy

The department supported a wide range of activities aimed at conveying Australia's values and interests to influential individuals and non-government organisations.

In line with the department's Public Diplomacy Strategy, the key areas of focus were deepening relations with major partners, including the United States, Japan, China, India, the Republic of Korea and the countries of ASEAN; supporting Australia's candidacy for a seat on the UN Security Council; and projecting Australia's trade and investment policy and commercial interests.

Major activities included: strengthened linkages between Australian and Indonesian universities and schools as part of a wider program to build deeper people-to-people linkages; assistance for targeted visits to priority countries to showcase Australia's scientific and technological excellence; support for the *G'Day USA* program of promotion and policy dialogue; and advocacy of Australia's trade policy objectives, particularly in relation to negotiations (such as the Malaysia–Australia Free Trade Agreement).

*Oz Fest* was part of a whole-of-government advocacy and public diplomacy strategy in India to complement the Strategic Partnership announced by the Australian and Indian Prime Ministers in November 2009. The festival included substantive events to promote Australia as a trade and investment partner and a tourist destination. Twenty-four government, business, institutional and production partners from Australia and India supported the festival.

## Oz Fest

(Left to right): Then High Commissioner to India, Peter Varghese AO; Indigenous Cricket Team Captain, Josh Lalor; India's Minister of Human Resources Development, Communications & Information Technology, Kapil Sibal; Prime Minister Julia Gillard; President of Indian Council of Cultural Relations, Dr Karan Singh; and Deputy High Commissioner, Dr Lachlan Strahan at the opening night of Oz Fest, 16 October 2012. [DFAT/Simon de Trey-White]



Oz Fest was launched by the Prime Minister in October 2012, with Australian light projections against an ancient Indian monument as the backdrop. The festival brought a contemporary, diverse and innovative vision of Australia to a large Indian audience. As part of the opening night celebrations, the captain of Australia's Indigenous cricket team, Josh Lalor, presented cricket stumps painted by Indigenous artists to the dignitaries.

Oz Fest involved 159 events held in 18 cities across India. It ran for 114 days and reached more than 290 000 people and showcased a diversity of Australian music, art and design, food, film, literature, theatre, dance, comedy and sport. The opening night concert featured performances by Gurumil Yunupingu, Mark Atkins and Anoushka Shankar. Other highlights included a tour by the *MasterChef* Australia judges and a closing concert by the Australian musician, Gotye. The festival made strong use of social media to promote its messages, with a dedicated Facebook page attracting 66 000 likes, and drew positive feedback from high-level Indian government and private sector attendees.

A program of arts and cultural activities held in Vietnam to mark the 40th anniversary of diplomatic relations was an opportunity to advocate Australia's foreign and trade policy objectives and to promote our commercial interests. Bangarra Dance Theatre opened the celebrations in February with performances and workshops in Hanoi and Ho Chi Minh City.

## Media services

The department's media liaison team in Canberra responded to high levels of interest from both domestic and international media organisations, contributing to informed coverage of Australia's foreign and trade policy interests and public understanding of the department's work.

Consular matters continued to generate significant media interest, including cases involving Australians in detention or facing legal proceedings in China, Indonesia, Saudi Arabia and the United Arab Emirates. An Australian kidnapped in the southern Philippines for over a year attracted public

attention. There was also media interest in the department's support for Australians caught up in natural disasters, such as Cyclone Evan in the Pacific and Hurricane Sandy in the United States. We actively encouraged media outlets to include messages on safe travel in their reporting on consular matters.

The department managed media arrangements for high-level visits to and from Australia, including the Prime Minister's attendance at the East Asia Summit, APEC and the Pacific Islands Forum. We handled media issues for the bilateral visits by the Prime Minister to China and Papua New Guinea and the 10th anniversary commemoration of the 2002 Bali Bombings.

Over the year, the department provided 160 media background briefings and interviews for the Australian press on a range of international political, strategic, trade and consular issues. We issued 402 media releases and public statements for portfolio ministers, parliamentary secretaries and the department itself.

We distributed a substantial number of transcripts of interviews, press conferences and speeches by ministers.

We continued to strengthen media skills across the department including through training programs for newly-appointed heads of mission, staff departing on overseas postings, consular and public affairs officers in Canberra and at post, graduate trainees and other new recruits.

## Website services and social media

Reflecting the growing value of social media as a public diplomacy instrument, the department significantly expanded its online presence. By the end of 2012–13, the department had 45 separate social media accounts in place in posts in Europe, the Americas and the Asia–Pacific region. Posts in 28 countries were using social media to widen the reach of their programs with local audiences. Since its establishment in April 2011, the departmental Twitter account has expanded, now attracting more than 15 000 followers.

We increased the number of videos on the department's YouTube channel to 138, including 20 videos in a new *Our Ambassadors* series.

The department's web presence continued to deliver online services and information to the public. The main departmental website averaged 367 000 unique visitors per month. The *smartraveller* website averaged 344 000 unique visitors each month and the department's combined overseas post websites, numbering more than 90, received an average of 630 000 unique visitors each month.

The department's planned program of improvements to its online presence includes work to ensure compliance with the Web Accessibility National Transition Strategy.

## Our Ambassadors Series:



The *Our Ambassadors* video series aims to promote a better understanding of the government's foreign and trade policies and demystify the department's work and its people.

In the 8–10 minute videos, Australian heads of mission and post outline Australia's main priorities in their countries of responsibility, offer insights into their work and share experiences about serving overseas. The series currently includes interviews with 20 heads of mission and post from Southeast Asia, the Pacific, Europe, the Middle East, Africa and the Americas.

## Trade advocacy

The department sought to expand the communication of Australia's trade policies to new audiences, both domestically and overseas. By introducing a new weekly newsletter, *Trade Talk*, the department showcased Australia's trade initiatives and examined international trade developments from an Australian perspective. Our annual publication, *Trade at a Glance*, documented Australia's trade with the world and promoted the value of trade and investment liberalisation.

The department also provided detailed advice on trade and economic statistics to ministers' offices, other agencies, business and the general public. We published 11 statistical publications, which were freely available on the website. We managed almost 2 800 enquiries on trade and economic statistics in 2012-13 and increased our use of Twitter to deliver more timely and user-friendly updates on Australian trade issues.

## Treaties

The department maintained the Australian Treaties Database, an online public resource for researching treaties to which Australia is a signatory, or where Australia has taken other treaty action. The database can be accessed at [www.info.dfat.gov.au/treaties](http://www.info.dfat.gov.au/treaties). We also maintained the Australian Treaties Library, which makes available the texts of all treaties Australia has signed, and those that have entered into force for Australia.

## Special visits program

Our special visits program brings emerging leaders and opinion-shapers to Australia for meetings in their areas of interest with government, business and community figures. It gives participants an understanding of Australia's culture and policy environment, and has increased our network of international foreign and trade contacts. Thirty-seven individuals visited Australia under the program in 2012-13.

(See 1.1.1, pp. 25 & 27; 1.1.2, pp. 35 & 38; and 1.1.3, p. 41 for highlights.)

## International media visits

The department funded and organised eleven working visits to Australia by 32 journalists from 21 countries. The visitors were selected to advance specific objectives identified in the department's Public Diplomacy Strategy. Among the visit themes were democratic institution-building, environmental sustainability, trade and investment reform, banking and finance regulation, the development of natural resources and gender equality. All of these visits generated well-informed and relevant reporting and commentary on Australia and its interests.

In support of the development of fledgling media in Myanmar, we funded a journalism training course in Yangon and internships for two female Myanmar journalists with Australia Network through the John Doherty internship program. We also sponsored a visit by a group of Australian journalists to Papua New Guinea to report on developments there and the multifaceted bilateral relationship.

The Douglas Gabb Australia Pacific Journalist Internship enabled the placement of two journalists from Tonga and Fiji with the Australian Broadcasting Corporation. The department also facilitated and funded the exchange of journalists with Indonesia under the annual Elizabeth O'Neill Journalism Award and the Senior Editors' Visit Program.



Women's international media visit participants from Tonga, Fiji, the Philippines, Indonesia and Japan meet with Australia's Sex Discrimination Commissioner, Elizabeth Broderick, Sydney, November 2012. [DFAT]

## Cultural diplomacy

### International cultural visits

The department used its international cultural visits program to develop positive relations with cultural leaders and deploy Australia's cultural assets in ways consistent with our national interests.

In 2012–13, we supported visits by artists, music industry professionals, curators and directors of cultural institutions from Vietnam, Indonesia, Turkey and Brazil. An important focus of the visits was developing content for the AICC's annual focus country programs. We partnered with the Australia Council for the Arts and the National Gallery of Australia to bring delegates to the Fifth Australasian Worldwide Music Expo, the Asia Pacific Triennial of Contemporary Art and the opening of *Kastom: Arts of Vanuatu* exhibition.

### Australia International Cultural Council grants program

The AICC grants program supported 18 cultural projects in 2012–13 in Asia, the United States and Europe.

The grants were focussed on reinforcing the outcomes of the AICC's focus country programs in the Republic of Korea (2011) and contributing to the *Oz Fest* program in India (2012). One of the *Oz Fest* grants was 'The Pilbara Project' exhibition, featuring works by Indian and Australian film-makers and photographers, including young Indigenous film-makers and the award-winning Nicole Ma.

The grants program supported a tour of China by the Sydney Symphony Orchestra, a season in New York by Circus Oz and projects in Vietnam, Mongolia, France, Thailand and Indonesia.

### Indigenous Australian arts and culture

The department continued its proud record of support for lifting the profile of Aboriginal and Torres Strait Islander art and culture

internationally. We supported numerous events at posts, one of which was an exhibition of the works of Lena Nyadbi, in association with her installation on top of the Musée du quai Branly in Paris (see 1.1.4, p. 51). With Artbank, we toured two Indigenous exhibitions simultaneously. Washington hosted *Balgo: Contemporary Australian Art from the Balgo Hills* and the exhibition *Message Stick: Indigenous Identity in Urban Australia*, toured through Egypt, Turkey, India, Sri Lanka and Vietnam. The success of *Message Stick* was reinforced by concurrent visits of two of the artists to India and Vietnam.



Indigenous artist, Lena Nyadbi, attends the Custodianship Ceremony for her installation 'Dayiwul Lirlmim', on the roof of the Musée du Quai Branly, Paris, 2 June 2013. Accompanying Lena Nyadbi (left to right): President of the Musée du Quai Branly, Stéphane Martin; Governor-General Quentin Bryce AC CVO; the artist; and Chair of the ATSIA Board of the Australia Council for the Arts, Lee-Ann Buckskin. [DFAT]

The AICC supported the attendance of the Aboriginal and Torres Strait Islander delegation to the 11th Festival of Pacific Arts in Solomon Islands (see 1.1.6, p. 67).

We celebrated NAIDOC Week in July in Canberra with a photographic exhibition, *Black Gold*, highlighting the achievements of Indigenous sportspeople. (See also, Section 3, p. 167.) Posts also celebrated NAIDOC week, with a range of cultural activities, performances and workshops. We marked Reconciliation Week (27 May – 3 June) with a presentation to the diplomatic corps in Canberra.



## Presenting Australian visual arts and music overseas

We partnered with Musica Viva and Asialink to tour performances and art exhibitions in Asia. Touring *The Australian Voices* to China and *Elixir* (jazz trio) to Vietnam, Taiwan and Singapore were highlights.

## Australian Sports Outreach Program

The department worked with the Australian Sports Commission, with funding from AusAID, to manage the Australian Sports Outreach Program (ASOP) in the Pacific region. Through ASOP, posts supported sports programs for disadvantaged community groups, contributing to improved health and social inclusion while also delivering positive public diplomacy outcomes.



Acting High Commissioner in Fiji, Glenn Miles (3rd left), and Third Secretary, Ben Rhee (back), join participants in the High Commission-sponsored Nadi Fun Run, Nadi, 14 July 2012.  
[Australian High Commission Suva]

## Fostering people-to-people links

The International Relations Grant Program (IRGP) is the largest grants program the department administers. We provide secretariats for, and work closely with ten foundations, councils and institutes to foster people-to-people and institutional links—bilaterally and regionally—in support of the government's foreign and trade policy goals and to project a positive contemporary image of Australia. Foundations, councils and institutes manage the majority of the

grant programs funded under the IRGP. The grants support professional, community and institutional linkages between Australia and its partners on issues of shared interest including the arts, media, education, science, technology and social development initiatives such as health and sport.

## Council for Australian–Arab Relations

2013 marks the 10th anniversary of the Council for Australian–Arab Relations (CAAR). Since CAAR's establishment, the department has worked with the council to foster stronger relations between Australia and the Arab world. In 2012–13, CAAR sponsored a number of projects to build stronger institutional and community links, including bringing eight women leaders from the Middle East and North Africa to Australia to participate in the Australian Arab Women's Dialogue. The council continued to support the Arab Gateways online educational service and the Arab Film Festival.

## Australia–China Council

The Australia–China Council (ACC) facilitated partnerships between government, business and communities, supporting 35 projects in education, science, business, economy and arts, and making a major contribution to the program to celebrate the 40th anniversary of diplomatic relations with China.

The ACC and the Foundation for Australian Studies in China appointed Professor David Walker as the inaugural BHP Billiton Chair of Australian Studies at Peking University. The ACC Board visited China in July, participating in the 13th biennial Australian Studies Conference in Chengdu and the Australia–China High-Level Industry Dialogue chaired in Beijing by Deputy Prime Minister and Treasurer Wayne Swan. The ACC-funded *Beyond the Cables: Australian Ambassadors to China 1972–2012* oral history project was launched by Secretary Varghese in December.

## Profile

### Jakarta Public Affairs Team

(Left to right): Senior Information Officer, Mubarak; Press Clippings Officer, Dini Setiowati; Ray Marcelo; Senior Public Affairs Officer, Angky Septiana; and Translator, Aryoko Luhur; out and about near the Australian Embassy, Jakarta, June 2013. [Australian Embassy Jakarta]



Jakarta's Public Affairs Section comprises Counsellor (Public Affairs) Ray Marcelo and locally engaged staff members. The section promotes Australia–Indonesia bilateral relations and embassy activities through mainstream and social media, monitors Indonesian media coverage of Australia, and responds to enquiries from journalists and the public.

Assisting with media during high-level official visits is one of the team's main priorities and we work closely with journalists to advocate issues of importance to Australia. We also organise media events and provide advice and hands-on assistance with public affairs activities for other agencies at the embassy. Two staff members produce a daily press summary of stories relevant to Australia collected from Indonesian newspapers, magazines, online media and television.

Angky Septiana has worked with the Australia Government in Indonesia for 15 years, the past seven years as the Senior Public Affairs Officer.

'Being a member of the public affairs team at the embassy in Jakarta is exciting. We are always involved in many interesting activities and I've had the chance to work with and meet high profile media personalities and leaders from both countries', Angky said.

A growing area of responsibility for the team, together with the Cultural Section, is the effective use of social media. With more than 134 000 Facebook fans and 4 200 followers of the ambassador's Twitter account, the embassy in Jakarta has become a leader in social media innovation within the department. The team has run live question and answer sessions on a range of topics, including visas and studying in Australia, and organised giveaways and events for our Facebook fans and Twitter followers.

## Australia France Foundation

The Australia France Foundation was created in 1989 as the major element of Australia's official contribution to the celebration of the Bicentenary of the French Revolution. Program highlights in 2012–13 included: supporting the 14th annual Australia–New Zealand film festival in St Tropez; the third round of the Australia–France 1.5 Track Strategic Dialogue; the *Tjurrkutjanu – Aux Sources de la Peinture Aborigène* (The Origins of Aboriginal Painting) exhibition at Musée du quai Branly and the complementary exhibition *Luminous* at the embassy in

Paris; and the ongoing Sadlier-Stokes scholarship for schools from the north of France, awarded on Anzac Day 2013 in Villers-Bretonneux.

## Australia–India Council

The Australia–India Council (AIC) continued its work to deepen people-to-people and institutional links between Australia and India. As part of the Oz Fest cultural festival, the AIC funded *Bookwallah*, an innovative train tour across India by high profile Australian and Indian authors. The council engaged young people through the Australia India Youth Dialogues held in Melbourne and

Sydney and funding of a new partnership in surf life saving. The council also supported Young Media Fellowships for Indian journalists and provided assistance to the Walkley Foundation for Journalism.

### Australia–Indonesia Institute

The Australia–Indonesia Institute (All) promoted people-to-people links between Australia and Indonesia by supporting a diverse range of projects, including three flagship programs: the Building Relations through Intercultural Dialogue and Growing Engagement (BRIDGE) program; the Australia–Indonesia Youth Exchange Program; and the Muslim Exchange Program. A total of 27 grants were provided for priority areas including arts, education, interfaith activities, media, science and technology, youth, and women and girls.

Highlights included the Indonesian senior editors' visit to Australia and the pilot Australian artistic directors' visit to Indonesia, which were important precursors to the AICC's focus year on Indonesia in 2014. The All and Australia Council for the Arts also supported a pilot community arts education placement. Two Australian arts practitioners worked with local students, families and artists in Indonesia to develop a public artwork that reflected the unique identity of their school and community.

### Australia–Japan Foundation

The Australia–Japan Foundation (AJF) supported 50 projects in Japan and Australia across the AJF's six themes: security, regional and international relations; economics and trade; education and science; society and culture; communication, information and advocacy; and earthquake and tsunami disaster reconstruction.

The Prime Minister delivered the AJF Address in Sydney in October as part of the 50th anniversary celebration of the relationship between the Australia–Japan Business Co-operation Committee and its Japanese counterpart. We continued

efforts to assist the people of the Tohoku region recover from the 2011 earthquake and tsunami through the launch of a mobile library for the community of Iitate in Fukushima, and a visit to Melbourne by Japanese schoolchildren from Minami Sanriku (see also 1.1.1., p. 25).



Director, AJF Secretariat Australian Embassy Tokyo, Michiyo Horita (right), with Dylan Curnow, manager of the Isabella a Capella choir from Lismore, recipients of an AJF grant which allowed the choir to perform in Japan, Tokyo, 29 January 2013. [Brenden Allen]

### Australia–Korea Foundation

The Australia–Korea Foundation (AKF) celebrated its 20th anniversary of promoting bilateral engagement and people-to-people links.

The AKF funded 13 scholarships for young Australians to study in Korea and 32 projects to build bilateral collaboration in science and technology, environment, education, and culture and society. It continued to support five flagship programs, which allow business and media interns to gain experience in Korea and next-generation leaders and artists to participate in exchange visits. The AKF's BRIDGE Program, conducted with Asialink, continued to connect teachers and students, with 24 school partnerships now formed between the countries. The AKF also sponsored Australian children's illustrated book exhibitions at Paju International Book Festival and supported the establishment of Australian studies courses at Yonsei University.



## Council on Australia Latin America Relations

The Council on Australia Latin America Relations (COALAR) supported links with Latin America through funding for 16 projects in areas of business, education, culture, sustainability and tourism. Through COALAR, we supported the inaugural Latin America Dialogue at the University of Melbourne and continued our support for the Latin America Business Council awards and the Latin America film festival. (See also 1.1.3, p. 44.)

## Australia–Malaysia Institute

The Australia–Malaysia Institute (AMI) contributed to the bilateral relationship with Malaysia, funding 29 grants in public policy, arts and culture, sports cooperation and education. The AMI implemented the inaugural Australia–Malaysia Cultural Exchange Program under which six young Malaysian leaders visited Australia in May and a reciprocal Australian delegation visited Malaysia in June. (See also 1.1.2, p. 35.)

The AMI continued its support for the Australia–ASEAN Emerging Leaders Program (A<sup>2</sup>ELP). In the margins of the Asia–Pacific Roundtable in Kuala Lumpur in June 2013, the third A<sup>2</sup>ELP brought together over 20 emerging leaders from Australia and ASEAN countries for intensive discussions on regional challenges.

## Australia–Thailand Institute

The Australia–Thailand Institute (ATI) supports Australia's diplomatic objectives in Thailand by broadening and deepening links between people and institutions. A total of 17 grants were provided in areas that included economics and trade, democratic governance and public administration, arts and culture, education, science and technology and innovation.

The ATI launched its Discover Thailand scholarships and supported a number of visits, including by a delegation of Thai journalists and a group of Next Generation Community Leaders from Thailand. A highlight for the ATI was the establishment of the

Australia–Thailand BRIDGE program, which developed cultural exchange partnerships between eight Thai and Australian schools.

## Australia Awards

Through its secretariat role, the department supported the Australia Awards Board to finalise work on the Australia Awards brand; to craft, through an intensive consultation process with other agencies and overseas missions, a global Alumni Network Strategy; and to build and make operational a single, consolidated database of Australia Awards alumni dating back to 1955. Following the recommendations of the *Australia in the Asian Century* White Paper, AusAID took over secretariat responsibilities for the Australia Awards in January.

## Direct Aid Program

The department managed the Direct Aid Program (DAP), a flexible small grants program available in over 130 developing countries through 60 overseas posts. The DAP focused on supporting community-based development projects managed by individuals, community groups, non-government organisations and private organisations on a not-for-profit basis.

The department also managed the International Development Fund (IDF), a small grants program to support development initiatives relevant to Australia's multilateral policy agenda. The IDF is administered by Australia's Permanent Missions to the United Nations in New York and in Geneva.

Together, the DAP and the IDF support Australia's wider foreign and trade policy interests and assist developing countries to reduce poverty and achieve sustainable development. Both programs are important for advancing Australia's international relations and public diplomacy objectives, including by promoting a distinctive and positive image of Australia globally. DAP and IDF funding is available only for projects benefiting countries eligible for Official Development Assistance.





Ambassador to Portugal, accredited to Cape Verde, Anne Plunkett (front), joins participants in a DAP-funded project on São Vicente Island. The project, one of twelve projects in Cape Verde supported by the embassy in Lisbon, provided a cooking workshop and equipment for vision-impaired women and single mothers of children with cerebral palsy to help them earn an income and achieve a measure of independence, May 2013. [Australian Embassy Lisbon/Raquel Leandro]

Allocation of DAP funds to posts was considered on the basis of the development needs of countries, accessibility by posts to their countries of accreditation and the potential impact at the community level. A greater proportion of DAP funding was allocated to regions and countries where Australia's overall aid program has a lower profile but our foreign policy and trade engagement is growing—such as South Asia, Africa, Latin America and the Caribbean.

Typically, DAP and IDF projects focused on activities to alleviate poverty and address community health, gender equality, environmental issues and youth and education. Successful projects in 2012–13 included: upgraded facilities in a shelter for girls vulnerable to violence, poverty and abuse; training for current and future government and NGO leaders in Myanmar on constitutional reform; and various grassroots projects in Africa relating to food security, agriculture and environmental sustainability.

In 2012–13, the budget allocated to the DAP and the IDF was \$10 million from AusAID funding. Following the government's decision to direct a portion of the Australian aid budget to onshore costs associated with irregular maritime arrivals in Australia, the final DAP and IDF budget was \$8.94 million.

## Freedom of information

The department finalised 220 freedom of information (FOI) applications in 2012–13 (see *Table 8 below*), 16 more than in 2011–12. We managed the processing of FOI applications to the department and portfolio ministers and provided advice to FOI decision-makers for these applications. We also coordinated FOI consultation requests from other agencies, particularly concerning the international relations exemption under the *Freedom of Information Act 1982* (FOI Act).

We saw a steady flow of applicants seeking access to personal information and an increase in information requests covering complex and sensitive policy topics. In some cases the sensitive nature of the documents precluded finalisation of an access decision within the statutory deadline.

We finalised decisions on all 13 requests for internal review of access decisions. Nine appeals to the Office of the Australian Information Commissioner (OAIC) against an access decision were lodged in 2012–13. In one matter, the OAIC set aside the department's decision and substituted it for an amended access decision to disclose additional information.



The department presented information under the Information Publication Scheme contained in Part II of the FOI Act at: <http://www.dfat.gov.au/foi/ips.html>.

The department contributed to the government-wide consideration of FOI reform and information policy, including through a submission to the government's review of the operation of the FOI Act.

## Publications register

The department produced 24 publications in 2012–13, which are available for sale or free of charge online at <http://dfat.gov.au/publications/>. The list of publications is at Appendix 13 (p. 218).

## Historical publications and information

The department maintained its strong commitment to the production of publications on the history of Australia's international relations.

The major document published during the year was *Australia and the United Nations*, the most comprehensive history to date of Australia's

role in the creation, development and growth of the United Nations. A documentary volume covering Australia and the Nuclear Non-Proliferation Treaty was completed. Other volumes in the *Documents on Australian Foreign Policy* series under preparation include *Australia and Apartheid in South Africa and White Minority Rule in Rhodesia, 1950–1980*; *Australia and Decolonisation in the South Pacific, 1947–1980*; and *Australia in War and Peace, 1914–1919*.

## Archival examination

The department continued to provide advice to the National Archives of Australia on the release of Commonwealth records subject to access requests under Section 40 of the *Archives Act 1983*. The level of public interest in the department's archival records remained high.

Table 9 below outlines the number of records examined by the department in 2012–13. Of the 971 records examined, we recommended the exemption of one record and the partial exemption of 478 records. We recommended that the remaining 492 records be released in full.

**TABLE 8: REQUESTS PROCESSED UNDER THE FREEDOM OF INFORMATION ACT 1982**

	2010–11	2011–12	2012–13
<b>Requests for information</b>			
Access granted in full	26	35	40
Access granted in part	57	84	90
Access refused	21	28	32
Requests transferred or withdrawn	39	57	58
<b>Total</b>	<b>143</b>	<b>204</b>	<b>220</b>
<b>Requests subject to review or legal appeal</b>			
Requests for internal review (s.54)	8	9	13
Appeals lodged with the Administrative Appeals Tribunal (s.55)	1	0	0
Ombudsman	1	0	0
Requests for review lodged with the Office of the Australian Information Commissioner	4	9	9

**TABLE 9: RECORDS EXAMINED UNDER THE ARCHIVES ACT 1983**

	2010-11	2011-12	2012-13
Number of records examined	422	1055	971
Number of folios contained in these records	82,413	208,219	196,171

## Recordkeeping

The department continued to enhance its information and records management framework to support operations in Australia and overseas. To meet the whole-of-government Digital Transition Policy and the department's information management needs, we upgraded the electronic document and records management system (EDRMS) during 2012-13. EDRMS integration with the department's cable system is well advanced and will deliver significant efficiencies in managing the department's key business information.

We completed 17 records management projects throughout 2012-13, including 11 at overseas posts. Five Canberra records sentencing and disposal projects were concluded. The department continued to implement the Strategic Plan for DFAT Records Management 2008-13, including the archival transfer of the department's files to the National Archives of Australia.

## HV Evatt Library

The HV Evatt Library maintained a complete library and information service for departmental staff in Australia and at posts. During the year the library widened the range of published material accessible via electronic reading devices and extended

the personalised subject alert service. Work on upgrading the search services to cover local and remote content within a single search continued.

## Outlook

The department will continue to inform and engage high-value individuals and organisations overseas, and in Australia, to strengthen understanding of our values, interests and international objectives.

Key themes for the future will be building deeper and broader relationships with Asia, promoting our UNSC priorities and advocating the benefits of global trade liberalisation and reform. Australia's chairing of the G20 will provide an invaluable opportunity for public diplomacy activities that reflect our vision on the global economic issues and the lessons learned from Australia's program of economic reform.

The department's key cultural diplomacy festival in 2014 will take place in Indonesia. The program content will encompass the arts, design, sport, science, education and innovation which will create a platform for cultural exchange, business networking, trade and tourism promotion and people-level linkages.

We will launch a new documentary history, *Australia and the Nuclear Non-Proliferation Treaty, 1945-74*.



# PROGRAM 1.2: PAYMENTS TO INTERNATIONAL ORGANISATIONS

## Program 1.2 Objective

- To advance Australia's foreign, trade and economic, and security interests through participation in international organisations.

## Program 1.2 Deliverable

- Current membership of international organisations through payments of assessed and voluntary Australian government contributions.

## Program 1.2 Key performance indicator

- The department's payments to international organisations are timely and within budget.

### Administered item:

- Payments to international organisations

The department made payments totalling \$227.8 million, consisting of \$91.6 million to 30 international organisations and international treaty secretariats, including the United Nations, and \$136.2 million to 14 United Nations peacekeeping operations (see *Appendix 10, pp. 201–2*). These payments were made in full and on time.

## PROGRAM 1.3: PUBLIC INFORMATION SERVICES AND PUBLIC DIPLOMACY

### Program 1.3 Objective

- To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives through the department's public diplomacy, cultural and media activities.

### Program 1.3 Deliverables

- An independent, credible and reliable voice and image in the region through effective management of the Australia Network.
- Promotion of people-to-people links and a contemporary and positive image of Australia and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils and institutes.

### Program 1.3 Key performance indicator

- An accurate and contemporary image of Australia, an understanding of the government's foreign and trade policies, and strengthened people-to-people links and trade and economic ties.

#### Administered items:

- International relations grants program
- Australia Network
- Bali Peace Park
- Expositions Special Account

The department administered grants in 2012–13 of \$232.4 million in accordance with the Commonwealth Grant Guidelines. See Appendix 10 (p. 201) and [www.dfat.gov.au/dept/grants](http://www.dfat.gov.au/dept/grants).

In August 2012, the department concluded a 10-year agreement with ABC International for the provision of a multi-platform free-to-air international satellite television and digital media service in the Asia–Pacific region. Reflecting the department's Public Diplomacy Strategy, it provided detailed advice on the strategic and business plans for the new service, focussing on content and platform issues as well as on the importance of effective consular messaging and the delivery of services to Australian expatriate communities.

Through the consulate-general in Bali, the department continued to support the efforts of the Bali Peace Park Association, as well as survivors and families, to establish a memorial garden on the site of the terrorist attacks on 12 October 2002, in which 202 people were killed including 88 Australians. The association's negotiations for the purchase of the site are continuing.

The department managed Australia's participation at International Expo 2012 in Yeosu, Republic of Korea. The expo, themed 'The Living Ocean and Coast', ran from 12 May to 12 August 2012. The Australian pavilion showcased the importance of Australia's coast as a gateway for national wealth through resources, tourism and education and, by the end of the expo had received 1.5 million visitors. An active business program, imaginative public diplomacy and an innovative pavilion contributed to the success of Australia's participation at Yeosu 2012.



Ambassador to Indonesia, Greg Moriarty (3rd right), accompanies Prime Minister Julia Gillard (centre) and Indonesia's Foreign Minister, Dr Marty Natalegawa (4th left), on arrival at the 10th anniversary commemoration of the 2002 Bali bombing, Bali Peace Park, 12 October 2012. [AUSPIC/David Foote]



# OUTCOME 2

The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas.

<b>Program 2.1: Consular services</b>	<b>128</b>
<b>Program 2.2: Passport services</b>	<b>136</b>



# PERFORMANCE INFORMATION FOR OUTCOME 2

## Outcome 2 strategy

With more Australians travelling overseas each year, the department will continue to give high priority to delivery of effective consular services. The department will help Australians make informed decisions about their security, safety and wellbeing by maintaining its comprehensive system of travel advisories. The department's consular outreach program will continue in 2012–13, promoting safe travel messages and delivering accurate and timely travel advice, including through the *smartraveller* campaign.

Practical planning for contingency and rapid crisis response will remain a focus through 2012–13. The department will work to enhance its ability to respond quickly to consular incidents, particularly in remote locations or where consular representation is less concentrated. It will also continue to lead whole-of-government responses to

future consular crises and serious incidents overseas, activating the department's crisis centre as needed.

The department in 2012–13 will continue work on the detailed design and scheduling of the new 'P-series' passport to ensure the government can continue to deliver a contemporary, secure travel document. Increased funding flowing from the renewed three-year funding agreement for passport services will meet the costs of expected increasing demand and provide resources to mitigate the growing risks of identity fraud and child abduction. In addition, the department will take forward the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program, announced in 2010–11, to enable it to meet the projected increase in demand for passport services in forward years.

## PROGRAM 2.1: CONSULAR SERVICES

### Program 2.1 Objective

- To support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.

### Program 2.1 Deliverables

- High-quality consular services to an increasing number of Australian travellers and Australian citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers' emergency loans to Australians in need.
- High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through continuation of the smartraveller campaign and effectively managing an online travel registration service.
- Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments.
- Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.

### Program 2.1 Key performance indicators

- The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian government responsibility.
- Accurate and timely travel advisories which provide clear guidance to a broad audience of potential risks and the extent of Australian government assistance, and continued growth of public use of the smartraveller website and the online registration service.
- Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.
- Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.

## Program 2.1: Consular services

### Overview

There was continued high demand for consular advice and assistance from Australians and their families around the world. The department provided assistance to 11 927 Australians in difficulty overseas in 2012–13. A number of high-profile cases involving detention and legal proceedings required a significant resource commitment. The department led the whole-of-government effort to resolve successfully a long-running kidnapping case in the southern Philippines.

The department executed the third phase of the *smartraveller* public information campaign with a focus on encouraging Australians to plan for their own safety and welfare overseas. Our advertising emphasised the importance of travel insurance, particularly for younger and less risk-averse travellers. We maintained accurate and timely travel advice on the *smartraveller* website. A new Facebook page and iPhone app for travel advice and registration helped to increase the penetration of our messages.

We strengthened our capacity to respond to crises and emergency situations. The department consolidated its Emergency Response Team (ERT), including through joint training and field exercises with the Australian Defence Force (ADF). We established new crisis response linkages with regional governments through the East Asia Summit and ASEAN Regional Forum.

### Consular services

At 30 June 2013, Australians had access to consular services around the world through 171 diplomatic and consular missions and honorary consuls managed by the department and Austrade. In addition, 17 Canadian diplomatic missions offered consular services to Australians under a reciprocal consular sharing agreement between the two governments.

The department's Consular Emergency Centre (CEC) provided public access to consular services 24 hours a day, seven days a week. The centre received 52 214 calls in 2012–13, a two per cent increase over 2011–12 levels.

Notarial services continued to be available through the department's state and territory offices and passport offices.

We continued work to replace the department's consular management information system to support services to travelling Australians. We entered into a contract to acquire a client relationship management software application which will form the basis of the new system.

### Assisting Australians overseas

In 2012–13, consular staff assisted 11 927 Australians in difficulty overseas, a decrease from 14 574 in 2011–12.

Our consular staff provided assistance and support to 1 479 Australians arrested or imprisoned. A number of complex and protracted cases attracted high levels of media and public attention and were highly resource-intensive. We provided advice on the availability of local legal representation and monitored trials to seek to ensure due process. Consular officers made regular visits to Australians in detention to confirm their well-being and access to adequate services. We assisted 1 372 Australians who were hospitalised and provided advice and assistance to families of 1 247 Australians who died overseas. We also assisted Australians with 195 470 notarial acts, an increase from 188 149 in 2011–12.

We led a whole-of-government effort to resolve successfully a long-running kidnapping case in the southern Philippines, while maintaining the government's strict policy against the payment of ransoms.

We reviewed some aspects of consular processes following the Minister for

Foreign Affairs' response to a report on the department's handling of the consular aspects of a case involving a dual Australian–Israeli national who died in detention in Israel in 2010. One of the results was the conclusion of a whole-of-government protocol on the handling of sensitive information in cases where Australians are detained overseas on intelligence-related charges.

## Travellers' emergency loans

In 2012–13, the department extended emergency loans to the value of \$209 126 to 298 Australian travellers, a small decrease from last year. Loans were provided on a case-by-case basis, and extended only following a rigorous needs assessment and evaluation of alternative sources of funding. All recipients were required to sign legally enforceable deeds of undertaking-to-repay. These undertakings make clear the link between eligibility for a new passport and repayment of outstanding loans.

We also provided \$42 838 to 34 Australians imprisoned overseas under the Prisoner Loans Scheme to assist with the purchase of essential supplies not available from prison authorities.

The department worked to improve follow-up and recovery processes with debtors to ensure the repayment of loans. In 2012–13, we recovered \$242 415 from Australians who had been issued loans, compared to \$207 963 in 2011–12.

## Consular emergency services

The department granted payments of \$4 102 to three Australian travellers under the consular emergency services financial support mechanism. Introduced in 2007–08, this mechanism enables financial assistance to be extended when it is not practical or legally possible for individuals to sign an undertaking-to-repay.

## Consular cooperation

The department maintained close consular and crisis response relationships with Canada, the United Kingdom, the United States and New Zealand. We also extended cooperation with other partner countries, including through training for consular practitioners from Indonesia, Singapore and the United Arab Emirates, as well as Canada and the United Kingdom. Departmental officers also delivered training to Vietnamese foreign ministry and provincial government officials.

We convened annual consular consultations with China, Indonesia, Vietnam and the United Arab Emirates. We also co-chaired with Indonesia a crisis management workshop in Bali for East Asia Summit countries, strengthening consular crisis cooperation in the region. With AusAID and the ADF, we represented Australia in an ASEAN Regional Forum disaster relief exercise in Thailand, helping build regional capacity in civil-military disaster response.

## Consular policy

Working with other government agencies and non-government organisations, we updated policies to strengthen the delivery of consular services to the most vulnerable Australians, including victims of child abuse, forced marriage and female genital mutilation. We developed practical guidance for consular officers on the management of cases of child welfare and forced marriage overseas. We led whole-of-government work to deliver clear public advice on emerging issues related to international commercial surrogacy.

We refined policies on the delivery of notarial services, including addressing concerns about fraudulent documentation.



**TABLE 10: TRAVELLERS' EMERGENCY LOANS**

	2009–10	2010–11	2011–12	2012–13
Number of Australian travellers assisted by emergency loans	286	345	365	298
Amount provided in emergency loans	\$320,456	\$356,246	\$218,470	\$209,126
Amount recovered in debt recovery activities	\$196,447	\$136,564	\$207,963	\$242,415

## Consular training

To ensure that consular officers have the knowledge and tools to provide appropriate assistance and advice, the department delivered 106 consular training sessions attended by over 1 000 departmental officers.

Some training courses built on existing programs, including psychological preparedness training introduced in 2012 aimed at assisting consular officers prepare for potentially traumatic events. We also introduced new initiatives,

including workshops in the Middle East and South America for honorary consuls. Canberra-based consular case managers participated in Lifeline's specialised *Accidental Counsellor* training, which will be a permanent inclusion in training for case managers and CEC staff.

We reinforced crisis contingency planning at posts through regional crisis management workshops for staff in Africa, the Middle East and Asia. We also delivered further training for members of the department's consular crisis cadre and ERT members.

### Staff Profile

#### Dr Cristina Fernandez

In December 2009, I was appointed Australia's Honorary Consul in Bolivia. Since then I have provided consular and passport services to hundreds of Australians.

I have been required to visit and assist Australians who have been arrested or are in prison and to provide timely, on-the-ground information for inclusion in the travel advice for Bolivia. I was involved in the search for a group of Australians, missing briefly in the Uyuni salt plains, and I contributed advice and support in other complex cases.

I am the point of contact in La Paz between the Australian and Bolivian Governments and local authorities. I work very closely with the Australian embassy in Lima which has non-resident accreditation to Bolivia.

Serving the Australian Government is a privilege and complements my activities as a physician. I would like to see more Australians travelling to Bolivia and they can be reassured that I will be here to help should they find themselves in need of consular assistance.



## Profile

### Consular Emergency Centre

*Consular Emergency Centre team member, John Newton, assists a client on the phone, while Centre Manager, Caroline Golding, and team member, Michael Nangle, discuss a case, June 2013. [DFAT]*



Established in 2007, the department's Consular Emergency Centre (CEC) provides a 24/7 global service of consular and passport advice and assistance.

The switchboards of all Australian overseas posts are configured to redirect out-of-hours consular and passport callers to the CEC, enabling the department to provide prompt advice and assistance in these core areas of its agenda. CEC staff provide advice to posts on the handling of complex and sensitive consular and passport cases.

The CEC plays a crucial role as the department's initial point of contact in a major international incident such as a natural disaster, transport accident, terrorist attack or kidnapping. It coordinates the receipt and dissemination of information and alerts ministers and senior officers to immediate developments. This provides the department with a unique capability to deliver a coordinated and timely whole-of-government response to crises and emergency situations.

CEC staff have extensive experience of consular and passports operations in Canberra and overseas—between them, the 13 staff currently working in the centre have had postings in 25 countries. Their professional experience is bolstered by an ongoing and targeted training program to keep their skills up to date.

Caroline Golding, the manager of the CEC, says that while it can be challenging in times of acute distress and crisis, staff in the CEC find it very rewarding to deliver advice and assistance that makes a tangible difference to the lives of the people with whom they come into contact.

## Responding to and preparing for consular crises

The department's purpose-built crisis centre remains pivotal to our ability to deliver a coordinated whole-of-government response to an international crisis. It can be activated at short notice to operate on a 24-hour basis, staffed on rotation by 180 trained officers. This includes teams rostered on standby duty throughout the year. We commenced a comprehensive review of our crisis facilities and will continue work on improvements in the coming year.

We activated crisis response mechanisms for natural disasters in Fiji and Samoa, violence in Gaza and southern Israel and

for individual consular cases, including the release of an Australian kidnapped in the southern Philippines. Overseas, our network of posts assisted Australians directly affected by major incidents. For example, the Consulate-General in Hong Kong assisted Australians affected by a ferry boat sinking and the High Commission in Apia ascertained the safety of Australians in the country after Cyclone Evan, despite damage sustained at the High Commission.

In addition to annual contingency planning for Anzac Day events in Gallipoli and Villers-Bretonneux, we worked with the Department of Veterans' Affairs and other agencies on plans for the 100 year Anzac Day commemorations in 2015. Consular

support staff were present at these locations and other events involving large numbers of Australians, including the 2012 London Olympic and Paralympic Games and the 10th anniversary of the 2002 Bali Bombing.

Crisis preparedness and exercise rehearsal remained a priority. In two major activities with the ADF, the department's ERT members practised and refined procedures for the evacuation of Australian citizens from crisis zones. The inclusion of a range of government agencies in these exercises helped maintain our whole-of-government focus to international crisis response.



*Second Secretary in Seoul, Duncan Lockie, engages with Principal Medical Advisor, Department of Health and Ageing, Dr Jennifer Firman, in the ABLE RESPONSE 13 situation room, Seoul, June 2013. [DFAT/Melissa Stenfors]*

In June 2013, departmental staff joined staff from the Department of Health and Ageing and civilian and military staff from the Department of Defence in the Australian delegation to Exercise ABLE RESPONSE 13, a United States–Republic of Korea-led civil–military contingency planning exercise in Seoul. ABLE RESPONSE was established in 2011 to strengthen both countries' ability to manage a biological incident on the Korean peninsula.

In cooperation with the ADF, we continued our program of Contingency Planning Assistance Team (CPAT) visits to test crisis response preparedness in specific locations and refine posts' contingency plans. In 2012–13, we sent CPATs to Indonesia, Timor-Leste, Egypt, Turkey, Samoa, Tonga and Nepal. As with all our contingency planning work, we worked closely with

government agencies and relevant private sector bodies.

## Keeping Australians informed

The department's travel advisory services provide accurate and up-to-date information to help Australians plan for their own safety and welfare overseas.

In 2012–13, we issued 774 updates to travel advisories for 167 destinations as well as travel bulletins, reflecting changes in the security situation and other significant developments. We improved information for Australian travellers by focusing more closely on destinations with heightened or more complex security risks. We reissued advisories for these destinations more frequently, at least every three months. We also reviewed and reissued bulletins on issues such as kidnapping and piracy, as well as event-specific bulletins for Anzac Day commemorations.

We drew on information from a range of sources, including diplomatic and intelligence reporting, for the travel advisories and continued to apply the no double standards principle—our advice to the public is the same as our advice to departmental staff and to the private sector. To the fullest extent possible, we pass on credible and specific threat information to the public.

We reviewed and reorganised other information for travellers on the *smartraveller* website, including on climate, health and travelling with children. In response to legislative developments and community concerns, we produced new webpages on forced marriage and female genital mutilation, emphasising the extraterritorial application of Australian laws. We improved the accessibility of information on the website, including through the implementation of audio software to enable the public to listen to individual advice pages.

Senator Carr launched new targeted advertising and other outreach activities for the ongoing *smartraveller* public information campaign in November. Reflecting the

campaign theme of turning awareness into action, advertising focused on young and less risk-averse travellers and highlighted the importance of buying travel insurance appropriate for activities. It featured the story of young Australian, Erin Langworthy, whose bungee cord broke in Zambia, but who had registered with *smartraveller* and fortunately taken out comprehensive travel insurance. Erin's story attracted substantial media coverage for the campaign. Anecdotal reports from industry sources indicate a subsequent increase in insurance take-up by Australian travellers.

The campaign included a round of mass media advertising in November–December on television and in print, as well as ongoing online advertising in both digital display and search formats. The decision to increase the focus on digital advertising reflected the increasingly internet-based nature of travel planning and booking. We also reinforced *smartraveller* messaging to travellers through display advertising and sponsorship of free Wi-Fi at Australian airports in the peak holiday periods of November–December and May–June.

To increase the penetration of our messaging, we launched a *smartraveller* iPhone app, complementing the existing desktop and mobile versions of the *smartraveller* website, and the RSS and XML feeds of travel advice for use in third party websites and apps (see 3.1, p. 149). We also launched a *smartraveller* Facebook page, extending our use of social media to promote both key travel advice updates and the overall campaign messages.

*Smartraveller* registrations continued to increase, with 1 179 335 during 2012–13, compared with 943 426 in 2011–12, although it remains the case that only a minority of Australian travellers register their travel. *Smartraveller* subscriptions also steadily increased, reaching 122 338 as at 30 June 2013, compared to 84 807 as at 30 June 2012.

We continued to work with the travel industry to promote travel advice and the *smartraveller* campaign messages. We

convened the *Smartraveller* Consultative Group to seek industry feedback on the performance and direction of the campaign. We continued our sponsorship of a *smartraveller* e-newsletter to travel agents and sponsored a number of other industry events and activities. We also attended 15 travel expos to convey the *smartraveller* message directly.

## Consular Services Charter

The Consular Services Charter sets out the services that are available to Australians when they confront difficulties overseas. It also outlines those activities not covered by the consular role. As set out in the charter, Australians had a variety of options to provide feedback on consular services, including via the *smartraveller* website, in correspondence, over the phone or at the counter and, increasingly, through social media. The department welcomed constructive feedback to support the continuous improvement of our consular service delivery.

## Outlook

We will review the Consular Services Charter as part of the preparation of a consular strategy for the 2013–16 period. The strategy will outline how to deliver efficient consular services. An important aim will be sharpened messaging to help improve traveller self-reliance, enabling the department to focus resources on the most challenging consular cases.

We will improve guidance and training to posts on the management of complex consular cases, such as those involving mental health considerations. We will continue work on the development of a new consular information system to deliver efficient case management and more robust statistical information.

Continual improvement in crisis preparedness and response will remain a priority. We will continue our program of CPAT visits and enhance regional crisis cooperation and coordination. Along with a key group of other

countries, we will convene a consular workshop in the United Kingdom in September 2013 that will launch a dialogue among more than twenty governments on consular challenges and the prospects of closer international cooperation on some issues, such as multiple citizenship and emergency management.

We will maintain outreach to gauge public expectations, satisfaction with service delivery and the effectiveness of our public messaging. Partnerships with the private sector and non-government organisations to improve consular services will remain a priority.

**TABLE 11: CONSULAR SERVICES PROVIDED TO AUSTRALIAN TRAVELLERS**

	2008–09	2009–10	2010–11	2011–12	2012–13
Australian resident departures <sup>1</sup>	6,009,033	6,938,303	7,609,300	8,452,924	8,856,210
Cases of Australians hospitalised given general welfare and guidance	1,480	1,467	1,203	1,265	1,372
Cases of Australians evacuated to another location for medical purposes	32	29	28	24	28
Cases of next of kin of Australians who died overseas given guidance or assistance with disposal of remains	1,038	1,143	1,142	1,138	1,247
Cases of Australians having difficulty arranging their own return to Australia given guidance and assistance	39	29	478	46	53
Whereabouts – inquiries made about Australians overseas who could not be contacted by their next of kin <sup>2</sup>	17,966	9,310	12,899	4,154	1,829
Cases of Australians arrested overseas	1,019	1,086	1,069	1,181	1,136
Number of Australians in prison as at 30 June	223	252	236	236	229 <sup>3</sup>
Cases of Australians given general welfare and guidance	5,992	7,679	7,054	6,440	5,919 <sup>4</sup>
<b>Total number of cases involving Australians in difficulty</b>	<b>27,861</b>	<b>20,995</b>	<b>24,186</b>	<b>14,574</b>	<b>11,927</b>
Notarial acts <sup>5</sup>	166,662	165,240	177,474	188,149	195,470
<b>Total number of cases of Australians provided with consular assistance</b>	<b>194,523</b>	<b>186,235</b>	<b>201,660</b>	<b>202,723</b>	<b>207,397</b>
Australians in financial difficulty who were lent public funds to cover immediate needs (travellers' emergency loans)	334	286	345	365	298

- Figures draw on ABS and DIAC data, and includes permanent long-term and short-term departures of Australian citizens and permanent residents.
- Figures include crisis-related whereabouts cases.
- The total number of cases of Australians in prison during 2012–13 was 343. Some of these cases may have been resolved during the year. The 'number of Australians in prison as at 30 June' is a 'snapshot' of the Australian overseas prisoner population on 30 June 2013.
- Welfare and guidance figure includes the following sub-categories: general (2,242), welfare and other serious matters (2,037), theft (1,225), assaults (228) and welfare of children (187).
- Figures include notarial acts performed by overseas posts, in Canberra and at state and territory offices in Australia.



## PROGRAM 2.2: PASSPORT SERVICES

### Program 2.2 Objective

- To provide Australians access to secure international travel documentation through the delivery of high-quality passport services.

### Program 2.2 Deliverables

- High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days, while effectively managing an increasing workload.
- Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program.
- Finalisation of the delivery and scheduling for the new 'P-series' Australian travel document.

### Program 2.2 Key performance indicators

- Public and travel industry clients are satisfied with the department's efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- Staged delivery of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program within budget and against timelines.
- Design approval and finalisation of production scheduling for the introduction of the new 'P-series' Australian travel document in mid-2014.

## Program 2.2: Passport services

### Overview

The department continued to provide a secure, efficient and responsive passport service to Australian citizens in 2012–13. We issued just over 1.7 million passports through a network of more than 1 600 Australia Post outlets, nine Australian Passport Offices in Australia and over 100 Australian diplomatic missions and consulates overseas.

The department maintained its strong focus on client service, issuing passports within 10 working-days in 98.8 per cent of cases. We worked closely with Australia Post to reduce the number of passports missing in the mail and assisted clients affected by natural disasters to obtain a replacement passport at no cost.

Security of the Australian passport remained a high priority. Work on the next generation of the Australian passport (the P-series) progressed with the design phase completed. The first P-series passports are scheduled to be issued in August 2014.

### Passport services

We issued just over 1.7 million passports in 2012–13, the same as last year, of which 98.7 per cent were produced in Australia. Australian diplomatic missions and consulates overseas issued 8 020 emergency passports.

In 2012–13, 165 560 applicants paid the priority processing fee which guarantees an internal turnaround time of 48 business hours, an increase from 163 290 in 2011–12. We met the 48-hour target in 99.8 per cent of cases, refunding four applicants when the service level was not met.

The fee for an ordinary passport increased to \$238 from \$233 on 1 January 2013. This was in accordance with the *Australian Passport (Applications Fees) Act 2005* that provides for an annual passport fee increase in-line with the consumer price index each January.

Australia Post provided passport interviewing services through its Australian national network of 1 676 corporate and licensed post offices. During 2012–13, Australia Post conducted 93.5 per cent of passport interviews in Australia.

**TABLE 12: TRAVEL DOCUMENTS ISSUED**

	2010–11	2011–12	2012–13
TOTAL number of travel documents issued	1,774,224	1,747,670	1,703,850
% produced in Australia	98.6	98.6	98.7
% issued in 10 working days	99.8	99.7	98.8
Emergency passports issued by Australian diplomatic missions	7,909	7,976	8,020
Priority (PPF) passports issued	177,873	157,820	157,112
% issued in 48 hours	99.7	99.8	99.8
Documents reissued due to natural disaster	656	275	74

We continued to encourage the use of our online service, with electronic application forms used for 31.2 per cent of all passports issued, consistent with last year's usage. A serious systems failure occurred in June 2013 which disrupted clients' access to our website services for seven days. The outage did not affect the department's ability to process passport applications or impact on the security of client records. Clients were provided with alternative passport service channels. The department has since reviewed arrangements with the external service provider to mitigate the risks of recurring failures. (See also 3.1, p. 148.)

The Australian Passport Information Service (APIS) provided important passport information to clients and arranged passport interview appointments with our Australian Passport Offices. During 2012–13, APIS handled 1 696 007 enquiries, consistent with last year's level.

The number of passports reported lost or stolen was 37 720 (compared with 38 062 last year). As a percentage of the total passports on issue, this is consistent with the annual rate since the introduction of the *Australian Passports Act 2005*. The Act imposes fines and sanctions against clients who report lost or stolen passports.

The number of passports reported missing in the mail, following despatch from production centres, totalled 171 compared with 132 in 2011–12. The department continues to work closely with Australia Post to reduce this number.

In 2012–13, the Minister for Foreign Affairs announced that fees would be waived for the replacement of passports lost, damaged or destroyed as a result of crises and disasters including in the Queensland floods and the fires in Tasmania. The department reissued 74 passports at no cost to Australians affected by a disaster or crisis.

The number of child passport applications where full parental consent or an Australian court order permitting the child to travel had not been obtained continued to grow in number and complexity. We used additional

departmental funding to increase staff resources dedicated to this function.

## Delivering a contemporary passport service for Australia

The Australian Passport Office and the Information Management Division continued work on the Passport Redevelopment Program (PRP). The PRP will deliver a new passport issuance system that will be able to manage projected growth in passport issue rates. Full system implementation is scheduled for 2016. (See 3.1, p. 150.)

## Passport security

Design work for the next generation P-series passport was completed. Production of the new passports will begin in September 2013 for issue from August 2014. The new security features of the P-series document will help to ensure the security, integrity and reputation of the Australian passport.

We continued our role in the National Identity Security Strategy (NISS) led by the Attorney-General's Department. In particular, we focused on the promotion of document verification services, combating identity crime and improving national management of death data. As part of the NISS work plan for 2012–13, we completed a strategic assessment of the risks associated with the abuse of vulnerable identities, for example, the identities of deceased persons.

We continued our contribution to the work of the International Civil Aviation Organization (ICAO) in the development of international standards for travel documents. The department was an active participant in a number of ICAO committees including: the Technical Advisory Group on Machine Readable Travel Documents; the New Technologies Working Group; the Implementation and Capacity Building Working Group; and, in 2012–13, Australia was re-elected to the Public Key Directorate Board. We continued our active participation in related technical working groups with the International Standards Organization.



Forensic Document Examiner, Passport Identity Section, Patricia Moss, examining a passport to determine its authenticity, Canberra. [DFAT]

## Fraud detection and prevention

The department continued to work closely with intelligence and law enforcement partners to detect, investigate and prosecute passport fraud offences under the *Australian Passports Act 2005*. We investigated 632 allegations of passport fraud during the year. Eighty of these cases of possible breaches of the Act were referred to the Director of Public Prosecutions.

The department continued efforts to combat passport fraud through the establishment of a specialist unit for the resolution of complex identity cases, including through the use of advanced facial matching technology.

The Minister for Foreign Affairs cancelled 48 passports, down from 61 in 2011–12, under the *Australian Passport Act 2005* for law enforcement and national security reasons.

## Client Services Charter

Under the Client Services Charter, the department solicited and responded to feedback on passport services.

According to the two client satisfaction surveys we conducted during 2012–13, the overall level of satisfaction with the service provided by the Australian Passport Office and its agents—Australia Post and the APIS—was good. Both surveys highlighted the importance of continual improvement in the public presentation of passport information, particularly on the website at [www.passports.gov.au](http://www.passports.gov.au).

We made changes to the *Australian Passports Determination 2005* to improve client service outcomes by, among other things, allowing lost and stolen fee waivers to clients in some circumstances and by bringing the instrument up to date with recently enacted anti-discrimination laws.

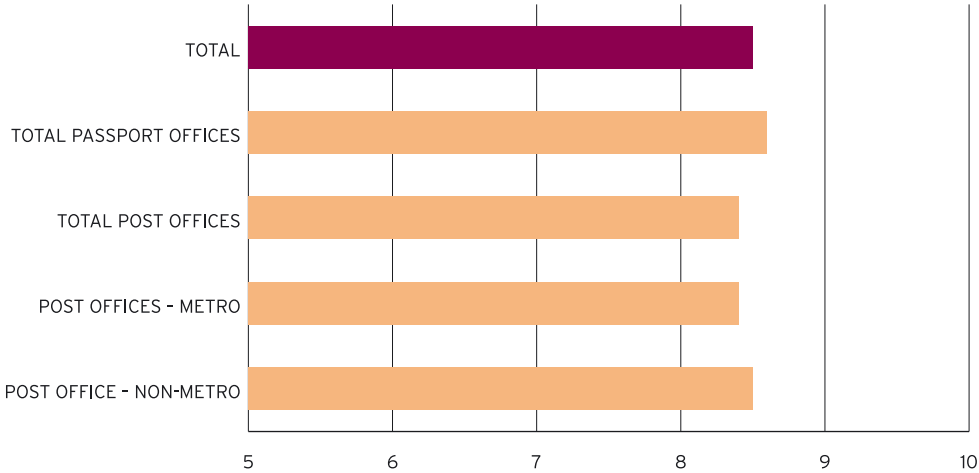
We responded to 85 passport complaints including through internal reviews, queries from the Commonwealth Ombudsman and claims under the government’s Scheme for Compensation for Detriment caused by Defective Administration. The Commonwealth Ombudsman made no

findings against the department on passport matters. (See Section 3, p. 165.)

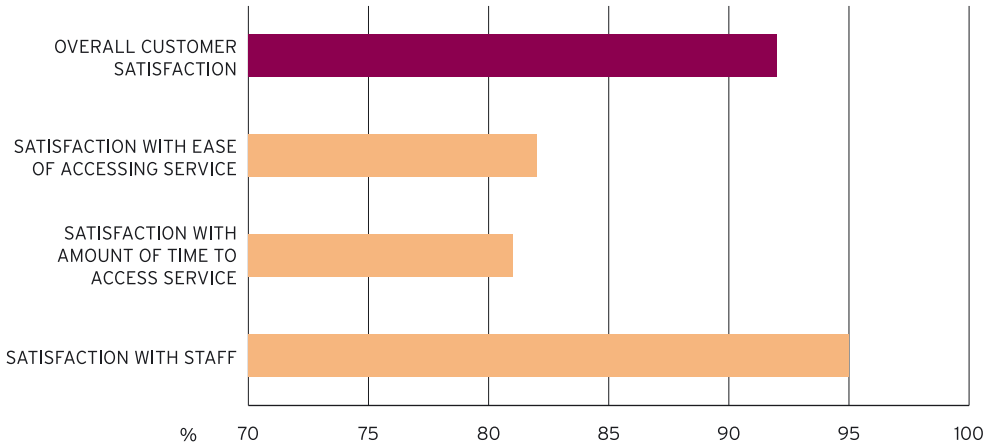
We continued to refine the passport client feedback framework in order to improve our processes and procedures in response to feedback from clients.

**FIGURE 17: OVERALL SATISFACTION WITH PASSPORT APPLICATION PROCESS  
(BASED ON 1 205 CLIENTS SURVEYED OVER A ONE-MONTH PERIOD)**

1 = EXTREMELY DISSATISFIED – 10 = EXTREMELY SATISFIED



**FIGURE 18: OVERALL SATISFACTION WITH THE AUSTRALIAN PASSPORT INFORMATION  
(BASED ON 3 277 CLIENTS SURVEYED OVER A THREE-MONTH PERIOD)**





## Outlook

We will continue to improve client services, while maintaining high levels of efficiency, integrity and security in shaping operations for 2013–14.

Progress on the new Passport Redevelopment Program will be a key priority until fully implemented in 2016.

We will continue our work with ICAO to ensure that Australia remains at the forefront of developments in passport technology.

We will focus on production of the P-series passport for issue in 2014.



*Passport Production Centre officer, Lahai Kamanda, using one of the passport laminating machines that forms part of the passport personalisation process, Canberra, June 2013. [DFAT].*

# OUTCOME 3

A secure Australian government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth’s overseas owned estate.

<b>Program 3.1: Foreign affairs and trade operations</b>	<b>144</b>
<b>Program 3.2: Overseas property</b>	<b>153</b>



# PERFORMANCE INFORMATION FOR OUTCOME 3

## Outcome 3 strategy

The department continues to place priority on the safety of Australian government personnel overseas, the security of its diplomatic and consular posts and the safeguarding of government information in line with an environment of increasing security risk. Its activities in this area will be underpinned by thorough assessments of security threats and the preparation and implementation of appropriate risk mitigation strategies and security measures.

The department will work to enhance information and communications technology (ICT) capabilities, at home and at Australia's overseas missions. It will continue to respond to emerging influences on its ICT operating environment, including the increasing use of the internet, a greater

focus on whole-of-government programs and solutions, a continuing increase in the number of staff from other agencies using departmental ICT systems and a challenging cyber-threat environment.

The department will again manage the government's owned estate in an efficient and effective manner. The department's forward plan for maintaining, upgrading and refurbishing the overseas property estate will continue with the objective of meeting the government's accommodation needs and enhancing the estate's value. In managing the estate, the department will remain focused on providing the best possible protective security, and capability to respond promptly when new or unforeseen security-related challenges arise.

## PROGRAM 3.1: FOREIGN AFFAIRS AND TRADE OPERATIONS

### Program 3.1 Objective

- To ensure a secure Australian government presence overseas by sustaining and improving security, and strengthening information and communications technology capability at Australia's overseas missions.

### Program 3.1 Deliverables

- Enhanced protection through strengthened security measures in line with the evolving security environment, particularly in high-threat locations.
- Protection of classified information and ICT services through effective management of ICT systems and security vetting processes, as well as through staff security training to ensure high standards of awareness and vigilance.
- Continued progress in moving the department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the government's ICT Reform Program and ICT elements of the government's national security policy and objectives.
- High-quality overseas ICT services to other government agencies.

### Program 3.1 Key performance indicators

- Security risks relating to classified information are minimised, as evidenced by a low number of sensitive security breaches.
- Effective risk-mitigation strategies appropriate to increased security risks.
- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.

## Program 3.1: Foreign affairs and trade operations

### Program management (security and ICT)

#### Overview

The international security environment was again highly challenging, reflecting continuing and emerging threats from terrorism and political and civil disorder. Posts in Iraq, Afghanistan and Pakistan continued to be a particular security focus for the department, as were other high-threat posts in the Middle East, Africa and the Pacific. This included arranging and overseeing contract security services to support high-level official visits to the Middle East and deploying our security specialists to supplement post resources in Tehran, Nairobi and other high-threat posts. The department's overseas security arrangements were regularly reviewed and adjusted in response to changing threat levels.

The department continued to manage effectively the government's international communications network—SATIN (Secure Australian Telecommunications and Information Network)—which links 144 sites in Australia and overseas on a 24/7 basis, including Australia's diplomatic posts, ministerial and state offices, and over 40 other agencies.

Despite the challenges of operating an ageing system, we made good progress in implementing the ICT Reform Program and ICT Strategy. We completed forty-two development projects to improve capability, particularly at overseas posts, and to prepare a suitable platform for long-term initiatives. We secured budget funding for the International Communications Network (ICN) program to replace the present SATIN platform from 2013–14.

Our increased focus on service delivery resulted in reduction in ICT support queue waiting times, an increased level of system

availability and more support to posts during their local business time zones. We successfully completed the mobility pilot allowing departmental and ministerial staff to access SATIN Low email from iPads and iPhones. The department's work on the development of the *smartraveller* iPhone app was recognised in the 2013 Excellence in eGovernance awards.

With the Australian Passports Office, we continued work on the Passport Redevelopment Program (PRP) completing the procurement phase.

#### Security threat assessment

As part of the department's risk management framework, we reviewed threat ratings for all posts and provided up-to-date assessments of the dangers to staff and their families on posting, risks to government property overseas and threats to the department's global ICT network and classified information, including from politically-motivated violence, civil disorder, crime and cyber espionage. Based on this work, the security risk assessment profile for each post was used to determine the ongoing suitability of posts' security mitigation strategies, operational procedures and contingency planning measures, as well as appropriate allocation of resources.

#### Managing security at overseas missions

The department continued to attach the highest priority to the safety and protection of all Australian government staff, their families and clients overseas. Security overseas was managed on a day-to-day basis jointly by Canberra, heads of mission/heads of post and designated security staff at all DFAT-managed posts. Where necessary, the department continued to engage specialist security contractors to enhance our capability. In extreme and high-threat



locations, this included 24-hour perimeter guarding, close personal protection, explosive detection dog patrols, operational planning and logistics, and armoured vehicle management.

Departmental security advisors conducted official security inspections at 25 posts to ensure security mitigation measures and procedures were appropriate to threat levels. Priority was given to posts experiencing increased instability and politically motivated violence, notably Abuja and Nairobi. A number of short-term deployments were made to other posts experiencing heightened threats. The department coordinated security travel and operational support for high-level official government visits to Cameroon, Libya, Mali and Mauritania, where Australia does not have a permanent diplomatic presence.

Within Australia, the department completed a number of capital works programs in Canberra and interstate to improve protective standards, including completing an upgrade of the RG Casey building's CCTV system, enhancing diplomatic mail handling facilities, upgrading the classified waste handling system, and installing powder-safe units in all state and territory offices.

The department completed the physical security specifications for the new Jakarta and Bangkok embassies. Security infrastructure works were completed for the new embassy in Brussels. The department undertook physical security works in Kabul in conjunction with upgrades to existing properties and the acquisition and refurbishment of new properties by the Overseas Property Office. These works enhanced existing security measures for staff and provided additional security for an expanded AusAID presence in the country. Security fit-out works commenced for the new embassy in Addis Ababa, and physical security works were undertaken for the chanceries in Paris and Kathmandu. We began security design and planning for the new consulate-general in Chengdu and the new chanceries in Dakar, Nairobi, Noumea and Yangon. The department provided physical security advice to other government

organisations on their requirements for relocation, refurbishment and remedial security works at posts in Accra, Bogotá, Dubai, New York, Port Moresby, Shanghai and Tehran.

The department continued to upgrade its counter-surveillance capability overseas, including deploying new surveillance measures and technical equipment to protect the operating environment at a range of posts. This formed part of the department's ongoing improvement program for protective countermeasures, including to combat cyber espionage, with priority given to extreme and high-threat posts.

### **Security vetting, compliance and awareness**

In accordance with the Attorney-General's exemption from using the Australian Government Security Vetting Agency, the department continued to apply its own rigorous vetting regime to all staff handling classified information within Australia and overseas. Our standards were compliant with and, in certain circumstances, exceeded the minimum requirements set by the Government's Protective Security Policy Framework (PSPF). We granted 637 new security clearances, recognised 325 clearances issued by other agencies for staff appointed to the department or working overseas with attached agencies, and completed 620 security clearance revalidations. While we oversaw and approved all clearances, we mostly outsourced clearances for contractors and the revalidation of clearances for on-going and non-ongoing staff.

The department ensured its personnel security policies and practices were aligned with the PSPF. We launched an updated Security Manual in February 2013 following a comprehensive review of all departmental security policies and practices. The review took into account the varied and challenging security environments domestically and internationally, particularly for the protection of staff and their families overseas and the protection of official information and systems, including from cyber intrusion. The department transitioned successfully to the revised

Australian government security classification system, including by providing mandatory training to all staff and modifying ICT systems.

A strong security awareness and compliance culture remained integral to the department's effective operations. We achieved this through regular security awareness training; a strictly enforced breach monitoring and reporting system, also included as part of the organisation's performance management system; regular security reminders; and mandatory pre-posting security briefings for all departmental and attached agency staff proceeding on posting.

### Security training

We continued our emphasis on preparing staff for overseas service through further strengthening of the department's security training program, particularly for staff going to extreme and high-threat locations. Security training was mandatory for all staff on posting, including attached agency

staff, and was tailored to meet government legislative workplace health and safety requirements and obligations.

In the past year, 1 200 participants attended the department's security courses of which 287 were from other agencies. Pre-post training covered overseas and personal security awareness, defensive driving, car-jacking awareness and, for staff on posting to Iraq and Afghanistan, specialist hostile environment preparation training, including medical trauma and first-aid training. The department also delivered a series of courses to A-based and locally engaged staff at high-threat posts in Asia, the Middle East and Africa. All training courses placed a heavy emphasis on practical learning, including through the use of simulations, threat scenarios and field exercises.

In-house e-learning packages were made available within Australia and overseas on cyber security, defensive driving and personal travel security.

#### Profile

#### David Erbacher

I am originally from Queensland and graduated in Asian studies in 1996. I lived in China for eight years studying Mandarin as a foreign student, working for a Chinese insurance company, working for NRMA Insurance, and completing an MBA. I eventually ended up working for the Australian embassy in Beijing as a locally engaged staff member.

In 2004, I moved to Canberra and joined the department as a corporate lateral recruit. After working in staffing and recruitment, I participated in the Administrative Officer Development Program which allowed me to gain broad knowledge of many areas of the department. I have been posted to Tokyo as Second Secretary and to Beijing as First Secretary and Consul. In between, I spent two years in Finance Management Branch.

For me the great attractions of DFAT as an organisation are the opportunities to participate in really interesting projects, the variety of the work, and the many professional development opportunities.

In 2013 I have been working on the opening of the new Australian Consulate-General in Chengdu, where I will be posted as the first Senior Administrative Officer, including the role of the post's security officer. Starting a new post from scratch and building a new team overseas is a challenging and unusual project but one with which I am very pleased to be involved.



## ICT capability building

The department's ICT Reform Program recognises that our ICT systems are increasingly ill-equipped to support the changing needs of the department and its client agencies.

The growing risk inherent in the ageing ICT systems became more apparent in 2012–13. Failures in the department and provider networks affected services for citizens and staff on a number of occasions. The most critical of these incidents resulted in the Australian Passports Office website ([www.passports.gov.au](http://www.passports.gov.au)) being unavailable for several days in June 2013. The department continued to manage such system failures on a regular basis and with the highest priority. (See also 2.2, p. 138.)

Despite the challenges, we implemented the ICT Strategy to help improve the department's ICT capability and services. We undertook 42 development projects to address specific business needs, mitigate immediate performance issues overseas, and to prepare a suitable platform for long-term initiatives from 2013–14. Business continuity management practices for the RG Casey building which hosts the department's core ICT systems were improved.

The department continued the global upgrade of the standard ICT operating environment at 64 sites, taking the total sites completed since early 2012 to 78. The upgrade involved implementing Windows 7 operating system, Microsoft Office 2010 suite and more powerful servers and faster desktops. The roll-out utilised an improved deployment method that halved the time previously taken to deliver global upgrades. The new deployment method will assist the department to deliver future capability more efficiently.

Consistent with the aims of the ICT Reform and Strategy, a range of other projects continued to focus on reducing reliance on

legacy technologies in key areas such as email and online services.

A key component in building capability was initiating the move from the department's congested computer rooms to a modern, purpose-built data centre. The department secured a new facility which will host a scalable central server environment and communications systems required to progress major programs and to improve performance and stability. In time, the new data centre will also help lower departmental emissions through more efficient use of power and cooling, and the eventual decommissioning of the present facilities.

We secured budget funding in May 2013 for the ICN program to replace the ageing SATIN network and provide the department and client agencies with a modern global ICT platform and a range of new and enhanced ICT capabilities from 2013–14.



*Global Support Centre staff, Andrew Graham (left) and Dane Hayes, providing ICT end-user support. The centre fields over 11 000 emails and calls every month from the department and client agency users. [DFAT]*

## Availability and reliability of communications

Under the department's global telecommunications contract, we delivered improved network performance at 61 posts through provision of increased bandwidth, installation of network acceleration appliances, and conversion from satellite to terrestrial links.

## Profile

### International Communications Network program

*International Communications Network program team. (Left to right): Andrew Heldon; Warren Prentice; Glenn Wadham; Michelle Scully; and Paul Allen, June 2013, Canberra. [DFAT]*



Under the 2013–14 Federal Budget, the department's proposed seven-year \$215.9 million program to modernise and upgrade the existing Secure Australian Telecommunications Information Network (SATIN) was approved. The new International Communications Network (ICN) program will enable DFAT and other client agency users to better meet changing business needs, address known issues and keep pace with evolving expectations of technology. The first year of the ICN program will largely involve preparatory activity to undertake procurements and redesign our core systems, but the pace will increase in 2014–15.

From 2013–14 the program will deliver a range of benefits including:

- Faster and more stable ICT services to posts through a new telecommunications network contract and new data centre.
- A more responsive around-the-clock ICT support service with additional staff located in the regions and in the Global Support Centre in Canberra.
- The introduction of a Protected classification network to meet government security requirements.
- A streamlined desktop computing solution that will allow users to access Secret, Protected and Unclassified networks from one machine.
- Improved mechanisms for exchanging data between classified government networks.
- Expanded video conferencing capabilities for classified and unclassified communications.
- A more agile ICT platform to keep pace with changing business needs and to provide stronger security assurance.
- Contemporary mobile computing and communications solutions which will securely connect staff to DFAT systems.

The program is a major, whole-of-government initiative that will transform the overseas ICT capabilities and provide a modern technology platform into the next decade. Along with the PRP, the ICN program is a key plank of the department's long-term reform agenda.

We played a central role in the development of the *smartraveller* iPhone app to improve access to key travel information and services for the travelling public. The app features location-awareness travel advice and access to *smartraveller* advice without the need for an internet connection, along with easy repeat registration using stored information. The department was a finalist in the 2013 Excellence in eGovernance awards for its work on the *smartraveller* app.

The department successfully completed the mobility pilot allowing departmental and ministerial staff to access SATIN Low email from iPads and iPhones. iPads and laptops that met strict security requirements were deployed to UNSC staff in New York to assist their activities, and a new SATIN High communications capability was installed in Addis Ababa to support operations while the new chancery is under development.

## Profile

### Passport Redevelopment Program

*Departmental staff from the Passport Redevelopment Program and the Australian Passport Office discussing details of the program. (Left to right): Gardner Murray, Scott Knight, Jo Hardie, Adeel Khan, Tony O'Sullivan, Paul Morgan, Joanne Huynh, James Neilson, Canberra, June 2013. [DFAT]*



Working together, the Australian Passport Office and the Information Management and Technology Division (IMD) commenced development of a contemporary passport service for Australia through the Passport Redevelopment Program (PRP). The PRP will deliver a new Australian travel document issuance system that will enable the Passport Office to respond to the projected growth in passport issue rates; with capacity to produce at least 3.5 million passports a year. The system will deliver an enhanced online application process, more efficient workflow and a faster and higher-capacity print solution. It will also include a strengthened fraud case management and data analytics capability. On 22 March 2013, the department contracted Fujitsu Australia Limited to deliver the program, with full system implementation scheduled for 2016. (See also 2.2, p. 138.)

IMD worked with the department's ICT service desk provider to improve outcomes against performance indicators. This increased focus on service delivery has seen a reduction in queue waiting times, an increased level of system availability and more support to posts during their local business time zones. Overall, providing effective 24/7 global ICT support continued to be a challenge particularly as the present SATIN reaches the end of its operational life.

### SAP redevelopment program

We commenced the next phase in a multi-year program of work to modernise the department's financial management processes. The program will deliver enhanced functionality to all staff, regardless of their location, in relation to procurement processes, travel management, cash management, financial reporting and budget planning.

### Cyber security

In response to the evolving nature of cyber threats, the department strengthened its internal cyber governance, management and response frameworks. We contributed to

the whole-of-government response to cyber issues through membership of key bodies such as the newly formed Cyber Security Operations Board.

To protect information and systems, the department continued to implement all appropriate mitigation strategies to prevent cyber attacks as prescribed by the Australian Signals Directorate (ASD). We enhanced our relationship with ASD to ensure the new systems and capabilities delivered by major change initiatives such as ICN and PRP will continue to protect government and client information into the future.

### Records management

The department has a global information and records management framework to support operations in Australia and overseas. In 2012-13 we upgraded the electronic document and records management system (EDRMS) to meet the increasing information management needs of the department and align with government direction. Utilisation of the system continued to increase with the creation of 2.7 million new electronic documents in EDRMS during the year.



## ICT client services and support

The department supported parliamentary staff, facilitated relocations and upgraded equipment in ministerial, electorate and Commonwealth Parliamentary Offices. Regional Technical Officers (RTOs) supported our ministers on 13 overseas visits. RTOs also conducted 156 routine and emergency maintenance short-term missions, with all posts visited at least once in the year.

We completed ICT fit-out of new and relocated sites in Brussels, Brisbane, Addis Ababa, UN New York and Ho Chi Minh City. Emergency Communications (radio) Networks were installed in nine posts and secure area environmental systems were replaced at eight posts. We completed 17 records management projects throughout 2012–13, including 11 at overseas posts. Five Canberra records sentencing and disposal projects were concluded.

The first Regional ICT Manager was deployed to Beijing in December 2012. With the ICN, we envisage the need for a stronger regional ICT support structure and the Beijing appointment will provide a useful model for future recruitment.

We managed a review of the memorandum of understanding (MOU) for the provision of ICT

services to other government agencies. The outcomes of the review informed planning for the 2013–14 renegotiation of the MOU with client agencies. (See *Appendix 8, pp. 198–99, for more information about arrangements to provide ICT services to other Australian government agencies.*)

## ICT training and development

The department continued to build its ICT workforce while seeking savings through APS capitalisation and contractor conversions. The first ICT apprentice completed his two-year Australian government ICT Entry Level Program Apprentice Scheme. Two graduates were recruited through the Australian government ICT Graduate Entry Program.

Staff training remained a priority in 2012–2013, with a 50 per cent increase in training numbers ensuring a successful transition to the Microsoft Windows 7 and Office 2010 environment. EDRMS training via face-to-face sessions and e-learning was provided to 453 Canberra-based officers and 571 officers at posts.

Lunchtime ICT training courses covering a range of topics were introduced in 2012–13 to meet strong demand for general and specialist ICT training in Canberra.

**TABLE 13: SECURITY AND ICT STATISTICS**

	2009–10	2010–11	2011–12	2012–13
Number of posts and Australian government entities with access to secure communications network and secure telecommunications infrastructure	145	148	145	144
Number of client agencies receiving ICT services	42	44	42	42
Number of cables	166,580	160,137	145,021	149,090
Cables to overseas post	83,221	74,590	67,290	67,401
Cables from overseas posts	83,359	85,547	77,731	81,689
Number of security-related visits to overseas missions	187	127	106	111
Number of security clearances and reviews processed	849	1,154	830	1,582

## Outlook

New properties acquired recently to accommodate an expanded AusAID presence in Kabul will be security hardened next year prior to their occupation by staff. With the withdrawal of international troops from Afghanistan in 2014, including the Australian Defence Force, and the assumption of responsibility for general security by Afghan National Security Forces, the department will reassess its security support for the embassy.

Security infrastructure works will be scoped for new chanceries in Chengdu and Nairobi, the residential compound in Dili, the relocated embassy in Noumea and the passports office in Melbourne. Security construction works will commence for the new Bangkok embassy project, while security works will continue for the new Jakarta embassy project. Security improvements will be completed for Kathmandu and Taipei, as will the fit-out of the new chancery in Addis Ababa.

An official security inspection will be undertaken in Dakar early next year to scope out requisite security requirements in preparation for the opening of a new embassy there.

The department's Security Manual Change Management Committee will continue its review of our security policies and practices to ensure they remain compliant with the

PSPF and responsive to changes in the international security environment.

2013–14 will be a critical year for the department's longer-term ICT Reform agenda as it will mark the transition from the planning to the delivery stages of major change programs such as ICN and PRP.

Delivering immediate improvements to post's ICT services will remain a high priority in 2013–14. Transition to Windows 7, post infrastructure upgrades and network performance improvements will be completed to set the groundwork for ICN. The department will further strengthen its cyber security capabilities and its participation in whole-of-government cyber governance arrangements.

We will renegotiate the MOU for ICT services to over 40 client agencies to ensure appropriate, transparent and responsive service delivery. The new MOU will support a more integrated and modern international ICT service for government over the coming years.

Managing the present SATIN platform as it reaches the end of its operating life will be a top priority; transitioning to its replacement will be complex. We will develop a stronger Global Support Centre and regional support resource, and continue to focus on improving the capabilities of the department's Canberra-based ICT workforce.



# PROGRAM 3.2: OVERSEAS PROPERTY

## Program 3.2 Objective

- To ensure a secure Australian government presence overseas through the effective management of the Commonwealth's overseas owned estate and of the contracts for the leased estate.

## Program 3.2 Deliverables

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
  - construction of a new chancery, residential accommodation and a head of mission residence in Jakarta; construction of a new chancery and head of mission residence in Bangkok; and a services upgrade of the chancery in Paris.
- Efficient and effective management of the overseas property estate, including contracts for the leased estate, to meet the government's requirements and maintain conditions and service capabilities.
- Effective management of outsourced property contract arrangements.

## Program 3.2 Key performance indicators

- Completion of construction and refurbishment projects within an agreed timeframe and budget.
- Effective and accountable management of the property services contract and construction project contracts.
- Achieve a portfolio condition and utility rating of good or better.
- The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.
- Asset management plans are in place for all owned properties in the estate.
- Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned estate.

## Program 3.2: Overseas property

### Overview

The department, through the Overseas Property Office and Services (OPO), ensured the provision and maintenance of safe and secure office and staff residential accommodation for government agency tenants overseas.

The department oversaw both medium and large-scale construction projects in the overseas estate, in particular the development of major new chancery complexes in Jakarta and Bangkok.

Maintenance and refurbishment programs sustained the value and functional effectiveness of the overseas owned estate. As at 30 June 2013, the overseas owned estate was valued at \$1.8 billion.

Regular contact was maintained with all posts by OPO's estate managers and property specialists, and through the contracted property services provider, DTZ (formerly known as UGL Services Pty Ltd). Based on the regular annual property inspections by the DTZ facilities managers, comprehensive asset management plans were developed for all properties in the overseas owned estate.

OPO enhanced strategic asset and portfolio planning, and continued its dedicated program of global property compliance. Remediation and mitigation measures were implemented when areas of non-compliance were identified.

The revised governance and financial arrangements for the overseas owned estate, which were recommended by a joint review of OPO by the department and the Department of Finance and Deregulation and approved by the government in May 2011, were fully implemented.

### Construction program

In 2012-13, OPO undertook a substantial construction and refurbishment program in the overseas property estate.

In the **owned property estate**, construction commenced in December 2012 on the major new chancery and diplomatic residence complex in Jakarta. The complex will be the largest diplomatic construction project ever undertaken by the Australian Government and entails the construction of a chancery, head of mission residence and accommodation for 32 diplomatic personnel and their families, recreational facilities and a medical clinic. Office space of 20 000 square metres will accommodate staff of 16 Australian government agencies, comprising 165 Australia-based staff and 374 locally engaged staff. Increases in representation since initial planning will be absorbed into the existing space and budgetary parameters. The head works contract for the project was awarded to the Australian construction company Leighton Contractors in partnership with the Indonesian construction company Total Bangun Persada. The project is scheduled for completion in the second half of 2015.



*OPO Project Director Jakarta, Adrian Bowen (right), discussing work on the Jakarta chancery on site with the Leighton Total Joint Operation team, (left to right): Project Manager, Greg Jackson; Director, Lio Sudarto; and Deputy Project Manager, Rudy Wibowo, June 2013. [Australian Embassy Jakarta]*

In Bangkok, we took possession of the site for construction of a new chancery and head of mission residence which will provide office accommodation for 53 Australia-based staff and 157 locally engaged staff. The Bangkok project is scheduled for completion in 2016.

Construction of a new secure chancery in Nairobi was approved by the government in

the 2013–14 Budget and this project will be carried forward in the coming year.

Refurbishment of essential building services and associated works were undertaken at the chancery in Paris. Refurbishment of the head of mission residence in Paris is on track to be completed on schedule in July 2013. Construction also commenced on a new, owned head of mission residence in Colombo.

In the **leased estate**, the chancery in Brussels was relocated, construction continued on the new chancery in Addis Ababa, and planning proceeded on accommodation for the new consulate-general in Chengdu

## Management of the overseas property estate

We continued to improve strategic asset and portfolio planning through the Portfolio Strategic Plan, which forecasts major new capital works and refurbishments to the overseas owned estate.

Substantial progress was made in mapping OPO's business practices to deliver greater visibility and understanding of the dependencies that link project design, planning and delivery. To inform investment decisions and performance monitoring, we developed rigorous asset management plans for all owned properties. To help inform other areas of the department and attached agencies of upcoming priorities, work is underway on a planning tool which will chart leasing and potential capital works projects within the leased estate.

The department's property services provider DTZ delivered property management and financial services on leased chanceries and head of mission residences, including annual inspections, technical assessments and advice on compliance and building safety. In addition, DTZ managed procurement and contractor services for maintenance of the estate, and provided management and revenue collection, payment processing and IT and reporting support services. DTZ's work

was carried out in accordance with Commonwealth procurement requirements.

Satisfaction with DTZ's and OPO's performance is measured by annual post surveys. The surveys conducted in 2012–13 showed posts rated OPO's performance as good or better (86 per cent) and DTZ's at 75 per cent.

All owned properties were assessed as good or very good through a conditions rating index. This index considers the physical condition of all assets and maintenance and refurbishment programs delivered.

We have completed comprehensive audits of 55 posts to confirm compliance with Australian work, health and safety practices. Additional ad hoc audits and hazard identification work was also undertaken and remediation plans were developed and implemented. A program of audits of the remaining 35 posts is underway.

In managing the Commonwealth's overseas property estate, the department achieved a management expense ratio (MER) of 1.314, which is appropriate to the unique nature of the estate. (MER refers to management expenses expressed as a proportion of the portfolio value.)

## Outlook

A significant part of OPO's work in 2013–14 will be the construction of the new chancery complex in Jakarta, commencement of construction of the new chancery and head of mission residence in Bangkok and detailed planning for the new chancery in Nairobi.

We will manage a substantial program of construction, refurbishment and maintenance works to sustain and improve the value of the overseas owned property estate, particularly in Dili, Hanoi, Paris, Washington and Port Moresby.

We will continue the program of compliance audits and hazard identification, risk mitigation and remediation in the overseas estate to ensure the safety and welfare of staff, their families, contractors and visitors.





1.

del **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia **یاستس**  
 با **Trade** دیپلوماسیة **Diplomatija** **Treid** कूटनीति **دیپلوماسی** **Diplomatiko** 外交 **Kalākalan**  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး **تجارت** **La diplomatie**  
**تجارة** **торговля** **Thương mại** **Komersiu** **تجارت** **le commerce** **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** **یاستس** **Perdagangan** **دیپلوماسیة** **διπλωματία** **Kalakalan** **بازرگانی**  
**دیپلوم** **Diplomatiko** 外交 **Trade** **εμπόριο** **Diplomasi** **Com** **kereskedelem** 외교  
**Diplomasia** **Ticaret** **Commercio** **سوداگری** **การค้า** **تجارة** **торговля**



2.

#### Images:

1. Director Corporate Records Section, Kathy Nelson (right), and Executive Officer, Jeanie Patrech, work on finalising a review of departmental recordkeeping activities, June 2013. [DFAT]
2. Consul-General in Guangzhou, Jili Collins, cutting the ribbon at ANZ's new retail sub-branch with ANZ China CEO, Charles Li, 17 July 2012. ANZ is an inaugural member of the Australia-Guangdong Business Cooperation Council. [Australian Consulate-General Guangzhou].
3. High Commissioner in Nairobi, Geoff Tooth, receives a traditional kanga from the local community when visiting a So They Can-funded school, Babati region, Tanzania, 30 May 2013. [Australian High Commission Nairobi]

# CORPORATE MANAGEMENT AND ACCOUNTABILITY

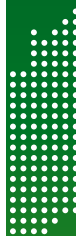
## SECTION 3

دىپلوماسىيە *le commerce* *Diplomatie* 貿易 သံတမန်ရေးရာ *Handel* **Diplomazia** 통상 ทางการค้า  
*Perdagangan* διπλωματία ពាណិជ្ជកម្ម *Diplomacy* بازرگانی Trade دیپلوماسیة *Diplomatija*  
 εμπόριο *Diplomasi* Comercio سفارت *kereskedelem* **Diplomati** 외교 **Commerce**  
*Ticaret* *Commercio* سوداگری ការទូត *Diplomacia* व्यापार تجارة торговля Thương mại  
**Diplomazia** 통상 ทางการทูต *Ngoại giao* **Comércio** Дипломатия *Diplomacy* یاستس  
 သံတမန်ရေးရာ ពាណិជ្ជកម្ម *Diplomatija* **Treid** कूटनीति دیپلوماسی **Diplomatiko** 外交 Trade εμπόριο  
**Commerce** การค้า ကုန်သွယ်ရေး تجارت *La diplomatie* *Diplomasia* *Ticaret* *Commercio*



# CORPORATE MANAGEMENT AND ACCOUNTABILITY

Overview	159
Corporate governance	159
External scrutiny	164
Management of human resources	166
Management of financial resources	173



## Overview

The department's corporate priority during 2012–13 was to maintain flexible and effective management of its financial and human resources in response to existing and emerging priorities, while ensuring the highest possible ethical and professional standards.

The department deployed additional personnel to New York, Addis Ababa, Nairobi and Accra to support Australia's UNSC term and in Canberra to prepare for Australia's G20 hosting in 2014. We began preparations for opening a consulate in Chengdu (China) and an embassy in Dakar (Senegal). Managing the department's diplomatic and civilian presence in Afghanistan and Baghdad

remained high on the agenda. Support for the Yeosu *Expo 2012* was also a priority.

As part of the department's commitment to training and development opportunities, employees participated in more than 300 courses, seminars and workshops over 2012–13. Long-term and short-term language training and proficiency immersion courses were provided to employees and the language introductory program was expanded to include Japanese, Arabic and Indonesian. Despite tight financial circumstances, to maintain a core skill set necessary for a foreign ministry, the language training budget increased to \$6 264 633, up 3.3 per cent from 2011–12.

## Corporate governance

The department's achievement of its performance outcomes is underpinned by a robust institutional governance framework.

### The Executive

The Secretary oversaw all significant foreign and trade policy and corporate management issues and decided placements of senior executive staff. The deputy secretaries supported the Secretary through management of the department's work units. (See *Figure 1, p. 15, for the executive structure and the deputy secretaries' areas of responsibility.*) Members of the executive also represented the government at meetings in Australia and overseas and chaired key corporate governance bodies.

objectives and ensure consistency. The department held routine consultations with AusAID, Austrade, ASIS and ACIAR at the executive and working levels.

The department worked with AusAID and central agencies, including through the Development Effectiveness Steering Committee, to support the government's ongoing commitment to increase levels of development assistance to 0.5 per cent of Gross National Income.

### Whole-of-government coordination

The *Prime Minister's Directive: Guidelines for the Management of the Australian Government Presence Overseas* sets out the department's leading coordination role, including for the growing number of other government agency representatives attached to our diplomatic missions. The department worked closely with agencies to achieve whole-of-government objectives, including in hosting and participating in major international meetings, in responding to consular crises, in building and maintaining regional cooperation on issues such as

## Senior management committees and their roles

### Portfolio coordination

As the lead agency in the foreign affairs and trade portfolio, the department worked closely with portfolio agencies to coordinate

counter-terrorism and people smuggling, and in coordinating policy approaches to bilateral and multilateral trade negotiations.

The Secretary and executive met senior officers from other Australian government departments and agencies regularly to coordinate whole-of-government approaches to current and emerging foreign and trade policy matters, as well as shared management challenges.

## Management mechanisms

The department maintains a structure of management bodies and meetings designed to: share information; provide robust corporate governance; convey priorities; and embed strong and ethical organisational values.

The **departmental executive** (DE)—comprising the senior executive, the head of Corporate Management Division, the Chief Financial Officer, the Chief Information Officer and representatives from the senior executive service (SES)—is the department's major formal management body. Meeting weekly, the DE focuses on strategic resource management and priorities, including the budget and cross-cutting policy matters requiring high-level attention. The DE also oversees the Budget Allocation Review (BAR) and Capital Management Plan (CMP) processes, which address six-monthly, unavoidable resourcing bids from posts and work areas. The DE evaluates performance and discusses the priority and challenges for overseas and state and territory offices. Evaluation of divisions is undertaken directly by the senior executive. (See also *Evaluation and planning*, p. 161)

The following committees, chaired at deputy secretary-level, support the DE.

The **Audit and Risk Committee** provides independent assurance on the department's risk, control and compliance framework and its external accountability responsibilities. In 2012–13, the committee met five times. It considered a range of completed external and internal audits, reports and reviews on cyber security, ICT access

and security controls, the Windows 7 rollout, recordkeeping and management, accountable documents inspections and a performance audit of travellers' emergency loans.

The **Workplace Relations Committee** considers ways to improve the quality of the department's work environment and address matters of employment concern, including those arising from the implementation and operation of the department's current Enterprise Agreement 2011–14. Membership includes representatives from management areas and elected staff representatives at each level. The Community and Public Sector Union, the Australian Manufacturing Workers' Union, the Media, Entertainment and Arts Alliance and the Association of Foreign Affairs and Trade Employees are also represented. In 2012–13, the committee met four times and focused on issues ranging from recruitment of specialists, postings and placements processes, conditions of service, performance management, parking, and the impact of the budget.

The **Ethics Committee** oversees and makes recommendations on the development and implementation of the department's conduct and ethics policies. The committee met once during 2012–13 to make recommendations on development and implementation issues relating to the APS Values and APS Code of Conduct. The department's Conduct and Ethics Manual, which is regularly updated, is available on the departmental website at <http://www.dfat.gov.au/publications/conduct-ethics/index.html>.

The DE and the above committees are supported by other subject-specific committees and taskforces, including:

- Indigenous Task Force
- Business Continuity Task Force
- ICT Strategy Committee
- International Communications Network Program Board
- Passports Redevelopment Program Sponsor Group
- SAP Development Program Sponsor Group.





## Intradepartmental communication

The Secretary communicated with departmental staff through the following mechanisms:

- weekly meetings with division heads to communicate the department's foreign and trade policy and corporate priorities
- administrative circulars and the department's intranet
- regular meetings with relevant senior officers to discuss policy, staffing, budget and other corporate management issues
- regular forums open to all staff to discuss policy and corporate issues affecting the department (transcripts of these forums are made available to all staff in Australia and overseas)
- regular meetings with divisions, on a rolling basis, to discuss policy and corporate issues
- circulation to all staff of public speeches made by the Secretary
- staff policy forums on selected policy issues, chaired by the Secretary or a senior departmental officer on a rotational basis.

The overseas network was informed of policy and corporate issues through:

- regular formal and informal communication with divisions in Canberra
- regional heads of mission/post meetings
- video conferences between the Secretary and some overseas posts
- regional management conferences
- post liaison visits led by a deputy secretary.

## Evaluation and planning

Our performance was regularly evaluated to ensure departmental resources were best directed to support the government's foreign and trade policy objectives.

Performance expectations and planned use of resources were outlined in our Portfolio Budget Statements. The department updated its deliverables and key performance indicators for the Portfolio Budget Statements 2013–14 to ensure they closely aligned with Australia's current international priorities.

Divisional evaluation reviews, conducted on a rolling basis throughout 2012–13, enabled the executive to evaluate each division's performance and to determine or refine priorities for the year ahead.

The department evaluated the performance of posts and state and territory offices (PER/OER), on a rolling basis (each post and office is reviewed once every 18 months). The department sought feedback from other agencies and departments on the performance of our posts and state and territory offices as part of the review process. One OER and 47 PERs were discussed at the regular DE meeting with the relevant state director and heads of mission present.

In 2012–13, deputy secretaries led post liaison visits to Kabul, Taipei, Athens and New York to assess at first hand each post's performance against agreed objectives.

The Budget Allocation Review (BAR) and Capital Management Plan (CMP) are the primary mechanisms through which the executive considers and decides on budget supplementation within the department. Work units in Australia and overseas are able to bid for additional funds annually and mid-term through these reviews. The reviews allow for strong budget planning and expenditure forecasting, and ensure internal processes align with the government's budget timetable. BAR/CMP meetings this year were held in November 2012 and May 2013 for 2012–13 and 2013–14 budget allocations. The base budget for work areas was put to the DE as part of the June BAR/CMP process.



Then Deputy Secretary Bruce Gosper (right) leading the post liaison visit to Kabul, July 2012. Team members (left to right): Paul Wood (AusAID); Barry Jackson (Overseas Property Office); Bryce Hutchesson (Executive Branch); and Mal Skelly (Corporate Management Division). [DFAT]

## Conduct and ethics

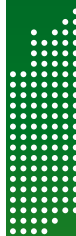
The department's Conduct and Ethics Unit (CEU) investigates allegations of fraud and misconduct. Out of five allegations of fraud against DFAT officers in 2012–13, only one minor case relating to an LES member was substantiated.

The CEU also promotes the APS Values, APS Code of Conduct and the department's own Code of Conduct for Overseas Service. It provides conduct and ethics and fraud awareness training to all staff, including pre-posting briefings on overseas conduct and ethics issues for heads of mission, deputy heads of mission and senior administrative officers.

During 2012–13, the CEU introduced two mandatory e-learning modules specifically designed to increase access to training on APS values, ethical behaviour and accountable decision-making for all staff in Australia and overseas.

## Countering fraud

The department's fraud prevention, investigation, reporting and data collection procedures comply with the Commonwealth Fraud Control Guidelines and the Australian Government Investigation Standards. The department's Fraud Control Plan (FCP) emphasises the department's zero tolerance policy for dishonest or fraudulent behaviour by employees, contractors or clients, and underlines the department's strong commitment to reducing the risk and incidence of fraud across its operations both within Australia and overseas. The FCP 2011 underwent a process of mandated biennial review in 2013. As part of the department's commitment to fraud prevention and detection, and in accordance with the FCP, areas of the department that manage functions more prone to fraud risks reviewed the risks of their functions and the effectiveness of the control systems in place.



## CERTIFICATION OF COMPLIANCE WITH THE COMMONWEALTH FRAUD CONTROL GUIDELINES

I, Peter Varghese, certify that I am satisfied that for 2012-13, the Department of Foreign Affairs and Trade had in place:

- fraud risk assessments and a fraud control plan;
- appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes; and
- took all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud

that met the specific needs of the department and complied with the *Commonwealth Fraud Control Guidelines*.

Peter Varghese  
Secretary

28 August 2013

## Risk management and business continuity planning

In 2012–13, the department's risk management practices were further embedded across the department. We conducted a series of outreach sessions to raise awareness of risk management policies and processes and produced a comprehensive training module that has been integrated into the department's general management courses. We issued a revised departmental Risk Management Handbook to assist staff to identify, categorise, treat and monitor risks within their respective areas. In the 2013 Comcover Risk Management Benchmarking Survey, the department achieved its best result to date with the highest possible rating for its business continuity and disaster recovery policies and processes.

We continued to strengthen the department's business continuity planning processes in Canberra, at state and territory offices and across our diplomatic network. In particular, the department focused on improved business continuity management (BCM), taking account of lessons learned from an August 2012 desktop exercise of the RG Casey Building Business Continuity Plan (BCP). We developed an enhanced communication strategy to ensure provision of more efficient and systemic information about business continuity events to key stakeholders. We raised staff awareness of the RG Casey Building BCP by updating the plan on the department's intranet and through presentations to staff. BCPs for our overseas posts and state and territory offices were tested, updated and checked for inclusion of new requirements related to ICT and security.

## Regulatory practice

The department provided comment on the government's revised *Best Practice Regulation Handbook* which changes the way new regulations, such as sanctions and free trade agreements, are assessed for their impact on business and the community. We also participated in interdepartmental consultations, as part of the Commonwealth's regulatory reforms, to improve how regulatory change is communicated to the public, including through the department's annual regulatory plan.

## Internal audit

Internal audit forms an important part of the department's governance framework by contributing to governance, risk management and control. Internal audits

presented to the Audit and Risk Committee in 2012-13 included:

- eight post compliance audits
- one state office compliance audit
- reporting of inspections of accountable Cabinet documents (a quarterly requirement)
- an internal control audit on travellers' emergency loans
- an internal control audit on compliance with legislated spending approval requirements (*Financial Management and Accountability Act 1997*, Regulations 9 and 10).

Audits commenced in the latter part of the financial year will be finalised in early 2013-14. All recommendations arising from these audits were either satisfactorily addressed during the year or are in the process of being addressed.

## External scrutiny

In 2012-13, the Auditor-General tabled in Parliament the following reports by the Australian National Audit Office (ANAO) related to the department's operations:

### **Report No. 16: Audits of the Financial Statements of Australian Government Entities for the period ended 30 June 2012**

Financial statement audits are an independent examination of the financial accounting and reporting of public sector entities. This report complements the interim phase report and provides a summary of the final results of the audits of the financial statements of all Australian government entities, including the Consolidated Financial Statements for the Australian Government.

### **Report No. 51: The Interim Phase of the Audit of Financial Statements of Major General Government Sector Agencies for the year ending 30 June 2013**

The interim audit of agencies related to their financial reporting responsibilities was undertaken and included an examination of internal controls, governance arrangements, information systems and other control procedures.

### **The Joint Committee of Public Accounts and Audit Report No. 431**

The Joint Committee of Public Accounts and Audit (JCPAA) released Report No. 431, *Review of Auditor-General's Reports Nos. 24-32 (2011-12)*. The department participated in Auditor-General's Report No. 31, *Establishment and Use of Procurement Panels*.

The department responded to two recommendations made in the JCPAA report: that the department report to the committee on the evaluation of the use and effectiveness of panels; and the specific role and interactions of its Central Procurement Unit.

## Courts and administrative tribunals

The department was involved in a number of legal matters during the year. There were no decisions that had a significant legal impact on its operations. Details of matters in which it was involved are at Appendix 6 (p. 195).

## Commonwealth Ombudsman

The Commonwealth Ombudsman commenced 19 investigations with respect to the department's activities in 2012–13 and recorded no administrative deficiencies. No formal reports were issued.

## Legislation

The process for all portfolio-related legislation was managed effectively.

The department facilitated the enactment of the *Export Finance and Insurance Corporation Amendment (Finance) Act 2013* that entered into force on 31 March 2013 and the *Foreign Affairs Portfolio Miscellaneous Measures Act 2013* that entered into force on 28 May 2013.

The department facilitated the passage of amendments to the *International Organisations (Privileges and Immunities) Act 1963* to establish a legislative basis for the enactment of Regulations conferring privileges and immunities on the International Committee for the Red Cross (ICRC) and the International Criminal Court. The amendments are expected to receive Royal Assent on 1 July 2013. This will allow implementation of the government's memorandum of understanding with the ICRC and enables the government to take steps to accede to the Agreement on Privileges and Immunities of the International Criminal Court.

The department facilitated the enactment and amendment of a number of legislative instruments within the portfolio. Among them were the *Charter of the United Nations (Sanctions – the Taliban) Regulation 2013*, the *Nuclear Non-Proliferation (Safeguards)*

*Regulations 1987* and the *Australian Passports Determination 2005*.

The department provided input to legislation managed by agencies within the portfolio and contributed to the development of legislation initiated by other agencies that affected the foreign affairs and trade portfolio.

## Privacy

No reports were served on the department under section 30 of the *Privacy Act 1988* (the Privacy Act), nor were there any determinations made by the Privacy Commissioner relating to our actions under sections 52 or 53 of the Privacy Act.

No public interest determinations were sought from the Privacy Commissioner under section 72 of the Privacy Act. One complaint was made directly to the department this year.

The Privacy Commissioner has not investigated any complaints made concerning the department this year.

## Parliamentary committees of enquiry

The department made submissions and/or gave evidence to five parliamentary committee inquiries. This figure covers appearances by staff as witnesses before the Joint Standing Committee on Treaties (JSCOT) in relation to six proposed treaty actions but does not include occasions on which Treaties Secretariat staff attended JSCOT hearings in an observer/advisory capacity. (See Appendix 5 for further details, pp. 193–4.)

## Compensation for detriment caused by defective administration

Eleven new cases were lodged under the compensation scheme for detriment caused by defective administration. Twenty-five cases were resolved during the year (including cases from previous financial



years). Of these, 15 payments were made from administered funds (including nine from previous financial years). In four cases, compensation under the scheme

was found not warranted and three cases were subsequently withdrawn. Three cases remained in progress at the end of the financial year.

## Management of human resources

The department continued to manage its staff flexibly and effectively in response to emerging policy priorities and to assist Australians overseas. Following Australia's election to the UNSC, we deployed additional staff to New York, Addis Ababa, Nairobi and Accra to support Australia's term on the council. The government announced the establishment of a dedicated Jakarta-based Ambassador to ASEAN, to be appointed in 2013-14, whose role will be to enhance Australia's engagement on priority regional political and economic issues. Departmental staff were sent on short-term assignments to support Anzac Day commemorations in Gallipoli and France, as well as to assist with the case of a kidnapped Australian citizen in the Philippines. The department also created a new Emergency Response Team, a cadre of highly-trained officers who can be deployed overseas at short notice in response to consular crises. (See also 2.1, for more information on consular services, pp. 129-35.)

In Canberra, we placed staff to support new and emerging policy priorities, including enhancing Australia's engagement on the G20 in advance of Australia's hosting in 2014; implementing the recommendations of the *Australia in the Asian Century White Paper*; and combating people smuggling. The department agreed to new secondment arrangements with Defence Headquarters Joint Operations Command. New secondments were also established with the Business Council of Australia and Australian Institute of International Affairs to broaden and deepen the department's external outreach activities.

### Workforce planning, staff mobility and retention

We managed 21 external recruitment rounds and regular internal placements and postings rounds in 2012-13 to ensure positions were filled with skilled staff. The department made improvements to its workforce planning capability, including by restructuring its planning and reporting functions and by commencing the recruitment process for a specialist workforce planner at the EL2 level. The department streamlined its postings and placements processes. The department maintained its significant investment in training and development to build employees' skills and experience to enable them to move readily between positions. In total, 110 ongoing staff separated from the department in 2012-13.

### Recruitment

The department completed three non-SES bulk recruitment rounds (including graduate recruitment) and 13 non-SES specialist rounds. In addition, three bulk and two specialist SES selection processes were completed to fill SES Band 1, 2 and 3 positions, as well as the Executive Director, Overseas Property Office position, and a non-ongoing SES Band 1 position in Information Management and Technology Division (IMD).

The 2014 graduate recruitment program attracted 2 353 applicants for the policy graduate intake and 385 applicants for the corporate graduate intake.

## Workplace diversity

The department is committed to ensuring that all employees are treated with respect in accordance with the APS Values. Major workplace diversity events celebrated by the department, both in Australia and throughout our overseas network, included: NAIDOC week in July 2012; International Day of Disability in December 2012; International Women's Day in March 2013; and National Reconciliation Week in May 2013. In October 2012 the department also participated, for the first time, in National Mental Health Week by hosting a workshop and presentation by **beyondblue** CEO, Jeff Kennett.

We continued our participation in APS-wide initiatives to promote workplace diversity, notably in terms of flexible working arrangements—access to flex/time off in lieu, permanent part-time work arrangements and teleworking (home-based work)—as reflected in the Enterprise Agreement 2011–14. During 2012–13, four employees undertook six-week secondments to Indigenous communities in Arnhem Land, Cape York, Redfern and the Central Coast of NSW under the Jawun Program.

We strengthened reporting mechanisms for the Workplace Diversity Contact Officer Network, and expanded training opportunities. In March 2013, the department launched two mandatory e-learning modules on workplace diversity and on harassment and discrimination to supplement existing training on workplace behaviour, equity and diversity principles. A third module has been specifically designed for supervisors and managers to assist them to ensure that all employees, including locally engaged staff (LES) and contractors, have a clear picture of appropriate workplace behaviour.

The DFAT Families Network (a volunteer organisation set up in 2011) continued its efforts to assist families with the challenges of moving overseas and back to Australia through the launch of a website and other social media, social events, a panel discussion program and liaison with management to address issues of concern and interest to the families.

## Indigenous employment

The department continues to increase Indigenous employee representation—as of 30 June 2013, 52 individuals identified as Aboriginal and/or Torres Strait Islanders. Indigenous employees represent 2.2 per cent of all staff, approaching the Council of Australian Government's target for the APS of 2.7 per cent by 2015. This year the government appointed Damien Miller as the first Indigenous Australian ambassador (see 1.1.4, p. 54).

In support of the government's 'Closing the Gap' strategy we continued to recruit applicants for the department's graduate, cadetship and traineeship programs through the APSC's Indigenous Pathways Program. In March 2013, the department launched a graduate recruitment campaign targeting Indigenous applicants. We also introduced special measures positions for Indigenous applicants in our annual graduate selection process and revised the graduate program website to include personal profiles of Indigenous graduates.

Several of the initiatives delivered in 2012–13 under the department's Reconciliation Action Plan 2011–15 supported recruitment and retention of Indigenous employees. For example, we conducted Aboriginal and Torres Strait Islander cultural awareness training sessions targeting supervisors of Indigenous employees and graduates. We also signed a memorandum of understanding with Griffith University's Gumurri Centre to explore traineeship and cadetship programs and to establish two annual scholarships to the value of \$5 000 for Indigenous students of the Gumurri Student Support Unit.

In June 2013, the department held, in conjunction with the APSC and Reconciliation Australia, an Indigenous Employment Workshop to examine issues of Indigenous employment in the APS, including recruitment and retention. We hosted Indigenous secondary school students at the department under the Department of Education, Employment and Workplace Relations' *Learn Earn Legend!* program.



Members of the departments Indigenous Employee Network, at the opening of the 'Black Gold' Indigenous sportspeople exhibition, with Danny Morseu (basketballer), Professor Mick Dodson, then Secretary, Dennis Richardson, and Elder, Matilda House, July 2012. (Left to right): Jess Cash, Jody Shine, Lara Hope, Emily Hill, Troy Fletcher, Katina Clarke, Danny Morseu, Professor Dodson, Mr Richardson, Cody Wilson, Matilda House, Rachel Small, and Danny Foulkes. [DFAT/Mark Graham]

As part of the department's ongoing commitment under its International Skills Development Program, two Indigenous employees, Katina Clarke and Genna Lehman, attended the Twelfth Session of the UN Permanent Forum on Indigenous Issues in New York in May 2013. There they gained valuable experience in multilateral diplomacy and increased their understanding of Australia's Indigenous policy priorities at the international level.

### Disability employment

The department continued to implement measures to encourage employment and career opportunities for people with disability. Managers in host divisions were provided with tailored disability awareness and skills training to integrate new employees with disability. In two successful trials, employees who were initially hired on a non-ongoing basis were made ongoing employees under Clause 4.3A of the amended *Public Service Commissioner's Directions 2010*.

Two individuals, originally engaged through the Paralympian Program, continued to gain valuable work experience during university semester breaks throughout 2012-13, with a view to applying for the department's graduate program on completion of their studies.

The department made use of the Department of Education, Employment and Workplace Relations' Employment Assistance Fund to source appropriate equipment and services for employees with a disability. Graeme Innes, Disability Discrimination Commissioner, delivered a presentation on strategies for enhancing recruitment and retention of people with disability on International Day of People with Disability in December 2012.

In August 2012, we established the DFAT Disability Network to provide peer support for employees. The network, which includes representatives from our overseas posts and state and territory offices, will focus in the first instance on disability awareness activities and ensuring that employees with disability have full access to training opportunities. With the support of the department's Disability Champion, the network is working with management to address any identified barriers to an accessible and inclusive workplace.

On 30 June 2013, the department had 32 employees who had self-disclosed as having a disability, although internal staff surveys show that there are more employees with a disability.



*The newly formed disability network discuss their plans for the year. (Left to right): Peter Leek, Rodney Middleton (Co-Chair), Marc Campbell, and Marisa Bandharangshi, Canberra. [DFAT]*

## Disability reporting mechanisms

Details about disability reporting under the National Disability Strategy are available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au). Information regarding other disability reporting mechanisms is available through the APSC's State of the Service Report and the APS Statistical Bulletin, at [www.apsc.gov.au](http://www.apsc.gov.au); and through the Social Inclusion Measurement and Reporting Strategy found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au).

## Training and development

The department continued to offer a wide range of training and development opportunities to staff. In 2012–13, employees participated in approximately 300 courses, seminars and workshops.

The department continued the Executive Training and Development Program for SES and EL2 officers. The program supports participation in a range of high-level programs in Australia and overseas, including at the Australian Graduate School of Management, the Kennedy School at Harvard University, and the Lee Kuan Yew School of Public Policy in Singapore. The Leadership and Management Development Program and Professional Skills Program for non-SES officers also included courses in Australia and overseas.

For the second year in a row, the department offered a training program on economics delivered by the Crawford School of Public Policy at the Australian National University attended by 30 departmental employees and five staff from other agencies. In addition, staff attended training and development programs with the National Security College, the Centre for Defence and Strategic Studies, the National Intelligence Committee, the Asia-Pacific College of Diplomacy at the Australian National University, the APSC, and the Australian and New Zealand School of Government. Departmental officers also participated in training courses provided by AusAID.

New training initiatives included the launch of a refreshed leadership and management course for EL2 staff, the publication of a departmental training catalogue, a new online business writing course, new courses on Islamic Awareness and the History of Australian Foreign and Trade Policy, and a new seminar series—'Policy Forums'—designed to deepen the world view of departmental officers. We also provided two workshops for LES from more than 20 posts.

The International Skills Development Program provided learning and development opportunities for 40 employees attending international seminars, conferences and short-term missions at overseas posts.

## Trainee programs

In February 2013, 32 policy graduates and five corporate graduates commenced the department's two-year graduate training program—a program designed to provide a mix of academic and professional skills training, including in areas such as consular and crisis response, cultural awareness and Australian foreign and trade policy history. Policy graduates undertake placements in bilateral, trade, multilateral and corporate policy areas. Corporate graduates work in a range of corporate areas and also have the opportunity to improve their business management and/or accounting qualifications.

An exchange officer from the New Zealand Ministry of Foreign Affairs and Trade participated in the first year of the program and 26 other international participants joined graduates for two months during the core part of the training, an increase from 24 in 2012. Junior diplomats were drawn from Africa, Latin America, the Middle East, the Caribbean, Asia and the Pacific, with funding provided through AusAID's Australian Leadership Awards Fellowships, the Australia–Africa Partnerships Facility Program and the Australia–Malaysia Institute.

The department continued its two-year Administrative Officer Development Program to skill officers at the APS4 to EL1 levels to fill administrative positions at overseas posts. In 2012–13 the program provided five new administrative officers with six to eight rotations in key corporate areas, as well as short term placements in overseas missions and state and territory offices.

We employed a further three Indigenous tertiary students through the Indigenous Cadetship Program. The program helps promising Indigenous tertiary students gain practical experience while completing their studies, before possibly moving into the department's pool of policy and corporate officers. One cadet undertook an internship in New York and Washington to assist with the UN Permanent Forum on Indigenous Issues. In February 2013 one cadet finished their studies and was successfully recruited through the graduate program.

In March 2013 two new staff joined the department under the Indigenous Traineeship Program. The 15-month program provides skills development in a range of corporate areas as well as the opportunity to gain a Certificate IV in Government. Two Indigenous trainees recruited in 2012 successfully completed the program in May 2013.

Through 2012–13, the department continued supporting the whole-of-government ICT entry-level recruitment programs. In December 2012, our first ICT apprentice graduated from his two-year program earning

a Certificate IV in Information Technology. The two ICT tertiary cadets who commenced in 2012 continued their programs, combining work placements with their studies towards IT-related degrees.

In January 2013, two ICT graduates participated in the graduate induction training, making them the first ICT graduates to start with the department. Our ICT graduates are working in IMD and will complete the APSC Graduate Development Program, incorporating a Diploma in Government. This 11-month program has a strong ICT emphasis and includes working with ICT graduates from other agencies on a major project for presentation to a panel of SES officers. The 2013 intake is the first of its kind for the APS. These entry-level recruits not only assist IMD to meet its business needs, but also enhance the department's ICT capability.

### Studies assistance

The department continued to support employees undertaking part-time tertiary study through its Studybank scheme. Financial assistance and leave was provided to 70 employees, an increase from 55 the previous year.

### Language Training

The department invested in training staff in 27 languages that reflect Australia's foreign and trade policy interests and consular priorities. In 2012–13, 99 employees undertook long-term language training in Australia and overseas. A further 63 employees undertook short-term survival language training.

The department encouraged staff to maintain language proficiency through financial incentives such as the language proficiency allowance, immersion courses and lunch-time discussion classes. In 2012, the department began a language introductory program (LIP) in Japanese and Arabic. The program provided a combination of e-learning and tutoring to employees without a previous knowledge of these languages. The





LIP program was expanded to include Indonesian in 2013. The Language Studies Unit purchased a number of Rosetta Stone e-learning licences which were offered to interested staff for home learning.

The Language Studies Unit budget for 2012–13 was \$6 264 633, an increase of 3.3 per cent from 2011–12.

## Performance management

Appraisal of employees' performance is an important component of the department's human resource strategy. The 2012–13 performance management cycle ran from April to March. During this time, employees received ongoing informal performance feedback, a formal mid-term appraisal and an end-of-cycle performance review. The system aims to:

- provide employees with a clear understanding of their role and what is expected of them;
- provide incentives for improved performance through salary advancement or performance bonus payment; and
- identify personal training and development needs.

In 2012, the department amended its SES Section 24 Determinations to roll SES performance payments into SES base salaries. While SES staff still participate in the performance management system, they are no longer eligible to receive a performance bonus.

## Locally engaged staff

The department recognises the significant contribution made by locally engaged staff to the advancement and protection of Australia's overseas interests. LES undertake a diverse range of important tasks across our overseas network, ranging from political and economic reporting, public diplomacy activity and corporate management to translating/interpreting and the delivery of consular and

passport services to Australian citizens. The department ensures that LES are well integrated at Australian missions and has increased the scope of training and development opportunities to improve their professional standards.

Under the *Prime Minister's Directive: Guidelines for the Management of the Australian Government Presence Overseas*, the department manages the appointment, termination, salary and conditions of service of all LES (except those engaged by Austrade and AusAID), in accordance with contemporary Commonwealth management principles, local labour and other relevant laws and good employer practice. In 2012–13, the department was the legal employer of 3 355 LES, 1 581 of whom were employed on behalf of other government agencies.

## Workplace arrangements

Consistent with the government's workplace relations framework, the terms and conditions of employment for non-SES employees were governed by the department's Enterprise Agreement 2011–14. This provides for an annual salary increase of 3 per cent over the life of the agreement. Staff are entitled to a range of non-salary benefits, including performance-based bonuses and a range of flexible and family-friendly working practices. Allowances for overseas service are a non-salary benefit available to compensate staff posted overseas for the costs and, in some cases, conditions associated with a hardship posting.

There were no Individual Flexibility Arrangements, common law contracts or Australian Workplace Agreements in place during 2012–13.

The department's Enterprise Agreement 2011–14 and workplace determinations continued to promote productivity through a strong performance-based culture.

**Profile****Terri Black**

As an LES Senior Research Officer in the Political Branch at the embassy in Washington DC, I am responsible for monitoring, analysing and reporting on US foreign policy developments. Working in close concert with my Australia-based colleagues, I report the US Administration's views as well as academic and think tank discussions. The main areas I focus on are non-proliferation and arms control issues, North and Southeast Asia, the Middle East, Africa and Europe



I also coordinate with both A-based and LES colleagues to manage the high volume of prime ministerial, ministerial and senior official visits to Washington and elsewhere in the United States. Since 1997, I have worked on over 15 prime ministerial visits and many more ministerial visits. In particular, my role has been to organise and help manage ministerial delegation offices around the country, including in Washington, Boston, Pittsburgh, Honolulu, Chicago and Tennessee.

While born and educated in Australia, I have lived overseas most of my adult life. Being a part of the Australian embassy in Washington allows me to work on the issues at the centre of the US foreign policy debate while also promoting the interests of my country and maintaining a vital connection to Australia.

## Remuneration of senior executives

All SES staff are employed under the terms of a determination made by the Secretary under section 24(1) of the *Public Service Act 1999*. Executive remuneration is set out in Note 11 of the financial statements on pages 264 to 267.

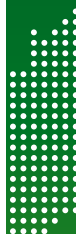
## Staff welfare

The Medical Unit, Staff Counselling Office (SCO) and Family Liaison Officer provide health, welfare and support services and advice to the department, individual employees and/or their dependants. The Medical Unit, in conjunction with the Family Liaison Officer, managed 75 medical evacuations during 2012-13.

The Family Liaison Officer worked with the Community Liaison Officer network at overseas posts to assist employees and

their families on issues such as spouse recognition and employment, educational needs of children, cultural adjustment and general living conditions at post.

The department's SCO provided more than 520 management and counselling consultations with 380 staff and family members in Australia and at posts overseas. The SCO conducted over 100 training sessions with 1 600 participants on topics ranging from cross-cultural awareness to stress management and self-care. During 2012-13, staff counsellors visited 32 posts as part of the routine visits schedule or in response to requests for assistance. The SCO provided selection and mental health screening for high-threat posts, support to posts following critical incidents, oversight of the Employee Assistance Program and management advice on performance issues, mental health matters and other organisational concerns.



## Management of financial resources

The department's operations in Australia and overseas are underpinned by a sound and prudent financial resource management framework, which includes effective internal controls and regular budgeting performance reports.

In its Interim Phase of the Audit of Financial Statements of Major General Government Sector Agencies for the year ending 30 June 2013, the ANAO acknowledged that the department has effective internal controls to ensure good financial management and a sound financial reporting framework. The ANAO found no audit issues of a significant nature in our financial statements.

In the 2012–13 Budget, the government provided additional funding to establish new posts in Chengdu (China) and in Dakar (Senegal) and to support the department's involvement in the ANZAC Centenary events in 2014 and 2015. We also received a continuation of funding to sustain our diplomatic presence in Afghanistan and to provide security at Australia's diplomatic mission in Baghdad. The department absorbed costs associated with supporting the extension of the Seasonal Worker Program. Passport funding was increased to cover a projected increase in passport demand and measures to mitigate the growing risk of identity fraud and child abduction.

At the 2012–13 Additional Estimates, additional funding was provided to support Australia's non-permanent membership of the UNSC for the two calendar year 2013–2014 term and to establish a Jakarta-based Ambassador to ASEAN. The department received administered funding to make a contribution to the Auschwitz–Birkenau Foundation to assist with the preservation of the Auschwitz–Birkenau Memorial site in Poland. Passport funding was decreased due to lower than expected passport issues.

The department was required to find additional savings consistent with those applying to all other Commonwealth agencies.

### Financial management information system

The department finalised the contract for its two-year program to improve its financial management processes. The program will deliver enhanced functionality to all staff, regardless of their location, in relation to procurement processes, travel management, cash management, financial reporting and budget planning.

### Assets management

A rigorous capital funding process ensured work units provided well-argued business cases to seek capital funds. The executive, in addition to receiving monthly budget reports, reviewed the progress of previously approved projects. Work areas reviewed and updated their asset purchasing and disposal needs as part of a five-year asset plan.

The department operates a rolling cycle for asset revaluations whereby each asset class is revalued every five years. The only exceptions are land and buildings, which are revalued annually. Informal reviews and impairment testing of asset classes are conducted annually to ensure asset values are fairly stated in the end-of-year accounts.

In 2012–13, the furniture and fittings and leasehold improvements asset classes were formally revalued under the rolling cycle.

### Competitive tendering and contracting

The department implemented continuous improvement of procurement and contract policies and procedures.

## Purchasing performance

We have undertaken considerable work to ensure that the department complied with all relevant Commonwealth procurement policies and legislation during 2012–13, in particular the *Commonwealth Procurement Rules*.

Competitive tendering and contracts of \$100 000 or more (inclusive of GST) let during 2012–13 provide access for the Auditor-General to the contractors' premises.

## Whole-of-Australian-government travel management services

The Department of Finance and Deregulation has exercised the first option to extend its Whole-of-Australian-Government Head Agreement with Agency Travel Management Companies for 12 months to April 2014. Consequently Carlson Wagonlit Travel will continue to be the department's travel provider until 30 April 2014.

The department prepared for transition to Phase Two of the Whole-of-Australian-Government Arrangements (for Travel and Related Card Services) on 1 July 2013. Under Phase Two, the AOT Group will provide accommodation services to the department and Thrifty and Europcar will become the department's car rental suppliers for travel within Australia.

## Whole-of-Australian-government stationery and office supplies

On 1 February 2013 the department transitioned to the Whole-of-Australian-Government Arrangements for Stationery and Office Supplies. Under that arrangement, Officemax has become the department's stationery provider until 30 June 2015.

## Exempt contracts

There were no contracts or standing offers in excess of \$10 000 (including GST) exempted from publication in the Purchasing and Disposal Gazette (AusTender) on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

## Consultancy services

The department engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out specific reviews or evaluations; or provide independent advice, information or creative solutions to assist in the department's decision-making.

Prior to engaging consultants, the department takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the FMA Act and related regulations including the *Commonwealth Procurement Rules* and relevant internal policies.

During 2012–13, 16 new consultancy contracts were entered into involving total actual expenditure of \$752 840. In addition, nine ongoing consultancy contracts were active during the 2012–13 year, involving total actual expenditure of \$945 402.

Information on the value of contracts for consultancies to the value of \$10 000 or more (including GST) is on the AusTender website at <http://www.tenders.gov.au>.

**TABLE 14: CONSULTANCY EXPENDITURE**

	2010–11	2011–12	2012–13
Expenditure on new consultancy contracts	328,114	1,133,653	752,840
Expenditure on ongoing consultancy contracts	1,133,010	293,312	945,402
<b>Total</b>	<b>1,461,124</b>	<b>1,426,965</b>	<b>1,698,242</b>

## Overseas property–leased estate

See Program 3.2, *Overseas property*, pp. 154–5.

## Domestic property

Office accommodation for the department's operations in Australia is provided through commercially-leased premises in Canberra and each state capital, Darwin and Newcastle. The department also owns a residence on Thursday Island for the head of the Torres Strait Treaty Liaison Office.

## Outlook

The budgetary framework set out in the May budget will continue to demand a careful approach to managing the department's resources.

We will ensure adequate resourcing for our obligations regarding UNSC membership and hosting the G20, as well as for advancing the establishment of new posts in Senegal (Dakar) and China (Chengdu). Managing the department's diplomatic and civilian presence in Afghanistan and Baghdad will remain a core priority, as will readiness to set up crisis management arrangements, especially given ongoing instability in the Middle East.

The department will continue to roll out measures to address areas for improvement identified in the 2012 staff survey, including in relation to the ICT environment.

An important priority for the coming year will be to reflect on and respond to a Capability Review of DFAT undertaken between April and June 2013, as part of an APS-wide review program agreed by Government in 2011. The department will develop an action plan to respond to the review findings.





1.

del **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia **یاستس**  
 با **Trade** دیپلوماسیة **Diplomatija** **Treid** कूटनीति **دیپلوماسی** **Diplomatiko** 外交 **Kalakalan**  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး **تجارت** **La diplomatie**  
**تجارة** **торговля** **Thương mại** **Komersiu** **تجارت** **le commerce** **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** **یاستس** **Perdagangan** **دیپلوماسیة** **διπλωματία** **Kalakalan** **بازرگانی**  
**دیپلوم** **Diplomatiko** 外交 **Trade** **εμπόριο** **Diplomasi** **Com** **kereskedelem** 외교  
**Diplomasia** **Ticaret** **Commercio** **سوداگری** **การค้า** **تجارة** **торговля**



2.

#### Images:

1. LES Public Affairs Officer, Australian Embassy Peru, Carolina Miyagui (right), is interviewed for the embassy-supported radio program 'Tantachawi radial', Acchacachi province of La Paz, Bolivia, June 2013. [Australian Embassy Lima]

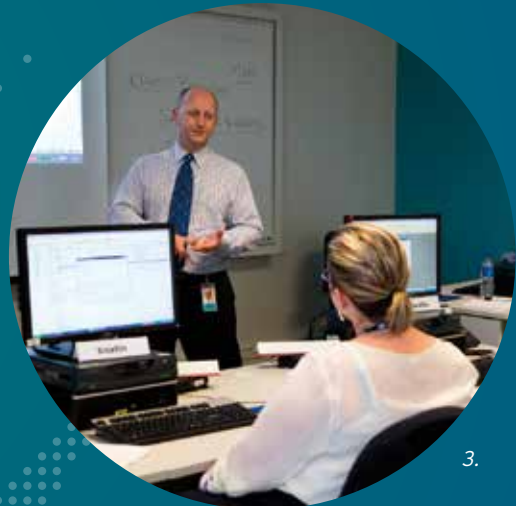
2. High Commissioner to South Africa, Graeme Wilson (3rd left), and Second Secretary, Natalie Mendelsohn (3rd right), with the team at the Charlotte Maxeke Johannesburg Academic Hospital that the embassy supported to perform life-changing Facial Reanimation surgery for three children suffering from Moebius Syndrome, May 2013. [Australian High Commission Johannesburg]

3. ICT Trainer, Matthew Watters, leading a departmental training seminar on the Electronic Document Records Management System (EDRMS), Canberra. [DFAT]

# APPENDIXES

## SECTION 4

دبلوماسية le commerce Diplomatie 貿易 သံတမန်ရေးရာ Handel **Diplomazia** 통상 ทางการค้า  
 Perdagangan δειλωματία ពាណិជ្ជកម្ម Diplomacy بازرگانی Trade دیپلوماسیة Diplomatijska  
 εμπόριο Diplomasi Comercio سفارت kereskedelem **Diplomati** 외교 **Commerce**  
 Ticaret Commercio سوداگری ការទូត Diplomacia व्यापार تجارة торговля Thương mại  
**Diplomazia** 통상 ทางการทูต Ngoại giao **Comércio** Дипломатия Diplomacy یاستس  
 သံတမန်ရေးရာ ពាណိជ្ជកម្ម Diplomatijska **Treid** कूटनीति دیپلوماسیة **Diplomatiko** 外交 Trade εμπόριο  
**Commerce** การค้า ကုန်သွယ်ရေး تجارت La diplomatie Diplomasia Ticaret Commercio



# APPENDICES

1. Ministerial responsibilities	179
2. Staffing overview	181
3. Agency resource statement and tables of expenses by outcomes	187
4. Work health and safety	191
5. Inquiries by parliamentary committees	193
6. Matters before courts and administrative tribunals	195
7. Ecologically sustainable development and environmental performance	196
8. Purchaser-provider arrangements	198
9. Advertising and market research	200
10. Grants and contributions	201
11. List of sponsors	203
12. Summary of the overseas network	210
13. Publications register	218



# APPENDIX 1

## Ministerial responsibilities (as at 30 June 2013)

### Minister for Foreign Affairs, Senator the Hon. Bob Carr



Senator Carr had overall responsibility for the Foreign Affairs and Trade portfolio, including administration of the Department of Foreign Affairs and Trade. He was responsible for all non-trade international political, multilateral and legal issues (including the treaty-making process), consular and passport functions and management of the overseas estate and was the Cabinet minister responsible for development assistance. In addition, he was responsible for all human rights, arms control and disarmament issues, peacekeeping, and the non-trade related aspects of the UN system. Senator Carr shared responsibility for international security and counter-terrorism issues with the Minister for Defence. Senator Carr had primary carriage of non-trade related public affairs activities and questions of protocol.

He also had responsibility for the administration and management of the Australian Secret Intelligence Service, the Australian Safeguards and Non-Proliferation Office and the Australian Centre for International Agricultural Research.

### Minister for Trade and Competitiveness,\* Minister Assisting the Prime Minister on Asian Century Policy, Minister for Tertiary Education, Skills, Science and Research The Hon. Dr Craig Emerson, MP



Dr Emerson was responsible for pursuing Australia's trade and investment interests around the world. He did this through representation at multilateral bodies such as the World Trade Organization and the Organisation for Economic Co-operation and Development, and also through a range of regional groupings. The minister engaged regularly with counterparts from Australia's trading partners on bilateral issues, particularly free trade agreement negotiations.

Dr Emerson chaired the Cairns Group of agricultural exporting countries. He was also responsible for trade and development issues, including aid for trade.

At the regional level, Dr Emerson pursued Australia's interests through: the Asia-Pacific Economic Cooperation and East Asia

\* Dr Emerson announced his intention to resign on 26 June 2013 but his ministerial authority was not revoked within the reporting period

Summit forums; the ASEAN–Australia–New Zealand Free Trade Agreement and through negotiations on the Trans-Pacific Partnership. He was also leading negotiations on free trade agreements with an array of regional trading partners.

Dr Emerson had responsibility for Australia's trade promotion agency, Austrade, and Australia's export facilitation agency, the Export Finance and Insurance Corporation.

In early 2012, Dr Emerson's portfolio was expanded to include Competitiveness, in recognition that trade policy, productivity and micro-economic reform are inextricably linked. As Minister for Competitiveness, Dr Emerson worked on policies to boost the capacity of Australian businesses to take advantage of international market opportunities, particularly in the context of the shift in the global centre of economic gravity to our region. He had special responsibility for the Prime Minister's White Paper project on *Australia in the Asian Century*, and was named Minister Assisting the Prime Minister on Asian Century Policy in October 2012.

In March 2013, Dr Emerson was made Minister for Tertiary Education, Skills, Science and Research.

### **Parliamentary Secretary for Trade The Hon. Kelvin Thomson, MP**



Mr Thomson supported the Minister for Trade and Competitiveness in promoting and advocating the government's trade and investment attraction policy. Mr Thomson

worked with the department and with Austrade to implement export, business development and investment attraction programs including TradeStart, the Export Market Development Grants scheme and Brand Australia which includes *Future Unlimited*, promoting International Education in Australia. As Parliamentary Secretary he was responsible for raising the awareness of the government's trade and investment policies and priorities among the Australian public through media and public events. Mr Thomson represented the Minister for Trade at trade-related functions and sought to help Australian companies capitalise on new market access opportunities resulting from multilateral, regional and bilateral agreements.

### **Parliamentary Secretary for Pacific Island Affairs, Senator the Hon. Matt Thistlethwaite**



Senator Thistlethwaite supported the Minister for Foreign Affairs in advancing Australia's interests and diplomatic relations in the Pacific. As part of this responsibility, Senator Thistlethwaite worked with Pacific countries in taking forward and building on Australia's partnership approach to the region based on mutual respect and mutual responsibility. Senator Thistlethwaite was also responsible for raising the Australian public's awareness of the government's policies and priorities in the Pacific through the media and public events.



# APPENDIX 2

## Staffing overview

**TABLE 15: EMPLOYEES BY CLASSIFICATION, GENDER AND LOCATION (EXCLUDING LES OVERSEAS)**

Classification*	Female			Male			Total Staff	Total Staff
	Canberra	State Offices	Overseas	Canberra	State Offices	Overseas	30 June 2013	30 June 2012
APS Level 1	0	0	0	0	0	0	0	0
APS Level 2	0	0	0	0	0	0	0	0
APS Level 3	20	33	0	9	8	0	70	89
APS Level 4	39	26	9	24	7	11	116	91
APS Level 5	179	143	77	90	34	58	581	587
APS Level 6	98	8	36	83	6	28	259	213
Exec. Level 1	216	8	89	248	16	114	691	734
Exec. Level 2	85	7	40	107	7	78	324	320
Non SES Unattached**	105	1	0	44	0	0	150	119
SES Band 1	20	1	19	44	1	49	134	125
SES Band 2	4	0	2	15	0	20	41	44
SES Band 3	2	0	1	2	0	8	13	15
SES (Spec.) Band 1	0	0	0	3	0	0	3	3
SES (Spec.) Band 2	1	0	0	1	0	0	2	2
SES Unattached**	7	0	0	13	0	0	20	19
Director of Safeguards***	0	0	0	1	0	0	1	1
Secretary	0	0	0	1	0	0	1	1
Cadet	3	0	0	3	0	0	6	6
Graduate APS	38	1	0	45	0	3	87	103
Medical Officer CL 3	0	0	1	0	0	3	4	4
Medical Officer CL 4	0	0	1	1	0	1	3	3
<b>Total</b>	<b>817</b>	<b>228</b>	<b>275</b>	<b>734</b>	<b>79</b>	<b>373</b>	<b>2,506</b>	<b>2,479</b>

\* Broadband classifications applicable to APS1-6, Executive Levels 1-2, Cadets and Graduates are identified in Table 21.

\*\* Includes staff on leave without pay, long service leave, seconded to other agencies and staff covered by the *Members of Parliament (Staff) Act 1984*.

\*\*\* Director of Safeguards, a statutory officer responsible to the Minister for Foreign Affairs, occupies the position of Director General of the Australian Safeguards and Non-Proliferation Office.

Note: Staffing Figures are based on headcount.

**TABLE 16: ONGOING AND NON-ONGOING EMPLOYEES FULL-TIME AND PART-TIME**

Ongoing employees		Non-ongoing employees		Total	Total
Full-time	Part-time	Full-Time	Part-Time	30-Jun-13	30-Jun-12
2,215	182	96	13	2,506	2,479

**TABLE 17: EMPLOYEES BY CATEGORIES OF EMPLOYMENT**

Category	Female	Male	Total	Total
			30 June 2013	30 June 2012
Ongoing employees	1,263	1,134	2,397	2,396
Non-ongoing employees	57	52	109	83
Overseas employees (locally engaged employees)	912	862	1,774	1,700
<b>Total</b>	<b>2,232</b>	<b>2,048</b>	<b>4,280</b>	<b>4,179</b>

**TABLE 18: SES BY LEVEL AND LOCATION**

Category	Canberra	State Offices	Overseas	Total	Total
				30 June 2013	30 June 2012
SES Band 1	64	2	28	94	86
SES Band 2	19	0	1	20	26
SES Band 3	4	0	0	4	4
SES Specialist Band 1	3	0	0	3	3
SES Specialist Band 2	2	0	0	2	2
Director of Safeguards*	1	0	0	1	1
Head of Mission Band 1	0	0	40	40	39
Head of Mission Band 2	0	0	21	21	18
Head of Mission Band 3	0	0	9	9	11
Secretary	1	0	0	1	1
SES Unattached**	20	0	0	20	19
<b>Total</b>	<b>114</b>	<b>2</b>	<b>99</b>	<b>215</b>	<b>210</b>

\* Director of Safeguards, a statutory officer responsible to the Minister for Foreign Affairs, occupies the position of Director General of the Australian Safeguards and Non-Proliferation Office.

\*\* Includes staff on leave without pay, long service leave, seconded to other agencies and staff covered by the *Members of Parliament (Staff) Act 1984*.

**TABLE 19: SES BY GENDER**

Category	Female	Male	Total	Total
			30 June 2013	30 June 2012
SES Band 1	27	67	94	86
SES Band 2	4	16	20	26
SES Band 3	2	2	4	4
SES Specialist Band 1	0	3	3	3
SES Specialist Band 2	1	1	2	2
Director of Safeguards*	0	1	1	1
Head of Mission Band 1	13	27	40	39
Head of Mission Band 2	2	19	21	18
Head of Mission Band 3	1	8	9	11
Secretary	0	1	1	1
SES Unattached**	7	13	20	19
<b>Total</b>	<b>57</b>	<b>158</b>	<b>215</b>	<b>210</b>

\* Director of Safeguards, a statutory officer responsible to the Minister for Foreign Affairs, occupies the position of Director General of the Australian Safeguards and Non-Proliferation Office.

\*\* Includes staff on leave without pay, long service leave, seconded to other agencies and staff covered by the *Members of Parliament (Staff) Act 1984*.

**TABLE 20: SES: GAINS AND LOSSES DURING THE YEAR**

	Total
Commenced in the department *	20
Separated from the department	15

\* Includes promotion of non-SES staff to the SES from within the department.

Note: Figures include non-ongoing SES officers recruited for short term projects who commenced and/or separated during the year.

**TABLE 21: SES: INTERAGENCY MOBILITY DURING THE YEAR**

	Band 1	Band 2	Band 3	Sec	Total
To the department	16	2	2	0	20
From the department	4	4	6	1	15

**TABLE 22: EMPLOYEES BY LOCATION AND GENDER AS AT 30 JUNE 2013**

Location	Australia-based Staff			Locally Engaged Staff		
	Female	Male	Total	Female	Male	Total
<b>Canberra</b>						
Canberra	817	734	1,551			
<b>Overseas Post - By Regions</b>						
Europe	43	46	89	148	128	276
<b>Asia</b>						
South Asia	54	64	118	225	215	440
South East Asia	26	38	64	52	115	167
North Asia	23	47	70	132	73	205
Americas	21	41	62	100	90	190
New Zealand and the South Pacific	29	32	61	111	99	210
Middle East and Africa	37	56	93	117	122	239
Multilateral*	20	26	46	27	20	47
<b>Total Staff Posted Overseas</b>	253	350	603			
Additional Staff Overseas*	22	23	45			
<b>Overseas Posts Total</b>	275	373	648	912	862	1,774
<b>Staff in state and territory offices - Including APO</b>						
Queensland	43	18	61			
Victoria	65	27	92			
Western Australia	31	6	37			
New South Wales	62	20	82			
South Australia	14	5	19			
Tasmania	5	2	7			
Northern Territory	8	1	9			
<b>State &amp; Territory Total</b>	228	79	307			
<b>Total Staff Numbers</b>	1,320	1,186	2,506			1,774
<b>Total DFAT Resourcing</b>						4,280

\* Additional Staff Overseas includes officers on in-country language training, short-term assignments, in-transit from post and exchange officers.

**TABLE 23: EMPLOYEES COVERED BY THE EA AND REMUNERATION SUPPLEMENTATION AGREEMENTS AS AT 30 JUNE 2013**

APS Level	Enterprise Agreement			Determinations, Individual Flexibility Agreements and Remuneration Supplementation Agreements			Total
	Salary Min	Salary Max	No of staff	Salary Min	Salary Max	No of staff	
APS Level 1-3, Broadband 1 (includes graduates and cadets)	42,105	66,227	166		n.a.	0	166
APS Level 4-5, Broadband 2	61,898	93,712	726		n.a.	0	726
APS Level 6	75,254	113,418	281		*	1	282
Exec. Level 1	93,712	140,507	736		*	1	737
Exec. Level 2 **	113,215	140,202	325	149,214	158,736	26	351
Medical Officers		*	-	170,504	193,304	7	7
<b>Sub-total non-SES</b>			<b>2,234</b>			<b>35</b>	<b>2,269</b>
SES ***		n.a.	0	170,631	580,194	198	198
<b>Sub-total SES</b>			<b>0</b>			<b>198</b>	<b>198</b>
<b>Total</b>			<b>2,234</b>			<b>233</b>	<b>2,467</b>

n.a. not applicable

\* Where there is a possibility that payments to individuals may be identified (i.e. five or fewer employees at a classification level) the salary range is not shown.

\*\* Includes Executive Level 2 staff deployed to Head of Mission SES positions overseas

\*\*\* The Secretary and the Director-General of the Australian Safeguards and Non-Proliferation Office have not been included in the above figures as their remuneration is set by Prime Ministerial Determinations and the Remuneration Tribunal respectively.

Note: this table excludes 37 employees on temporary transfer to other organisations including the Office of the Governor-General, Parliament House and other government agencies.



## Performance pay

Non-SES employee performance-related bonuses for the 2012–13 performance management cycle totalled \$2.394 million, an increase of 30.9 per cent from the \$1.829 million paid in the previous cycle. A total of 1 238 non-SES employees received bonuses in this performance

management period, an increase of 25 per cent from 2011–12. This is due to the higher number of staff now at the top of each band or broadband since annual increments were introduced in the 2009–10 performance cycle.

**TABLE 24: PERFORMANCE BONUS PAYMENTS BY LEVEL 2012–13**

	Number	Aggregated amount (\$'000)	Average amount (\$)	Range of payments(\$)*
<b>Non-SES</b>				
APS Level 3	51	58	1,141	482–1,204
APS Level 5	246	348	1,414	424–1,692
APS Level 6	147	237	1,610	472–1,692
Executive Level 1	544	1115	2,050	812–2,264
Executive Level 2**	250	636	2,544	988–3,101
<b>Total</b>	<b>1,238</b>	<b>2,394</b>	<b>1,934</b>	<b>424–3,101</b>

\* Low minimum payment figures are due to payment of pro rata bonuses to staff who worked only part of the performance management cycle.

\*\* Includes Medical Officers and eligible EL2 HOM-HOPs who are at the top of the EL2 level or have elected to receive a bonus.



# APPENDIX 3

## Agency resource statement and tables of expenses by outcomes

TABLE 25: DEPARTMENT OF FOREIGN AFFAIRS AND TRADE RESOURCE STATEMENT 2012–13

	Actual available appropriation for 2012–13 \$'000	Payments made 2012–13 \$'000	Balance remaining 2012–13 \$'000
	(a)	(b)	(a) – (b)
<b>Ordinary Annual Services<sup>1</sup></b>			
Departmental appropriation <sup>2</sup>	1,307,834	994,689	313,145
<b>Total</b>	<b>1,307,834</b>	<b>994,689</b>	<b>313,145</b>
<b>Administered expenses</b>			
Outcome 1	269,453	247,226	
Outcome 2	750	215	
Payments to CAC Act Bodies	4,926	2,743	
<b>Total</b>	<b>275,129</b>	<b>250,184</b>	
<b>Total ordinary annual services</b>	<b>A 1,582,963</b>	<b>1,244,873</b>	
<b>Other services<sup>3</sup></b>			
<b>Departmental non-operating</b>			
Equity injections	62,101	40,514	21,587
<b>Total</b>	<b>62,101</b>	<b>40,514</b>	<b>21,587</b>
<b>Administered non-operating</b>			
Administered Assets and Liabilities	0	7,989	
<b>Total</b>	<b>0</b>	<b>7,989</b>	
<b>Total other services</b>	<b>B 62,101</b>	<b>48,503</b>	
<b>Total available annual appropriations and payments</b>	<b>1,645,064</b>	<b>1,293,376</b>	
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
Special Appropriation FMA Act, 1997 section 28		888	
<b>Special appropriations limited by amount</b>			
<b>Total special appropriations</b>	<b>C 888</b>	<b>888</b>	
<b>Special Accounts</b>			
Opening balance	441,338		
Appropriation receipts <sup>4</sup>	66,213		
Appropriation receipts			
- other agencies <sup>5</sup>	40,245		
Non-appropriation receipts to Special Accounts	9,398		
Payments made		124,954	
<b>Total Special Account</b>	<b>D</b>		<b>432,240</b>

	Actual available appropriation for 2012-13 \$'000	Payments made 2012-13 \$'000	Balance remaining 2012-13 \$'000
<b>Total resourcing and payments</b>			
A+B+C+D	1,645,064	1,293,376	
Less appropriations drawn from annual or special appropriations above and credited to special accounts	115,856	124,954	
and/or CAC Act bodies through annual appropriations	4,926	2,743	
<b>Total net resourcing and payments</b>	<b>1,524,282</b>	<b>1,165,679</b>	

- 1 Appropriation Bill (No.1) 2012-13 and Appropriation Bill (No.3) 2012-13 and also includes prior year departmental appropriation and s31 relevant agency receipts.
- 2 Includes an amount of \$63.256 million in 2012-13 for the Departmental Capital Budget. For accounting purposes this amount has been designated a 'contribution by owners'.
- 3 Appropriation Bill (No.2) 2012-13 and Appropriation Bill (No.4) 2012-13.
- 4 Appropriation receipts from DFAT's annual and special appropriations for 2012-13 included above.
- 5 Appropriation receipts from other agencies credited to DFAT's special accounts.

**TABLE 26: EXPENSES AND RESOURCES FOR OUTCOME 1**

<b>Outcome 1: The advancement of Australia's international, strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities.</b>	<b>Budget* 2012-13 \$'000 (a)</b>	<b>Actual Expenses 2012-13 \$'000 (b)</b>	<b>Variation 2012-13 \$'000 (a) - (b)</b>
<b>Program 1.1: Foreign Affairs and Trade Operations</b>			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	6,525	14,050	-7,525
Departmental expenses			
Departmental appropriation	499,695	469,722	29,973
Expenses not requiring appropriation in the Budget year	38,549	46,739	-8,190
<b>Total for Program 1.1</b>	<b>544,769</b>	<b>530,511</b>	<b>14,258</b>
<b>Program 1.2: Payments to International Organisations</b>			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	235,975	227,842	8,133
<b>Total for Program 1.2</b>	<b>235,975</b>	<b>227,842</b>	<b>8,133</b>
<b>Program 1.3: Public Information Services and Public Diplomacy</b>			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	26,428	27,474	-1,046
<b>Total for Program 1.3</b>	<b>26,428</b>	<b>27,474</b>	<b>-1,046</b>
<b>Outcome 1 Totals by appropriation type</b>			
Administered Expenses			
Ordinary annual services (Appropriation Bill No. 1)	268,928	269,366	-438
Departmental expenses			
Departmental appropriation	499,695	469,722	29,973
Expenses not requiring appropriation in the Budget year	38,549	46,739	-8,190
<b>Total expenses for Outcome 1</b>	<b>807,172</b>	<b>785,827</b>	<b>21,345</b>



	2011–12	2012–13	Variation
Average Staffing Level (number)	2,145	2,149	-4
Australian-based staff	1,351	1,333	18
Locally engaged employees overseas	794	816	-22

\* Full year budget, including any subsequent adjustment made to the 2012–13 Budget.

**TABLE 27: EXPENSES AND RESOURCES FOR OUTCOME 2**

Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas.	Budget* 2012–13 \$'000 (a)	Actual Expenses 2012–13 \$'000 (b)	Variation 2012–13 \$'000 (a) – (b)
<b>Program 2.1: Consular Services</b>			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)			
Travellers' Emergency Loans	200	113	87
Departmental expenses			
Departmental appropriation	66,857	62,294	4,563
Expenses not requiring appropriation in the Budget year	5,513	6,131	-618
<b>Total for Program 2.1</b>	<b>72,570</b>	<b>68,538</b>	<b>4,032</b>
<b>Program 2.2: Passport Services</b>			
Administered expenses			
Special appropriations	1,010	849	161
Departmental expenses			
Departmental appropriation	223,801	206,439	17,362
Expenses not requiring appropriation in the Budget year	16,034	20,319	-4,285
<b>Total for Program 2.2</b>	<b>240,845</b>	<b>227,607</b>	<b>13,238</b>
<b>Outcome 2 Totals by appropriation type</b>			
Administered Expenses			
Ordinary annual services (Appropriation Bill No. 1)			
Travellers' Emergency Loans	200	113	87
Special appropriations	1,010	849	161
Departmental expenses			
Departmental appropriation	290,658	268,733	21,925
Expenses not requiring appropriation in the Budget year	21,547	26,450	-4,903
<b>Total expenses for Outcome 2</b>	<b>313,415</b>	<b>296,145</b>	<b>17,270</b>
	<b>2011–12</b>	<b>2012–13</b>	<b>Variation</b>
Average Staffing Level (number)	1,071	1,049	22
Australian-based staff	589	554	35
Locally engaged employees overseas	482	495	-13

\* Full year budget, including any subsequent adjustment made to the 2012–13 Budget.

TABLE 28: EXPENSES AND RESOURCES FOR OUTCOME 3

<b>Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate.</b>	<b>Budget* 2012-13 \$'000 (a)</b>	<b>Actual Expenses 2012-13 \$'000 (b)</b>	<b>Variation 2012-13 \$'000 (a) – (b)</b>
<b>Program 3.1: Foreign Affairs and Trade Operations</b>			
Departmental expenses			
Departmental appropriation	174,493	158,625	15,868
Expenses not requiring appropriation in the Budget year	9,793	15,613	-5,820
<b>Total for Program 3.1</b>	<b>184,286</b>	<b>174,238</b>	<b>10,048</b>
<b>Program 3.2: Overseas Property</b>			
Departmental expenses			
Special Accounts	70,349	67,300	3,049
<b>Total for Program 3.2</b>	<b>70,349</b>	<b>67,300</b>	<b>3,049</b>
<b>Outcome 3 Totals by appropriation type</b>			
Departmental expenses			
Departmental appropriation	174,493	158,625	15,868
Special Accounts	70,349	67,300	3,049
Expenses not requiring appropriation in the Budget year	9,793	15,613	-5,820
<b>Total expenses for Outcome 3</b>	<b>254,635</b>	<b>241,538</b>	<b>13,097</b>
	<b>2011-12</b>	<b>2012-13</b>	<b>Variation</b>
<b>Average Staffing Level (number)</b>	<b>670</b>	<b>724</b>	<b>-54</b>
Australian-based staff	371	417	-46
Locally engaged employees overseas	299	307	-8

\* Full year budget, including any subsequent adjustment made to the 2012-13 Budget.



# APPENDIX 4

## Workplace health and safety

Information in this appendix is provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act (Cth) 2011*.

### Health and safety management arrangements

The department attaches a high priority to the health, safety and wellbeing of its employees and is committed to facilitating an organisational culture that actively seeks to improve workplace practices, and to foster attitudes which sustain healthy and safe working environments. In support of this, the department has implemented a Work Health and Safety (WHS) management system, which outlines the responsibilities of management, supervisors, employees and their representatives and provides a framework for the delivery of WHS policies, programs and initiatives across the department's global network.

WHS committees operate in central office, state and territory offices, and at overseas posts. The committees facilitate cooperation on WHS matters between management and workers and take an active role in the dissemination of health and safety information.

### Initiatives taken during the year

A mandatory online work health and safety training program was released to provide all departmental workers, including locally engaged staff and contractors, with access to relevant WHS information.

The department initiated a business improvement audit by Comcare. The audit assessed the department's WHS management system against best

practice standards, including overseas site verification.

The department released a comprehensive improvement action plan to implement key WHS initiatives and to address a number of non-conformances and observations made during the business improvement audit process. Improvement actions include enhancement and standardisation of DFAT's approach to:

- hazard identification and risk management;
- internal compliance and reporting mechanisms;
- contractor safety management; and
- safety management in procurement.

### Health and safety outcomes achieved

During 2012–2013, 206 WHS incidents were reported to the WHS unit in accordance with the department's incident notification and reporting procedures. Appropriate remedial action was undertaken to eliminate or control the risk and prevent further occurrences.

Comprehensive WHS training was delivered to a further 16 Australia-based health and safety representatives (HSRs).

On-line WHS training of the overseas network was reinforced in Regional Management Conferences through targeted training of Senior Administrative Officers and locally engaged managers.

## Reporting requirements under the *Work Health and Safety Act (Cth) 2011*

Three incidents were notified to Comcare under Part 3 of the *Work Health and Safety Act (Cth) 2011*.

No directions were given to the department under Part 11, Section 217 of the Act.

No notices were issued under Part 10, Section 191 of the Act.

One external investigation commenced under Part 9 of the Act.

**TABLE 29: OCCUPATIONAL HEALTH AND SAFETY STATISTICS**

	2010-11	2011-12	2012-13
Total departmental staff covered by Comcare (includes employees located in Australia, Australia-based employees overseas and, where applicable, locally engaged staff overseas)	3305	2813 <sup>^</sup>	2831
Number of claims accepted by Comcare:			
• falls, trips and slips	4	9	7
• hitting objects	0	0	2
• sound and pressure	0	0	0
• body stressing	5	10	10
• heat, radiation and electricity	1	3	0
• chemicals and other	0	1	0
• biological factors	0	3	0
• mental stress	2	3	2
• other and unspecified	1	0	3
<b>Total</b>	<b>13</b>	<b>29</b>	<b>24</b>
Departmental premium for Comcare coverage (as a percentage of total departmental wages and salaries) 2012-13*	0.74	0.78	1.11

\* The Comcare coverage premium for current and previous years is reviewed annually by Comcare based on the changes during the year in the number of claims and the average cost relating to injury or illness.

<sup>^</sup> Total departmental staff covered by Comcare is calculated as an estimate and reviewed by Comcare for the previous year's actuals figure.

# APPENDIX 5

## Inquiries by parliamentary committees

During the review period, the department provided submissions and/or gave evidence to the following parliamentary committees.

### House of Representatives Standing Committee on Infrastructure and Communications

- Inquiry into IT Pricing, hearing attended 28 November 2012 and submissions made on 5 October 2012 and 18 April 2013.

### Joint Standing Committee on Foreign Affairs, Defence and Trade

- Inquiry into Australia's relationship with Timor-Leste, submission made on 4 February 2013 and hearing attended on 22 May 2013.
- An oral update on Syria was provided to the Committee on 5 February 2013.
- Inquiry into Slavery, Slavery-like Conditions and People Trafficking, submission made 11 October 2012 and hearing attended 9 May 2013.
- Inquiry into Australia's trade and investment relations with Asia, the Pacific and Latin America, submission made 21 December 2012.
- Inquiry into Australia's Human Rights Dialogue with China and Vietnam, submission made June 2012.
- Inquiry into Australia's Overseas Representation, submission made 3 June 2012.

### Joint Standing Committee on the National Capital and External Territories

- Inquiry into the Allocation of Land to Diplomatic Missions in the ACT, hearing attended and submission made 1 February 2013.

### Joint Standing Committee on Treaties

- Review into Treaties tabled on 21 November 2011, submission made 26 November 2013.
- The Torres Strait: Bridge and Border inquiry, submission made 14 August 2012.

Departmental officers appeared before the Joint Standing Committee on Treaties as witnesses in relation to:

- *Malaysia–Australia Free Trade Agreement*, hearing 12 October 2012; JSCOT report 130.
- *Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia*, hearing 29 October 2012; JSCOT report 131.\*
- *Treaty between Australia and the Socialist Republic of Vietnam on Extradition*, hearing 29 October 2012; JSCOT report 131.
- *Agreement between the Government of Australia and the Government of Japan on the Security of Information*, hearing 26 November 2013; JSCOT report 132.

- *Agreement between the Government of Australia and the Government of the United Arab Emirates on Cooperation in the Peaceful Uses of Nuclear Energy*, hearings 13 May 2013 and 17 June 2013; JSCOT report not yet released.
- *Food Assistance Convention*, hearing 17 June 2013; JSCOT report not yet released.\*

\*DFAT officers listed as witnesses, but not actually called upon to give evidence.

Treaties Secretariat officers attended all hearings, but did not give evidence.

### **Senate Standing Committee on Foreign Affairs, Defence and Trade (and References Committee)**

- Inquiry into Held Hostage: Government's response to kidnapping of Australian citizens overseas, submission made 26 September 2012.
- Inquiry into the Indian Ocean region and Australia's Foreign, Trade and Defence Policy, hearing attended 17 August 2012.
- Inquiry into the administration, management and objective of Australia's overseas development programs in Afghanistan in the context of the 'Transition Decade', submissions made 18 October 2012 and 22 April 2013, and hearing attended 3 December 2012 and 22 April 2013.

# APPENDIX 6

## Matters before courts and administrative tribunals

During the year the department was involved in the following matters before courts and administrative tribunals.

### Courts

A foreign court struck out proceedings brought against the Commonwealth in which the applicants sought compensation for breaches of rights and an order for documents.

The department is defending an action brought by a consular client in relation to incarceration overseas.

The department is involved in an action seeking judicial review of visa application decisions.

The department continued to assist, up to its conclusion, an inquiry by the Coroner's Court of Victoria into the death of an Australian overseas.

Proceedings against the department for alleged misconduct giving rise to racial discrimination were struck out.

An action brought by an employee alleging discrimination by the department and another employee were dismissed.

The department continues to be involved in two related employment actions in overseas courts brought by two former locally engaged staff members.

The department continues to defend an appeal with respect to an employment action brought in a foreign court by a former locally engaged staff member.

The department is defending two separate employment actions brought in foreign courts by former locally engaged staff members.

The department continues to defend claims for unfair dismissal brought by former

employees following redundancies at an overseas post.

The department continues to defend against an appeal brought against the department alleging breach of contract in relation to the relocation of an Australian mission overseas.

The department complied with discovery, subpoena and other document production obligations in a range of matters, including matters brought against the Commonwealth and other Australian government agencies.

The department was regularly involved in the service of documents through the diplomatic channel relating to private litigation brought overseas and in Australia, and from time to time in the service of documents on foreign governments under the *Foreign States Immunities Act 1985*.

### Tribunals

The department was involved in applications before the Administrative Appeals Tribunal (AAT) concerning passports matters. During the year there was one case in which the Minister's decision to cancel a passport was upheld. Five cases were withdrawn and one case was discontinued. At the end of the financial year there were four active applications before the AAT for review of passport decisions. Six applications were on hold or adjourned.

The Human Rights Commission terminated two complaints alleging sex discrimination.

A complaint alleging sex and marital status discrimination was withdrawn by the applicant.

The department has appealed the decision of a foreign tribunal concerning a former locally engaged staff member.



## APPENDIX 7

### Ecologically sustainable development and environmental performance

This appendix comprises the department's report on its ecologically sustainable development and environmental performance as required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

The department continued to ensure that, where possible, policy activities, administration of legislated activities and other operations accorded with and enacted ecologically sustainable development (ESD) principles. We pursued these principles through a variety of activities including work on multilateral environment agreements, international legal frameworks and trade policy. These principles were also applied in our public diplomacy.

#### **Outcome 1 – The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian government foreign and trade policy priorities**

The department helped advance ESD by supporting Australia's response to the United Nations Conference on Sustainable Development (Rio+20). We secured agreement for states to refrain from introducing new subsidies or extending or enhancing existing subsidies that contribute to overcapacity and overfishing. This was the first time UN member states have so clearly acknowledged the urgency required to combat harmful fisheries subsidies. We pressed for an international instrument to strengthen the conservation and sustainable use of biodiversity beyond national jurisdiction and contributed towards new

global sustainable development goals—to replace the current Millennium Development Goals after 2015.

The department supported reforms, currently underway, of the UN institutions responsible for environmental matters, including implementing changes to strengthen the United Nations Environment Program (UNEP) and working in the UN to establish the new High-Level Political Forum on Sustainable Development, which replaces the Commission on Sustainable Development.

We contributed to successful conclusion of negotiations on a new international treaty to strengthen protection of human health and the environment through the regulation of mercury throughout its lifecycle. We also participated in negotiations under the United Nations Framework Convention on Climate Change on a new legal agreement covering all countries to come into effect from 2020.

With the Australian Antarctic Division of DSEWPaC, the department continued to build international support for the establishment of a network of seven marine protected areas in East Antarctica, as part of our ongoing efforts to protect and preserve Antarctica's environment. We contributed to successful conclusion of negotiations on a subsidiary agreement to the Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement.

The department also contributed to ESD through its work on trade policy, including by playing a key role in the negotiation of an APEC agreement on reducing international barriers to trade in environmental goods.



## **Outcome 2 – The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas**

The N-series Passport uses Australian Paper's 100 per cent carbon neutral paper range, which is Greenhouse Friendly as certified by the former Department of Climate Change and Energy Efficiency. The same carbon neutral paper will be used on the next generation Australian passport (the P-series), scheduled for release in August 2014.

## **Outcome 3 – A secure Australian government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate.**

The department contributed to ecologically sustainable development in its management of the overseas estate. Environmentally sustainable and energy efficient design principles are applied by the department's Overseas Property Office (OPO) in all new construction overseas and, within the limits imposed by the existing base building features, in fit-out and refurbishment works.

In current major new construction projects, OPO is targeting a self-assessed 5-star environmental outcome against the Australian Green Building Council rating system. Initiatives employed include intelligent building management systems to minimise energy use, water conservation and management to reduce demand on local supply, low-energy lighting and air conditioning, residential solar hot water and green technology landscaping.

In relation to the department's leased domestic offices, we have fulfilled required whole-of-government reporting on the ICT Sustainability Plan and the Australian Packaging Covenant. We reported the department's energy usage to the Department of Resources Energy and Tourism. We maintained involvement in the Government Agency Environment Network. The department continued to support 'green' events, for example Earth Hour.

The department seeks to maintain certification by external audit against the international standard ISO 14001 for the Environmental Management System (EMS) in its leased headquarters in the RG Casey Building in Canberra. The current certification is currently undergoing revalidation. Planned refurbishment and upgrading of the RG Casey Building on the renewal of the current lease in 2014 is expected to contribute to improved environmental performance by the department in Canberra.

## APPENDIX 8

### Purchaser-provider arrangements

The department provides management and administration services to other Australian government agencies at our overseas missions. This ensures consistency and efficient use of resources and avoids duplication of effort (in accordance with the *Prime Minister's Directive: Guidelines for the Management of the Australian Government Presence Overseas*). We manage these arrangements through a **Service Level Agreement (SLA)**.

In 2012–13, the department provided services under the SLA to:

Attorney-General's Department  
AusAID (Australian Agency for International Development)  
Australian Centre for International Agricultural Research (ACIAR)  
Australian Customs and Border Protection Service  
Australian Federal Police (also includes the Australian Federal Police Protective Service)  
Australian Maritime Safety Authority  
Australian National University  
Australian Nuclear Science and Technology Organisation  
Australian Security Intelligence Organisation  
Australian Taxation Office  
Australian Trade Commission (Austrade)  
Commonwealth Scientific and Industrial Research Organisation (CSIRO)  
Department of Agriculture, Fisheries and Forestry  
Department of Climate Change and Energy Efficiency  
Department of Defence  
Department of Education, Employment and Workplace Relations  
Department of Finance and Deregulation  
Department of Health and Ageing  
Department of Immigration and Citizenship  
Department of Infrastructure and Transport

Department of Innovation, Industry, Science and Research  
Department of the Prime Minister and Cabinet  
Department of Resources, Energy and Tourism  
Department of Veterans' Affairs  
National Library of Australia  
Office of National Assessments  
Reserve Bank of Australia  
The Treasury

The main purchasers of services under the SLA are the Department of Immigration and Citizenship, Department of Defence, AusAID, Australian Trade Commission and Australian Federal Police.

The department also has purchaser-provider arrangements to deliver **information and communications technology (ICT) services** to Australian government agencies with staff at our overseas missions and at a number of agency locations within Australia. These arrangements encompass the following agencies:

Attorney-General's Department  
AusAID (Australian Agency for International Development)  
Australian Antarctic Division (Department of Sustainability, Environment, Water, Population and Communities)  
Australian Centre for International Agricultural Research (ACIAR)  
Australian Crime Commission  
Australian Customs and Border Protection Service  
Australian Electoral Commission  
Australian Federal Police  
Australian National University  
Australian Fisheries Management Authority  
Australian Maritime Safety Authority  
Australian Nuclear Science and Technology Organisation  
Australian Public Service Commission



Australian Radiation Protection and Nuclear  
 Safety Agency  
 Australian Security Intelligence Organisation  
 Australian Taxation Office  
 Austrade (Australian Trade Commission)  
 Australian Transaction Reports and  
 Analysis Centre  
 Bureau of Meteorology  
 Commonwealth Scientific and Industrial  
 Research Organisation (CSIRO)  
 Department of Agriculture, Fisheries  
 and Forestry  
 Department of Broadband, Communications  
 and the Digital Economy  
 Department of Defence  
 Department of Education, Employment and  
 Workplace Relations  
 Department of Families, Housing, Community  
 Services and Indigenous Affairs  
 Department of Finance and Deregulation  
 Department of Health and Ageing  
 Department of Human Services  
 Department of Immigration and Citizenship  
 Department of Infrastructure and Transport  
 Department of Regional Australia, Local  
 Government, Arts and Sport  
 Department of Industry, Innovation,  
 Climate Change, Science, Research and  
 Tertiary Education  
 Department of the Prime Minister  
 and Cabinet  
 Department of Resources, Energy  
 and Tourism  
 Department of Sustainability, Environment,  
 Water, Population and Communities  
 Department of Veterans' Affairs  
 Export Finance and Insurance Corporation  
 Geoscience Australia  
 Reserve Bank of Australia  
 National Library of Australia  
 Office of National Assessments  
 Office of the Official Secretary to the  
 Governor-General  
 Department of the House of Representatives  
 The Treasury

The department has purchaser-provider  
 arrangements with other Australian  
 government and state government agencies  
 under which we provide **payroll services**  
 to employees of other agencies overseas.  
 In 2012–13 we provided payroll services to  
 the following agencies:

Attorney-General's Department  
 Australian Customs and Border  
 Protection Service  
 Australian Taxation Office  
 Department of Agriculture, Fisheries  
 and Forestry  
 Department of Climate Change and  
 Energy Efficiency  
 Department of Education, Employment and  
 Workplace Relations  
 Department of Environment, Heritage and  
 the Arts  
 Department of Finance and Deregulation  
 Department of Infrastructure and Transport  
 Department of Innovation, Industry, Science,  
 Research and Tertiary Education  
 Department of the Prime Minister  
 and Cabinet  
 Department of Resources, Energy  
 and Tourism  
 Department of Veterans' Affairs  
 Office of National Assessments

## APPENDIX 9

### Advertising and market research

During 2012–13, the Department of Foreign Affairs and Trade conducted the *smartraveller* advertising campaign. Further information on that campaign is available at <http://www.dfat.gov.au> and in the reports on Australian government advertising that are prepared by the Department of Finance and Deregulation. Those reports are available at <http://www.finance.gov.au/advertising/index.html>.

As required under Section 311A of the *Commonwealth Electoral Act 1918*, following is a list of agencies and organisations contracted by the department (including at overseas posts) to provide advertising and market research services. The list includes payments above \$12 100 (GST inclusive).

**TABLE 30: ADVERTISING AND MARKET RESEARCH**

Agencies/Organisations	Service provided	Program	Amount (\$)
<b>Advertising Agencies</b>			
Australian Federation of Travel Agents	smartraveller Phase III campaign	2.1	13,200
J Walter Thompson Australia Pty Ltd	smartraveller Phase III campaign	2.1	124,925
Ogilvy & Mather (Sydney) Pty Ltd (Ethnic Communications)	smartraveller Phase III campaign	2.1	20,652
Professional Public Relations Pty Ltd	smartraveller Phase III campaign	2.1	117,718
The Campaign Palace Pty Ltd	smartraveller Phase III campaign	2.1	70,007
Zoo Advertising Pty Ltd	smartraveller Phase III campaign	2.1	20,462
<b>Market Research Organisations</b>			
Cudex Pty Ltd (Newspoll)	Market research on bilateral relationship	1.1	12,540
GFK Blue Moon Quantitative Research Pty Ltd	smartraveller Phase III campaign	2.1	112,750
Taylor Nelson Sofres Australia Pty Ltd	smartraveller Phase III campaign	2.1	21,450
<b>Polling and direct mail organisations</b>			
No payments to report			
<b>Media advertising organisations</b>			
Media Brands Australia Pty Ltd (Universal McCann)	smartraveller Phase III campaign	2.1	3,103,677
Sensis Pty Ltd	White Pages directory listings	1.1	273,699
<b>TOTAL</b>			<b>3,891,080</b>



# APPENDIX 10

## Grants and contributions

Table 31 provides details of the grants awarded by the department in 2012–13. Information on grants awarded by the department since 1 July 2007 is available at [www.dfat.gov.au/dept/grants/index.html](http://www.dfat.gov.au/dept/grants/index.html).

Table 32 provides the payments made by the department in 2012–13, totalling \$227.8 million—consisting of \$91.6 million to 30 international organisations and international treaty secretariats, including the United Nations, and \$136.2 million to 14 United Nations peacekeeping operations.

**TABLE 31: GRANTS PROGRAMS**

Program	Brief description of the Program	2012–13 Actual (\$'000)
International Relations Grants	Grants to advance Australia's objectives in the areas of international security, trade and economic performance, global cooperation and public diplomacy.	4,776
Other Departmental	Grants to advance Australia's objectives in the areas of international security, trade and economic performance, global cooperation and public diplomacy.	3,984
Other Administered	Grants to advance Australia's objectives in the areas of international security, trade and economic performance, global cooperation and public diplomacy.	223,674
<b>Total</b>		<b>232,434</b>

**TABLE 32: CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS AND PEACEKEEPING OPERATIONS\***

International Organisations	Total (\$'000)
ABAC Secretariat	33
Antarctic Treaty Secretariat	59
APEC Secretariat	377
Asia–Europe Foundation	43
Biological Weapons Convention	28
Commission for the Conservation of Antarctic Marine Living Resources	907
Commonwealth Secretariat	3,000
Convention on Certain Conventional Weapons	23
Convention on Cluster Munitions	15
Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Convention)	9
Energy Charter Secretariat	234
International Atomic Energy Agency	7,580
International Bureau of Expositions	23
International Bureau of the Permanent Court of Arbitration	28

International Organisations	Total (\$'000)
International Centre for the Study of the Preservation and Restoration of Cultural Property	91
International Criminal Tribunal for the former Yugoslavia	2,557
International Criminal Tribunal for Rwanda	1,812
International Humanitarian Fact-Finding Commission	8
International Seabed Authority	160
International Tribunal for the Law of the Sea	325
Mechanism for International Criminal Tribunals	519
Organisation for Economic Co-operation and Development	9,935
Organisation for the Prohibition of Chemical Weapons	1,810
Pacific Economic Cooperation Committee	24
Preparatory Commission for the Comprehensive Nuclear-test-ban Treaty Organization	2,279
Treaty on the Non-Proliferation of Nuclear Weapons	25
United Nations – Assessed Contribution	50,105
United Nations Educational, Scientific and Cultural Organization	7,034
Wassenaar Agreement	53
World Trade Organization	2,519
<b>Subtotal International Organisations</b>	<b>91,615</b>
International Peacekeeping Operations	Total (\$'000)
United Nations Disengagement Observer Force	895
United Nations Hybrid Operation in Dafur	28,564
United Nations Integrated Mission in Timor-Leste	1,839
United Nations Interim Administration Mission in Kosovo	863
United Nations Interim Force in Lebanon	10,319
United Nations Interim Security Force in Abyei	5,164
United Nations Mission for the Referendum in Western Sahara	1,132
United Nations Mission in Liberia	9,738
United Nations Mission in South Sudan	16,361
United Nations Operation in Côte d'Ivoire	12,562
United Nations Organization Mission in the Democratic Republic of the Congo	26,229
United Nations Peacekeeping Force in Cyprus	576
United Nations Stabilization Mission in Haiti	12,703
United Nations Support Office for African Union Military Observer Mission in Somalia	9,282
<b>Subtotal International Peacekeeping Operations</b>	<b>136,227</b>
<b>Total</b>	<b>227,842</b>

\*Contributions to international organisations and United Nations peacekeeping operations are administered under Outcome 1. These figures are provided on an accrual basis consistent with the Financial Statements Note 15. Reporting of payments under the Outcome structure provides consistency with the reporting of these items in the Portfolio Budget Statements 2012–13 and the Portfolio Additional Estimates Statements 2012–13.

# APPENDIX 11

## List of sponsors

The following is a list of sponsors who supported projects or programs undertaken by the department during the year. The list includes sponsorship equivalent to \$1 500 and above (GST inclusive).

**TABLE 33: LIST OF SPONSORS**

Sponsor	Project	Program	Amount (\$)
AECOM	Australia Day 2013 (Abu Dhabi)	1.1	3,914
Al Habtoor Leighton Group	Australia Day 2013 (Abu Dhabi)	1.1	3,950
ANZ Banking Group	Australia Day 2013 (Abu Dhabi)	1.1	3,941
Austal	Australia Day 2013 (Abu Dhabi)	1.1	3,924
GHD Global	Australia Day 2013 (Abu Dhabi)	1.1	3,912
Jones the Grocer	Australia Day 2013 (Abu Dhabi)	1.1	3,907
Macquarie Group	Australia Day 2013 (Abu Dhabi)	1.1	3,924
Murdoch University	Australia Day 2013 (Abu Dhabi)	1.1	3,907
Temasek Holdings	Australia Day 2013 (Abu Dhabi)	1.1	3,933
University of Wollongong	Australia Day 2013 (Abu Dhabi)	1.1	3,907
WorleyParsons	Australia Day 2013 (Abu Dhabi)	1.1	3,941
Alacer Gold	Gallipoli Symphony Concert (Ankara)	1.1	9,687
Bati Anadolu Madencilik	Gallipoli Symphony Concert (Ankara)	1.1	2,814
Bilim Tour Organisation	Gallipoli Symphony Concert (Ankara)	1.1	1,969
Impact Minerals	Gallipoli Symphony Concert (Ankara)	1.1	1,949
Invictus Gold Limited	Gallipoli Symphony Concert (Ankara)	1.1	1,949
Kavaklidere Wines	Gallipoli Symphony Concert (Ankara)	1.1	2,073
Kocaeli Chamber of Industry	Gallipoli Symphony Concert (Ankara)	1.1	1,998
Mehmet Gün & Partners	Gallipoli Symphony Concert (Ankara)	1.1	2,992
Nitromak DNX	Gallipoli Symphony Concert (Ankara)	1.1	4,065
Servcorp	Gallipoli Symphony Concert (Ankara)	1.1	1,954
Tectura Architects	Gallipoli Symphony Concert (Ankara)	1.1	1,984
Australian Rural Exports	Message Stick Art Exhibition (Ankara)	1.1	2,952
Kara Group	Message Stick Art Exhibition (Ankara)	1.1	2,926
Virgin Australia Airlines	G'day Samoa Fun Run 2013 (Apia)	1.1	1,542
Yingkou Astron Mineral Resources	Australia Week 2012 (Beijing)	1.1	6,847
AusFilm	Australia–China Film Forum 2013 (Beijing)	1.1	2,000
Screen Australia	Australia–China Film Forum 2013 (Beijing)	1.1	2,000
Australian Copyright Council	Australian Writers' Week 2013 (Beijing)	1.1	20,000
Fortescue Metals Group	Making Change Art Exhibition (Beijing)	1.1	20,000

Sponsor	Project	Program	Amount (\$)
Akara Mining	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	4,812
ANZ Banking Group	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	4,775
Banpu	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	4,829
BlueScope Steel (Thailand)	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	4,794
Mitr Phol Sugar Group	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	1,607
Phu Bia Mining Limited	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	4,821
PTT Exploration and Production	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	1,620
PTT Public Company Limited	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	3,206
Tiang Chirathivat Foundation	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	3,251
Toll Logistics (Thailand)	Australia–Laos–Thailand Friendship Bridge Fun Run (Bangkok)	1.1	1,604
Latino Australia Education	Australia–Brazil Dialogue (Brasilia)	1.1	7,280
Karoon Gas	Australian Film Festival (Brasilia)	1.1	6,948
Anca Incorporated	Australia Day 2013 (Chicago)	1.1	4,822
Baker & Mackenzie	Australia Day 2013 (Chicago)	1.1	4,835
Boeing	Australia Day 2013 (Chicago)	1.1	4,799
Caterpillar	Australia Day 2013 (Chicago)	1.1	11,410
Creata (USA)	Australia Day 2013 (Chicago)	1.1	4,754
Victorian Government	Australia Day 2013 (Chicago)	1.1	4,784
Huawei Technologies	40+20 Function (Guangzhou)	1.1	4,612
KingGold Group	40+20 Function (Guangzhou)	1.1	27,832
Tourism Australia	40+20 Function (Guangzhou)	1.1	5,209
Yunnan Tin Group (Holding) Company	40+20 Function (Guangzhou)	1.1	27,832
Yunnan Yinmore Group	40+20 Function (Guangzhou)	1.1	30,924
ANZ Banking Group	Australia Day 2013 (Hong Kong)	1.1	4,285
Australian Graduate School of Management	Australia Day 2013 (Hong Kong)	1.1	4,274
Cheung Kong Holdings	Australia Day 2013 (Hong Kong)	1.1	4,274
CPA Australia	Australia Day 2013 (Hong Kong)	1.1	4,281
Department of Immigration and Citizenship	Australia Day 2013 (Hong Kong)	1.1	2,469
Goodman Asia	Australia Day 2013 (Hong Kong)	1.1	4,274
Macquarie Graduate School of Management	Australia Day 2013 (Hong Kong)	1.1	4,294
Tourism Australia	Australia Day 2013 (Hong Kong)	1.1	8,689



Sponsor	Project	Program	Amount (\$)
Treasury Wine Estates	Australia Day 2013 (Hong Kong)	1.1	4,293
Westpac Banking Corporation	Australia Day 2013 (Hong Kong)	1.1	4,315
Fringe Club, Hong Kong	Australian Christmas Card Competition (Hong Kong)	1.1	11,836
Allens Hanoi	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	1,923
ANZ Banking Group	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	9,611
Australian International School, Ho Chi Minh City	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	4,841
IDP Education (Vietnam)	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	1,965
Linfox	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	1,927
Santos	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	4,906
Swinburne University	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	4,745
Tourism Australia	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	1,951
University of Queensland	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	9,466
Vietnam Airlines	40th Anniversary of Diplomatic Relations (Hanoi)	1.1	12,272
AEO Pakistan	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
Australian Rural Exports	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
BHP Billiton	Australia Day in Spring 2013 (Islamabad)	1.1	9,797
Coca Cola	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
Coolabah Club	Australia Day in Spring 2013 (Islamabad)	1.1	5,129
Echo West	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
Elders International Trading	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
Navitas Limited	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
NetSol Technologies	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
RMT Enterprise	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
SMEC International	Australia Day in Spring 2013 (Islamabad)	1.1	1,503
Flinders University	Oz Fest (Jakarta)	1.1	20,000
Northern Territory Government	Oz Fest (Jakarta)	1.1	200,000
AmBank Holdings	Australia Day 2013 (Kuala Lumpur)	1.1	4,770
Blackmores (Malaysia)	Australia Day 2013 (Kuala Lumpur)	1.1	4,770
BlueScope Steel (Malaysia)	Australia Day 2013 (Kuala Lumpur)	1.1	4,876
Leighton Holdings	Australia Day 2013 (Kuala Lumpur)	1.1	4,770
Monash University	Australia Day 2013 (Kuala Lumpur)	1.1	4,770
Roc Oil Company (Malaysia)	Australia Day 2013 (Kuala Lumpur)	1.1	4,780
Victorian Government Business Office (South East Asia)	Australia Day 2013 (Kuala Lumpur)	1.1	2,575



Sponsor	Project	Program	Amount (\$)
Downing Teal Peru	Australia Day 2013 (Lima)	1.1	2,292
Maptek	Australia Day 2013 (Lima)	1.1	2,302
Minera IRL	Australia Day 2013 (Lima)	1.1	2,312
Rio Tinto Group	Australia Day 2013 (Lima)	1.1	2,312
Xstrata	Australia Day 2013 (Lima)	1.1	2,312
ANZ Banking Group	Australia Day 2013 (Mumbai)	1.1	3,636
Australian Trade Commission	Australia Day 2013 (Mumbai)	1.1	5,082
Macquarie Securities Group	Australia Day 2013 (Mumbai)	1.1	1,774
National Australia Bank	Australia Day 2013 (Mumbai)	1.1	7,208
ANZ Banking Group	Celebrate Australia 2013 (Manila)	1.1	1,932
Aspen Philippines	Celebrate Australia 2013 (Manila)	1.1	1,906
Greenbelt and Ayala Malls	Celebrate Australia 2013 (Manila)	1.1	11,950
Meat and Livestock Australia	Celebrate Australia 2013 (Manila)	1.1	4,768
Oceanagold Corporation	Celebrate Australia 2013 (Manila)	1.1	1,912
Sagittarius Mines	Celebrate Australia 2013 (Manila)	1.1	1,912
Sinclair Knight Mertz	Celebrate Australia 2013 (Manila)	1.1	1,906
The Peninsula Manila Hotel	Celebrate Australia 2013 (Manila)	1.1	4,297
Tourism Northern Territory	Celebrate Australia 2013 (Manila)	1.1	2,049
Wine Depot	Celebrate Australia 2013 (Manila)	1.1	1,907
AusAID	Clean up the World (Manila)	1.1	1,500
Adani Enterprises	Oz Fest (New Delhi)	1.1	249,587
ANZ Banking Group	Oz Fest (New Delhi)	1.1	45,100
Asia Education Foundation	Oz Fest (New Delhi)	1.1	7,225
Austrade	Oz Fest (New Delhi)	1.1	100,933
Australian Institute of Architects	Oz Fest (New Delhi)	1.1	3,767
Goodrej Nature's Basket	Oz Fest (New Delhi)	1.1	9,155
Hancock Coal	Oz Fest (New Delhi)	1.1	109,838
Jindal Steel and Power	Oz Fest (New Delhi)	1.1	44,100
JSW Steel	Oz Fest (New Delhi)	1.1	44,975
Melbourne International Comedy Festival	Oz Fest (New Delhi)	1.1	22,695
Top Shelf Productions	Oz Fest (New Delhi)	1.1	6,684
Victorian Major Events Company	Embassy Participation in Nuit Blanche (Paris)	1.1	3,500
Airservices Australia	Australia Week 2013 (Port Moresby)	1.1	4,618
ANZ Banking Group	Australia Week 2013 (Port Moresby)	1.1	4,647
Australia Network	Australia Week 2013 (Port Moresby)	1.1	2,328
Australia PNG Business Council	Australia Week 2013 (Port Moresby)	1.1	4,660
Bank of Papua New Guinea	Australia Week 2013 (Port Moresby)	1.1	4,686
Bank South Pacific	Australia Week 2013 (Port Moresby)	1.1	9,319
Chin H Meen and Sons	Australia Week 2013 (Port Moresby)	1.1	2,343



Sponsor	Project	Program	Amount (\$)
First Investment Finance	Australia Week 2013 (Port Moresby)	1.1	2,304
Hebou Constructions	Australia Week 2013 (Port Moresby)	1.1	9,292
Lae International Hotel	Australia Week 2013 (Port Moresby)	1.1	4,651
Monier (PNG) Limited	Australia Week 2013 (Port Moresby)	1.1	9,237
Newcrest Mining	Australia Week 2013 (Port Moresby)	1.1	4,656
Oil Search Limited	Australia Week 2013 (Port Moresby)	1.1	4,647
Ok Tedi Mining Limited	Australia Week 2013 (Port Moresby)	1.1	4,619
Pacific MMI Insurance	Australia Week 2013 (Port Moresby)	1.1	9,294
Rio Tinto Minerals (PNG)	Australia Week 2013 (Port Moresby)	1.1	2,329
Santos	Australia Week 2013 (Port Moresby)	1.1	4,659
SP Brewery	Australia Week 2013 (Port Moresby)	1.1	9,375
Westpac Banking Corporation	Australia Week 2013 (Port Moresby)	1.1	9,319
Leighton Holdings (Middle East)	Australia Day 2013 (Riyadh)	1.1	2,693
Modelcraft	Australia Day 2013 (Riyadh)	1.1	2,596
Monash University	Australia Day 2013 (Riyadh)	1.1	2,568
Servcorp	Australia Day 2013 (Riyadh)	1.1	2,614
Ultra Tune	Australia Day 2013 (Riyadh)	1.1	2,614
University of Queensland	Australia Day 2013 (Riyadh)	1.1	2,693
University of Sydney	Australia Day 2013 (Riyadh)	1.1	2,531
Victorian Government	Australia Day 2013 (Riyadh)	1.1	2,596
BHP Billiton (Chile)	Australia Day 2013 (Santiago)	1.1	5,742
Orica (Chile)	Australia Day 2013 (Santiago)	1.1	5,742
Origin Energy (Chile)	Australia Day 2013 (Santiago)	1.1	5,712
Pacific Hydro (Chile)	Australia Day 2013 (Santiago)	1.1	2,014
Sinclair Knight Mertz (Chile)	Australia Day 2013 (Santiago)	1.1	5,730
Xstrata (Chile)	Australia Day 2013 (Santiago)	1.1	5,730
Macmahon Holdings	40th Anniversary Australia–Mongolia (Seoul)	1.1	10,000
Rio Tinto Group (Mongolia)	40th Anniversary Australia–Mongolia (Seoul)	1.1	20,000
ANZ Banking Group	Australia Day 2013 (Seoul)	1.1	4,498
Australian Chamber of Commerce in Korea	Australia Day 2013 (Seoul)	1.1	4,515
BHP Billiton (Korea)	Australia Day 2013 (Seoul)	1.1	9,004
Blackmores (Korea)	Australia Day 2013 (Seoul)	1.1	18,096
Chevron International Gas	Australia Day 2013 (Seoul)	1.1	9,037
IWS Nominee Company Limited (Korea)	Australia Day 2013 (Seoul)	1.1	27,101
KPMG	Australia Day 2013 (Seoul)	1.1	4,496
Macquarie Group	Australia Day 2013 (Seoul)	1.1	9,034
Meat and Livestock Australia	Australia Day 2013 (Seoul)	1.1	9,054
POSCO	Australia Day 2013 (Seoul)	1.1	9,054
Shell Pacific Enterprises	Australia Day 2013 (Seoul)	1.1	9,098

Sponsor	Project	Program	Amount (\$)
Stonehenge Metals	Australia Day 2013 (Seoul)	1.1	4,489
Tourism Australia	Australia Day 2013 (Seoul)	1.1	45,019
Department of Regional Australia, Local Government, Arts and Sport	Business Networking Event (Seoul)	1.1	14,500
Telstra Corporation	Business Networking Event (Stockholm)	1.1	2,269
Allied Pickfords (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	3,060
ANZ Banking Group	Australia Day in Spring 2013 (Tokyo)	1.1	10,370
Commonwealth Bank of Australia	Australia Day in Spring 2013 (Tokyo)	1.1	10,390
Government of Western Australia	Australia Day in Spring 2013 (Tokyo)	1.1	3,108
INPEX Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	10,330
Itochu Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	3,135
Jetstar Group	Australia Day in Spring 2013 (Tokyo)	1.1	5,489
K.K. Aristocrat Technologies	Australia Day in Spring 2013 (Tokyo)	1.1	3,102
Macquarie Capital Securities (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	10,340
Mars (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	3,060
Marubeni Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	3,171
Mitsubishi Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	3,135
Mitsui & Co.	Australia Day in Spring 2013 (Tokyo)	1.1	3,135
National Australia Bank	Australia Day in Spring 2013 (Tokyo)	1.1	10,490
North West Shelf Liaison Company	Australia Day in Spring 2013 (Tokyo)	1.1	10,542
PricewaterhouseCoopers (Australia)	Australia Day in Spring 2013 (Tokyo)	1.1	2,931
Qantas Airways	Australia Day in Spring 2013 (Tokyo)	1.1	4,708
Queensland Government, Japan Office	Australia Day in Spring 2013 (Tokyo)	1.1	3,102
Rio Tinto Group (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	3,102
Servcorp (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	3,111
Sojitz Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	3,012
Sumitomo Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	3,135
Telstra Corporation	Australia Day in Spring 2013 (Tokyo)	1.1	9,770
Toll Express (Japan)	Australia Day in Spring 2013 (Tokyo)	1.1	10,550
Tourism Australia	Australia Day in Spring 2013 (Tokyo)	1.1	9,610
Victorian Government Business Office (Tokyo)	Australia Day in Spring 2013 (Tokyo)	1.1	3,165
Clinico	Australia Day 2013 (Taipei)	1.1	3,413
I-Mei Foods	Australia Day 2013 (Taipei)	1.1	3,367
TECO Electric and Machinery Co.	Australia Day 2013 (Taipei)	1.1	3,369
Australia America Association	Anzac Day 2013 (Washington)	1.1	4,866
Australian War Memorial	Anzac Day 2013 (Washington)	1.1	7,500
BAE Systems	Anzac Day 2013 (Washington)	1.1	8,607



Sponsor	Project	Program	Amount (\$)
BecTech	Anzac Day 2013 (Washington)	1.1	4,681
Boeing	Anzac Day 2013 (Washington)	1.1	4,878
Caterpillar	Anzac Day 2013 (Washington)	1.1	8,810
ConocoPhillips	Anzac Day 2013 (Washington)	1.1	8,612
National Australia Bank	Anzac Day 2013 (Washington)	1.1	8,590
Parsons	Anzac Day 2013 (Washington)	1.1	4,878
Raytheon	Anzac Day 2013 (Washington)	1.1	8,657
Westpac Banking Corporation	Anzac Day 2013 (Washington)	1.1	4,667
Austal (USA)	Cultural Program Partnership (Washington)	1.1	8,685
Boral Industries	Cultural Program Partnership (Washington)	1.1	8,685
Bathurst Resources	Trans-Tasman Function (Wellington)	1.1	2,784
CPA Australia	Trans-Tasman Function (Wellington)	1.1	4,382
Department of Defence	Trans-Tasman Function (Wellington)	1.1	2,028
Progressive Enterprises	Trans-Tasman Function (Wellington)	1.1	2,791
TelstraClear Limited	Trans-Tasman Function (Wellington)	1.1	14,684
Trans-Tasman Business Circle	Trans-Tasman Function (Wellington)	1.1	10,318
Westpac Banking Corporation (New Zealand)	Trans-Tasman Function (Wellington)	1.1	12,699
<b>TOTAL</b>			<b>2,088,530</b>

# APPENDIX 12

## Summary of the overseas network

Following is a summary of the overseas network as at 30 June 2013.

More information about our overseas network is available at the department's website at [www.dfat.gov.au/missions](http://www.dfat.gov.au/missions) and at [www.smarttraveller.gov.au](http://www.smarttraveller.gov.au).

**TABLE 34: EMBASSIES, HIGH COMMISSIONS, CONSULATES AND MULTILATERAL MISSIONS MANAGED BY THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (95 POSTS)**

Country of location	City	Post type
Afghanistan	Kabul	Embassy
Argentina	Buenos Aires	Embassy
Austria	Vienna	Embassy and Permanent Mission to the United Nations
Bangladesh	Dhaka	High Commission
Belgium	Brussels	Embassy and Mission to the European Union
Brazil	Brasilia	Embassy
Brunei Darussalam	Bandar Seri Begawan	High Commission
Cambodia	Phnom Penh	Embassy
Canada	Ottawa	High Commission
Chile	Santiago	Embassy
China	Beijing	Embassy
	Guangzhou	Consulate-General
	Hong Kong	Consulate-General
	Shanghai	Consulate-General
Croatia	Zagreb	Embassy
Cyprus	Nicosia	High Commission
Denmark	Copenhagen	Embassy
Egypt	Cairo	Embassy
Ethiopia	Addis Ababa	Embassy
Federated States of Micronesia	Pohnpei	Embassy
Fiji	Suva	High Commission
France	Paris	Embassy*
	Paris	Delegation to the OECD
Germany	Berlin	Embassy
Ghana	Accra	High Commission
Greece	Athens	Embassy
Hungary	Budapest	Embassy





Country of location	City	Post type
India	New Delhi	High Commission
	Chennai	Consulate-General
	Mumbai	Consulate-General
Indonesia	Jakarta	Embassy
	Bali (Denpasar)	Consulate-General
Iran	Tehran	Embassy
Iraq	Baghdad	Embassy
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy and Permanent Mission to the FAO
Japan	Tokyo	Embassy
Jordan	Amman	Embassy
Kenya	Nairobi	High Commission
Kiribati	Tarawa	High Commission
Korea, Republic of	Seoul	Embassy
Kuwait	Kuwait	Embassy
Laos	Vientiane	Embassy
Lebanon	Beirut	Embassy
Malaysia	Kuala Lumpur	High Commission
Malta	Malta	High Commission
Mauritius	Port Louis	High Commission
Mexico	Mexico City	Embassy
Myanmar	Yangon	Embassy
Nauru	Nauru	High Commission
Nepal	Kathmandu	Embassy
Netherlands	The Hague	Embassy
New Caledonia (France)	Noumea	Consulate-General
New Zealand	Wellington	High Commission
Nigeria	Abuja	High Commission
Pakistan	Islamabad	High Commission
Papua New Guinea	Port Moresby	High Commission
Peru	Lima	Embassy
Philippines	Manila	Embassy
Poland	Warsaw	Embassy
Portugal	Lisbon	Embassy
Russia	Moscow	Embassy
Samoa	Apia	High Commission
Saudi Arabia	Riyadh	Embassy
Serbia	Belgrade	Embassy
Singapore	Singapore	High Commission
Solomon Islands	Honiara	High Commission

Country of location	City	Post type
South Africa	Pretoria	High Commission
Spain	Madrid	Embassy
Sri Lanka	Colombo	High Commission
Sweden	Stockholm	Embassy
Switzerland	Geneva	Permanent Mission to the United Nations
	Geneva	Permanent Mission to the WTO and Consulate-General
Thailand	Bangkok	Embassy and Permanent Mission to ESCAP
Timor-Leste	Dili	Embassy
Tonga	Nuku'alofa	High Commission
Trinidad and Tobago	Port of Spain	High Commission
Turkey	Ankara	Embassy
	Çanakkale	Consulate
United Arab Emirates	Abu Dhabi	Embassy
United Kingdom	London	High Commission
United States of America	Washington DC	Embassy
	Chicago	Consulate-General
	Honolulu	Consulate-General
	Los Angeles	Consulate-General
	New York	Consulate-General
	New York	Permanent Mission to the United Nations
Vanuatu	Port Vila	High Commission
Vatican City	Vatican City	Embassy to the Holy See
Vietnam	Hanoi	Embassy
	Ho Chi Minh City	Consulate-General
Zimbabwe	Harare	Embassy

\* The Australian Permanent Delegation to UNESCO is located within the embassy in Paris.

Note:

In Ramallah, the Australian Government maintains the Australian Representative Office.

In Taipei, the Australian Office represents Australian interests in Taiwan in the absence of formal relations. The office includes staff seconded from the Department of Foreign Affairs and Trade, Austrade, the Department of Education, Employment and Workplace Relations and the Department of Immigration and Citizenship.

**TABLE 35: CONSULATES MANAGED BY AUSTRADE (17 POSTS)**

Country of location	City	Post type
Brazil	São Paulo	Consulate-General
Canada	Toronto	Consulate-General
Germany	Frankfurt	Consulate-General
Italy	Milan	Consulate-General
Japan	Fukuoka	Consulate-General
	Osaka	Consulate-General
	Sapporo	Consulate
Libya	Tripoli**	Consulate-General
Mongolia	Ulaanbaatar	Consulate-General
New Zealand	Auckland	Consulate-General
Turkey	Istanbul	Consulate-General
United Arab Emirates	Dubai	Consulate-General
United States of America	San Francisco	Consulate-General
Colombia	Bogotá	Consulate-General
Czech Republic	Prague*	Consulate
Canada	Vancouver*	Consulate
Russia	Vladivostok*	Consulate

\* These consulates are managed by an Honorary Consul.

\*\* Austrade's office in Tripoli was not open in 2012–13.

**TABLE 36: CONSULATES HEADED BY HONORARY CONSULS (67 CONSULATES)**

Region	Country of Location	City	Responsible Post
Africa	Angola	Luanda	Pretoria
	Botswana	Gaborone	Pretoria
	Cameroon	Yaoundé ***	Abuja
	Djibouti	Djibouti	Addis Ababa
	Malawi	Lilongwe	Harare
	Mozambique	Maputo	Pretoria
	Namibia	Windhoek	Pretoria
	Nigeria	Lagos	Abuja
	South Africa	Cape Town **	Pretoria
	Tanzania	Dar es Salaam	Nairobi
	Uganda	Kampala	Nairobi
	Zambia	Lusaka	Harare

Region	Country of Location	City	Responsible Post
Asia	Indonesia	Medan **	Jakarta
	Kazakhstan	Almaty **	Moscow
	Korea, Republic of	Busan	Seoul
	Malaysia	Kota Kinabalu	Kuala Lumpur
		Kuching	Kuala Lumpur
		Penang	Kuala Lumpur
	Pakistan	Karachi	Islamabad
		Lahore	Islamabad
	Russia	Vladivostok *	Moscow
	Thailand	Chiang Mai	Bangkok
		Koh Samui	Bangkok
		Phuket	Bangkok
Pacific	French Polynesia (France)	Papeete	Noumea
	Papua New Guinea	Lae	Port Moresby
Europe	Bosnia and Herzegovina	Sarajevo	Vienna
	Bulgaria	Sofia	Athens
	Czech Republic	Prague *	Warsaw
	Estonia	Tallinn	Stockholm
	Finland	Helsinki	Stockholm
	Former Yugoslav Republic of Macedonia	Skopje	Belgrade
	Germany	Munich	Berlin
	Greece	Thessaloniki	Athens
	Italy	Venice	Rome
	Latvia	Riga	Stockholm
	Lithuania	Vilnius	Warsaw
	Norway	Oslo	Copenhagen
	Romania	Bucharest	Budapest
	Russia	St Petersburg	Moscow
	Slovenia	Ljubljana	Vienna
	Spain	Barcelona ***	Madrid
		Seville **	Madrid
	Switzerland	Zurich	Berlin
	Ukraine	Kiev ***	Vienna
	United Kingdom	Edinburgh	London



Region	Country of Location	City	Responsible Post
North America	Canada	Calgary ***	Ottawa
		Vancouver *	Ottawa
	United States of America	Boston **	New York CG
		Denver	Los Angeles
		Houston	Washington DC
		Miami */**	Atlanta
		Seattle */**	San Francisco
Central and South America	Bolivia	La Paz	Lima
	Brazil	Rio de Janeiro	Brasília
	Colombia	Bogotá ****	Santiago
	Costa Rica	San Jose	Mexico City
	Dominican Republic	Santo Domingo ***	Mexico City
	Ecuador	Guayaquil	Santiago
	El Salvador	San Salvador ***	Mexico City
	Guatemala	Guatemala City	Mexico City
	Guyana	Georgetown	Port of Spain
	Honduras	Tegucigalpa ***	Mexico City
	Mexico	Monterrey *****	Mexico City
	Nicaragua	Managua ***	Mexico City
	Panama	Panama City	Mexico City
	Paraguay	Asunción	Buenos Aires
	Uruguay	Montevideo	Buenos Aires
Caribbean	Antigua and Barbuda	St John's	Port of Spain
	Bahamas	Nassau	Port of Spain
	Barbados	St James	Port of Spain
	Grenada	St George's	Port of Spain
	Jamaica	Kingston	Port of Spain
Middle East	Oman	Muscat	Riyadh
	Saudi Arabia	Jeddah ***	Riyadh

\* Austrade-managed consulate

\*\* Temporarily closed as at 30 June 2013

\*\*\* Pending appointment of Honorary Consul

\*\*\*\* Closed. Transferred to Austrade Consulate 12 July 2012

\*\*\*\*\* Closed. Transferring Consulate from Monterrey to Cancún

**TABLE 37: PLACES WHERE CANADA PROVIDES CONSULAR SERVICES TO AUSTRALIAN CITIZENS**

Country/Consular area	Canadian post responsible	Australian supervising post
Algeria	Algiers	Paris Embassy
Burkina Faso	Ouagadougou	Accra
Cameroon	Yaoundé	Abuja
Congo, Democratic Republic of the	Kinshasa	Harare
Côte d'Ivoire	Abidjan	Accra
Cuba	Havana	Mexico City
Ecuador	Quito	Santiago
El Salvador	San Salvador	Mexico City
Gabon	Yaoundé	Abuja
Gambia, The	Dakar	Abuja
Guinea	Dakar	Accra
Kazakhstan	Astana	Moscow
Mali	Bamako	Accra
Morocco	Rabat	Paris
Senegal	Dakar	Accra
Syria*	Damascus	Cairo
Tunisia	Tunis	Cairo
Venezuela	Caracas	Santiago

\* Currently closed due to civil unrest. The Romanian Government has agreed to provide assistance to Australian citizens on a temporary basis through the Romanian Embassy in Damascus.



**TABLE 38: PLACES WHERE AUSTRALIA PROVIDES CONSULAR SERVICES TO CANADIAN CITIZENS**

Country/Consular area	Australian post responsible	Canadian supervising post
American Samoa	Apia	Wellington
Bali (Indonesia)	Bali (Denpasar)	Jakarta
Cambodia	Phnom Penh	Bangkok
Federated States of Micronesia	Pohnpei	Canberra
Guam	Pohnpei	Canberra
Marshall Islands	Pohnpei	Canberra
Commonwealth of the Northern Mariana Islands	Pohnpei	Canberra
Palau	Pohnpei	Canberra
French Polynesia (France)	Noumea	Wellington
Hawaii	Honolulu	San Francisco
Kiribati	Tarawa	Wellington
Laos	Vientiane	Bangkok
Myanmar	Yangon	Bangkok
Nauru	Nauru	Canberra
Nepal	Kathmandu	Delhi
New Caledonia (France)	Noumea	Canberra
Nusa Tenggara Barat (Indonesia)	Bali (Denpasar)	Jakarta
Papua New Guinea	Port Moresby	Canberra
Samoa	Apia	Wellington
Solomon Islands	Honiara	Canberra
Timor-Leste	Dili	Jakarta
Tonga	Nuku'alofa	Wellington
Vanuatu	Port Vila	Canberra

# APPENDIX 13

## Publications register

Department of Foreign Affairs and Trade  
annual report 2011-2012, October 2012

Australian Safeguards and Non-Proliferation  
Office annual report 2011-2012,  
October 2012

Portfolio additional estimates  
statements 2012-2013, 5 February 2013

Portfolio budget statements 2013-2014,  
14 May 2013

Australia Awards annual progress  
report: 2011—building bridges between  
people and nations, September 2012

Australia-China Council: developing and  
strengthening mutual interests in a rapidly  
expanding relationship, 28 August 2012

Feeding the future: a joint Australia-China  
report on strengthening investment and  
technological cooperation in agriculture to  
enhance food security, December 2012

Australia in brief [English and French],  
July 2012 [English] June 2013 [French]

Travel smart: hints for Australian travellers,  
August 2012

Australia and the United Nations,  
December 2012

Composition of Trade 2011, July 2012

Trade in services Australia 2011, July 2012

Trade matters 2012 (Set of 8), August 2012

The APEC region trade and investment 2012,  
August 2012

Australia's trade with East Asia 2011,  
August 2012

Australia's trade with the Americas 2011,  
August 2012

Australia's trade with Europe (including the  
European Union) 2011, August 2012

Trade at a glance 2012, November 2012

Trade in Primary and Manufactured Products  
Australia 2011-2012, December 2012

Composition of trade Australia 2011-2012,  
December 2012

Australia's trade by state and  
territory 2011-2012, February 2013

Trade in services Australia 2011-12,  
March 2013

Composition of trade Australia 2012,  
June 2013

Trade in primary and manufactured products  
Australia 2012, June 2013





1.

del **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia **ياسستس**  
 Լ **Trade** ديبلوماسية **Diplomatija** **Treid** कूटनीति **پيلوماسی** **Diplomatiko** 外交 Kalākalan  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး تجارت **La diplomatie**  
 تجارة **торговля** **Thương mại** **Komersiu** تجارت **le commerce** **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** **ياسستس** **Perdagangan** ديبلوماسية **διπλωματία** Kalakalan بازىرگانى  
**پيلوم** **Diplomatiko** 外交 **Trade** **εμπόριο** **Diplomasi** **Com** kereskedelem 외교  
**Diplomasia** **Ticaret** **Commercio** سوداگرى **ἡ** التجارة **торговля**



2.

#### Images:

1. First Secretary Port Moresby, Tim Bryson, meets Huliwigmen in traditional dress from Hela Province in the PNG Highlands region, May 2013. [DFAT]
2. Third Secretary Vanuatu, Casey Beath, with Lamanaruan Community Chief, at the opening of a new Direct Aid Program-funded primary school classroom, Tanna Island, 21 May 2013. [Australian Embassy Port Vila]
3. Parliamentary Secretary for the Arts, Michael Danby, speaking at the ceremony for the first repatriation of Indigenous human remains from Germany to Australia, Berlin, 26 April 2013. DFAT worked with the Office of the Arts to secure the repatriation. [DFAT]

# FINANCIAL STATEMENTS SECTION 5

دىپلوماسىيە **le commerce** **Diplomatie** 貿易 သံတမန်ရေးရာ **Handel** **Diplomazia** 통상 ทางการค้า  
 Perdagangan δειπλωματία ពាណិជ្ជកម្ម **Diplomacy** بازرگانی Trade دیپلوماسیة **Diplomatija**  
 εμπόριο **Diplomasi** **Comercio** سفارت **kereskedelem** **Diplomati** 외교 **Commerce**  
 Ticaret **Commercio** سوداگری ការទូត **Diplomacia** व्यापार تجارة торговля Thương mại  
**Diplomazia** 통상 ทางการทูต **Ngoại giao** **Comércio** **Дипломатия** **Diplomacy** یاستس  
 သံတမန်ရေးရာ ពាណិជ្ជកម្ម **Diplomatija** **Treid** कूटनीति دیپلوماسی **Diplomatiko** 外交 Trade εμπ  
**Commerce** การค้า ကုန်သွယ်ရေး تجارت **La diplomatie** **Diplomasia** **Ticaret** **Commercio**



# FINANCIAL STATEMENTS

## Financial Statements for the year ended 30 June 2013

Independent auditor's report	223
Statement by the Chief Executive and Chief Financial Officer	225
Statement of comprehensive income	226
Balance sheet	227
Statement of change in equity	228
Cash flow statement	229
Schedule of commitments, contingences and administered items	230
Notes to and forming part of the financial statements, including a summary of significant accounting policies	237





## INDEPENDENT AUDITOR'S REPORT

To the Minister for Foreign Affairs

### Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Foreign Affairs and Trade for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### *Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Department of Foreign Affairs and Trade is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of Foreign Affairs and Trade's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Foreign Affairs and Trade's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting

estimates made by the Chief Executive of the Department of Foreign Affairs and Trade, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### ***Opinion***

In my opinion, the financial statements of the Department of Foreign Affairs and Trade:

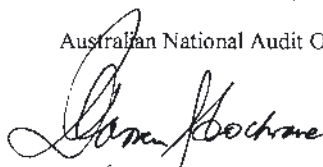
- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Foreign Affairs and Trade's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

### **Report on Other Legal and Regulatory Requirements**

Note 1.2 "Monitoring of Constitutional and Other Legal Requirements" of the financial statements discloses information on the Department of Foreign Affairs and Trade's review of its exposure to risks of not complying with statutory conditions on payments from annual appropriations which fund statutory payments. Non-compliance with statutory conditions may lead to a contravention of section 83 of the Constitution, which requires that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law.

As disclosed in Note 1.2, the review is planned for completion in 2013–14.

Australian National Audit Office



Warren Cochrane

Group Executive Director


Delegate of the Auditor-General

Canberra

6 September 2013

**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the Financial Management and Accountability Act 1997, as amended.

Signed.....

Peter Varghese  
Chief Executive

6 September 2013

Signed.....

Ann Thorpe  
Chief Financial Officer

6 September 2013

**Statement of Comprehensive Income**  
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	454,595	443,703
Supplier	3B	465,592	477,800
Grants	3C	3,632	3,221
Depreciation and amortisation	3D	112,448	91,587
Finance costs	3E	1,786	2,620
Write-down and impairment of assets	3F	1,720	1,194
Foreign exchange losses	3G	5,072	2,051
Losses from asset sales	3H	8,259	6,091
Other expenses	3I	78	70
<b>Total expenses</b>		<b>1,053,182</b>	<b>1,028,337</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	108,283	118,899
Other revenue	4B	10,304	9,905
<b>Total own-source revenue</b>		<b>118,587</b>	<b>128,804</b>
<b>Gains</b>			
Reversals of Previous Asset Write-Downs and Impairments	4C	-	16,691
Other	4D	460	6,409
<b>Total gains</b>		<b>460</b>	<b>23,100</b>
<b>Total own-source income</b>		<b>119,047</b>	<b>151,904</b>
<b>Net cost of (contribution by) services</b>		<b>934,135</b>	<b>876,433</b>
Revenue from Government	4E	885,748	821,534
<b>Surplus (Deficit) on continuing operations</b>		<b>(48,387)</b>	<b>(54,899)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>(48,387)</b>	<b>(54,899)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		264,235	63,001
<b>Total other comprehensive income</b>		<b>264,235</b>	<b>63,001</b>
<b>Total comprehensive income (loss)</b>		<b>215,848</b>	<b>8,102</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>215,848</b>	<b>8,102</b>

The above statement should be read in conjunction with the accompanying notes.

**Balance Sheet**  
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	59,346	54,787
Trade and other receivables	5B	988,311	943,798
<b>Total financial assets</b>		<u>1,047,657</u>	<u>998,585</u>
<b>Non-Financial Assets</b>			
Land and buildings	6A,C	2,081,653	1,815,282
Infrastructure, plant and equipment	6B,C	147,783	151,559
Intangibles	6D,E	69,018	57,694
Inventories	6F	31,125	41,976
Other	6G	64,723	27,046
<b>Total non-financial assets</b>		<u>2,394,302</u>	<u>2,093,557</u>
Assets held for sale	6C	-	1,599
<b>Total assets</b>		<u>3,441,959</u>	<u>3,093,741</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	79,870	76,099
Other	7B	43,417	31,547
<b>Total payables</b>		<u>123,287</u>	<u>107,646</u>
<b>Provisions</b>			
Employee provisions	8A	143,406	135,793
Other	8B	19,595	26,679
<b>Total provisions</b>		<u>163,001</u>	<u>162,472</u>
<b>Total liabilities</b>		<u>286,288</u>	<u>270,118</u>
<b>Net assets</b>		<u>3,155,671</u>	<u>2,823,623</u>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		1,957,833	1,841,633
Reserves		654,576	390,341
Retained surplus (accumulated deficit)		543,262	591,649
<b>Total parent entity interest</b>		<u>3,155,671</u>	<u>2,823,623</u>
<b>Total equity</b>		<u>3,155,671</u>	<u>2,823,623</u>

The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity**  
for the period ended 30 June 2013

	Retained earnings				Asset revaluation reserve				Contributed equity/capital				Total equity			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>																
Balance carried forward from previous period	591,649	646,548			390,341	327,340			1,841,633	1,699,238			2,823,623	2,673,126		
Adjustment for errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>591,649</b>	<b>646,548</b>			<b>390,341</b>	<b>327,340</b>			<b>1,841,633</b>	<b>1,699,238</b>			<b>2,823,623</b>	<b>2,673,126</b>		
<b>Comprehensive income</b>																
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	264,235	63,001	-	-	-	-	-	-	264,235	63,001	-	-
Surplus (Deficit) for the period	(48,387)	(54,899)			-	-	-	-	-	-	-	-	(48,387)	(54,899)		
<b>Total comprehensive income</b>	<b>(48,387)</b>	<b>(54,899)</b>			<b>264,235</b>	<b>63,001</b>			<b>-</b>	<b>-</b>			<b>215,848</b>	<b>8,102</b>		
<b>Transactions with owners</b>																
<b>Distributions to owners</b>																
Returns on capital:																
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Returns of capital:																
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	(9,157)	(1,513)	-	-	(9,157)	(1,513)	-	-
<b>Contributions by owners</b>																
Equity injection - Appropriations	-	-	-	-	-	-	-	-	62,101	70,462	-	-	62,101	70,462	-	-
Departmental capital budget	-	-	-	-	-	-	-	-	63,256	73,446	-	-	63,256	73,446	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,200</b>	<b>142,395</b>			<b>116,200</b>	<b>142,395</b>		
Transfers between equity components	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	<b>543,262</b>	<b>591,649</b>			<b>654,576</b>	<b>390,341</b>			<b>1,957,833</b>	<b>1,841,633</b>			<b>3,155,671</b>	<b>2,823,623</b>		

The above statement should be read in conjunction with the accompanying notes.



**Cash Flow Statement**  
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		970,421	936,383
Sales of goods and rendering of services		117,347	143,141
Net GST received		32,693	29,895
<b>Total cash received</b>		<u>1,120,461</u>	<u>1,109,419</u>
<b>Cash used</b>			
Employees		445,099	429,590
Suppliers		518,131	517,326
Cash transferred to OPA		110,787	159,224
Other		2,699	3,222
<b>Total cash used</b>		<u>1,076,716</u>	<u>1,109,362</u>
<b>Net cash from (used by) operating activities</b>	9	<u>43,745</u>	<u>57</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		2,254	1,403
<b>Total cash received</b>		<u>2,254</u>	<u>1,403</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		123,133	101,097
Purchase of intangibles		7,942	10,191
<b>Total cash used</b>		<u>131,075</u>	<u>111,288</u>
<b>Net cash from (used by) investing activities</b>		<u>(128,821)</u>	<u>(109,885)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		96,124	110,020
<b>Total cash received</b>		<u>96,124</u>	<u>110,020</u>
<b>Cash used</b>			
Returns of Contributed Equity		1,417	1,513
Other		-	1
<b>Total cash used</b>		<u>1,417</u>	<u>1,514</u>
<b>Net cash from (used by) financing activities</b>		<u>94,707</u>	<u>108,506</u>
<b>Net increase (decrease) in cash held</b>		<u>9,631</u>	<u>(1,322)</u>
Cash and cash equivalents at the beginning of the reporting period		54,787	58,160
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		(5,072)	(2,051)
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>59,346</u>	<u>54,787</u>

The above statement should be read in conjunction with the accompanying notes.

**Schedule of Commitments***as at 30 June 2013*

	2013 \$'000	2012 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income	(178,172)	(126,129)
Net GST recoverable on commitments <sup>1</sup>	(58,459)	(25,507)
<b>Total commitments receivable</b>	<b>(236,631)</b>	<b>(151,636)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Infrastructure, plant and equipment	233,201	27,817
<b>Total capital commitments</b>	<b>233,201</b>	<b>27,817</b>
<b>Other commitments</b>		
Operating leases <sup>2</sup>	771,424	389,912
Other <sup>3</sup>	581,597	164,333
<b>Total other commitments</b>	<b>1,353,021</b>	<b>554,245</b>
<b>Total commitments payable</b>	<b>1,586,222</b>	<b>582,062</b>
<b>Net commitments by type</b>	<b>1,349,591</b>	<b>430,426</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	(47,065)	(37,153)
From one to five years	(116,790)	(75,786)
Over five years	(14,317)	(13,190)
<b>Total operating lease income</b>	<b>(178,172)</b>	<b>(126,129)</b>
<b>GST commitments receivable<sup>1</sup></b>		
One year or less	(13,594)	(8,942)
From one to five years	(14,031)	(15,919)
Over five years	(30,834)	(646)
<b>Total other commitments receivable</b>	<b>(58,459)</b>	<b>(25,507)</b>
<b>Total commitments receivable</b>	<b>(236,631)</b>	<b>(151,636)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	101,558	12,956
From one to five years	131,483	14,861
Over five years	160	-
<b>Total capital commitments</b>	<b>233,201</b>	<b>27,817</b>
<b>Operating lease commitments</b>		
One year or less	111,482	98,097
From one to five years	264,083	228,776
Over five years	395,859	63,039
<b>Total operating lease commitments</b>	<b>771,424</b>	<b>389,912</b>
<b>Other Commitments</b>		
One year or less	191,843	81,878
From one to five years	223,091	82,455
Over five years	166,663	-
<b>Total other commitments</b>	<b>581,597</b>	<b>164,333</b>
<b>Total commitments payable</b>	<b>1,586,222</b>	<b>582,062</b>
<b>Net commitments by maturity</b>	<b>1,349,591</b>	<b>430,426</b>

Note:

<sup>1</sup> Commitments are GST inclusive where relevant.<sup>2</sup> Operating leases included are effectively non-cancellable and comprise:**Property leases for residential, compound and chancery properties at overseas posts and office property in Canberra and all state offices in Australia**

The leased estate consists of properties leased by the Department from private landlords. The terms and conditions of these leases overseas are negotiated at post and vary based on local market conditions.

**Agreements for the provision of motor vehicles to senior executive officers**

No contingent rentals exist. There are no renewal or purchase options available to the Department.

**Leases for computer equipment**

The lessor typically provides all computer equipment and software as necessary in the supply contract for 3 years, with instalments paid quarterly.

**Leases for office equipment**

All overseas lease terms and conditions are negotiated at posts and vary based on local market conditions.

<sup>3</sup> Includes passport, property maintenance, IT services and security services contracts.

This schedule should be read in conjunction with the accompanying notes.



**Schedule of Contingencies**  
as at 30 June 2013

	2013	2012
	\$'000	\$'000
<b>Contingent assets</b>		
Guarantees	-	-
Indemnities	-	-
Claims for damages or costs	-	-
<b>Total contingent assets</b>	-	-
<b>Contingent liabilities</b>		
Guarantees	129	114
Indemnities	-	-
Claims for damages or costs	726	397
<b>Total contingent liabilities</b>	855	511
<b>Net contingent assets (liabilities)</b>	(855)	(511)

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 10: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified.

There are a number of matters involving locally engaged staff disputes over local labour laws that may result in a potential liability. However, these amounts are expected to be recovered through Comcover.

The above schedule should be read in conjunction with the accompanying notes.

**Administered Schedule of Comprehensive Income**  
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>EXPENSES</b>			
Employee benefits	15A	5,218	5,479
Suppliers	15B	23,120	28,968
Grants and contributions	15C	232,421	231,011
Write-down and impairment of assets	15D	135	4
Foreign exchange losses	15E	3,617	1,846
Other expenses	15F	13,806	12,242
<b>Total expenses administered on behalf of Government</b>		<b>278,317</b>	<b>279,550</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
<b>Non-taxation revenue</b>			
Sale of goods and rendering of services	16A	363,991	357,126
Interest	16B	3,959	4,678
Dividends	16C	226,839	30,194
Other revenue	16D	36,904	41,414
<b>Total own-source income</b>		<b>631,693</b>	<b>433,412</b>
<b>Gains</b>			
Foreign exchange		-	-
<b>Total gains administered on behalf of Government</b>		<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>		<b>631,693</b>	<b>433,412</b>
<b>Net cost of (contribution by) services</b>		<b>353,376</b>	<b>153,862</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial gains/losses on defined benefit plans		(5,133)	(6,155)
Movement in the carrying amount of investments accounted for using the equity method		(201,823)	9,981
<b>Total other comprehensive income</b>		<b>(206,956)</b>	<b>3,826</b>
<b>Total comprehensive income (loss)</b>		<b>146,420</b>	<b>157,688</b>
The above schedule should be read in conjunction with the accompanying notes.			

**Administered Schedule of Assets and Liabilities**  
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	17A	134	191
Trade and other receivables	17B	3,174	33,647
Investments accounted for using the equity method	17C	216,240	418,063
<b>Total financial assets</b>		<b>219,548</b>	<b>451,901</b>
<b>Non-financial assets</b>			
Prepayments	18A	-	1,650
<b>Total non-financial assets</b>		<b>-</b>	<b>1,650</b>
<b>Total assets administered on behalf of Government</b>		<b>219,548</b>	<b>453,551</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	19A	300	1,242
Other payables	19B	59,982	59,710
<b>Total payables</b>		<b>60,282</b>	<b>60,952</b>
<b>Total liabilities administered on behalf of Government</b>		<b>60,282</b>	<b>60,952</b>
<b>Net assets/(liabilities)</b>		<b>159,266</b>	<b>392,599</b>

The above schedule should be read in conjunction with the accompanying notes.

**Administered Reconciliation Schedule**

	2013 \$'000	2012 \$'000
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>392,599</b>	<b>349,810</b>
Surplus (deficit) items:		
Plus: Administered income	631,693	433,412
Less: Administered expenses (non CAC)	(278,317)	(279,550)
Other comprehensive income:		
Movement in the carrying amount of investments	(201,823)	9,981
Actuarial gains/losses on defined benefit plans	(5,133)	(6,155)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	250,026	247,699
Administered assets and liabilities appropriations	7,989	8,085
Special appropriations (unlimited) (non CAC)	888	953
Transfers to OPA	(638,656)	(371,636)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>159,266</b>	<b>392,599</b>

**Administered Cash Flow Statement**  
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Sales of goods and rendering of services		362,190	354,398
Interest		92	109
Dividends		257,033	-
NIA subsidies, premiums and recoveries		20,125	22,507
North American Pension Scheme receipts and Other		688	672
Net GST received		2,760	2,129
<b>Total cash received</b>		<b>642,888</b>	<b>379,815</b>
<b>Cash used</b>			
Grant and Contributions		222,565	218,918
Employees		215	890
Personal benefits		1,939	1,737
Suppliers		24,647	30,882
NIA Expenses		12,786	5,765
Other		1,040	9,061
<b>Total cash used</b>		<b>263,192</b>	<b>267,253</b>
<b>Net cash flows from (used by) operating activities</b>		<b>379,696</b>	<b>112,562</b>
<b>Net increase (decrease) in Cash Held</b>		<b>379,696</b>	<b>112,562</b>
Cash and cash equivalents at the beginning of the reporting period		191	2,528
Cash from Official Public Account for:			
- Appropriations		258,903	256,737
Cash to Official Public Account for:			
- Other		(638,656)	(371,636)
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<b>134</b>	<b>191</b>

This schedule should be read in conjunction with the accompanying notes.



**Schedule of Administered Commitments**  
as at 30 June 2013

	2013 \$'000	2012 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments	(20,319)	(84)
<b>Total commitments receivable</b>	<u>(20,319)</u>	<u>(84)</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Other <sup>1</sup>	274,986	60,438
<b>Total other commitments</b>	<u>274,986</u>	<u>60,438</u>
<b>Net commitments by type</b>	<u>254,667</u>	<u>60,354</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	(2,080)	(84)
From one to five years	(8,741)	-
Over five years	(9,498)	-
<b>Total other commitments receivable</b>	<u>(20,319)</u>	<u>(84)</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	32,245	10,048
From one to five years	138,260	42,283
Over five years	104,481	8,107
<b>Total other commitments</b>	<u>274,986</u>	<u>60,438</u>
<b>Total commitments payable</b>	<u>274,986</u>	<u>60,438</u>
<b>Net commitments by maturity</b>	<u>254,667</u>	<u>60,354</u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Other commitments represents: 1) the Australian Government's contract with the ABC for the Australia Network Service; and 2) the Australian Government's contract with EFIC for the Debt to Health Swap agreement.

The above schedule should be read in conjunction with the accompanying notes.

**Schedule of Administered Contingencies***as at 30 June 2013*

	<b>2013</b>	2012
	<b>\$'000</b>	\$'000
<b>Administered contingent assets</b>	Nil	Nil
<b>Administered contingent liabilities</b>	Nil	Nil
<b>Net administered contingent assets (liabilities)</b>	-	-

Note 21: Administered Contingent Assets and Liabilities, provides detailed information on significant remote contingencies and contingencies that cannot be quantified.

This should be read in conjunction with the accompanying notes.

**Statement of Activities Administered on Behalf of Government**

The major administered activities of the Department are directed towards achieving the outcomes described in Note 1 to the Financial Statements. The major financial activities are the collection of passport fees and interest or premiums on the National Interest Account. Details of planned activities for the year can be found in the Department's Portfolio Budget and Portfolio Additional Estimates Statements.

**Table of Contents - Notes**

Note 1: Summary of Significant Accounting Policies
Note 2: Events After the Reporting Period
Note 3: Expenses
Note 4: Income
Note 5: Financial Assets
Note 6: Non-Financial Assets
Note 7: Payables
Note 8: Provisions
Note 9: Cash Flow Reconciliation
Note 10: Contingent Assets and Liabilities
Note 11: Senior Executive Remuneration
Note 12: Remuneration of Auditors
Note 13: Financial Instruments
Note 14: Financial Assets Reconciliation
Note 15: Administered - Expenses
Note 16: Administered - Income
Note 17: Administered - Financial Assets
Note 18: Administered - Non-Financial Assets
Note 19: Administered - Liabilities Administered on Behalf of Government
Note 20: Administered - Cash Flow Reconciliation
Note 21: Administered - Contingent Assets and Liabilities
Note 22: Administered - Financial Instruments
Note 23: Administered Financial Assets Reconciliation
Note 24: Appropriations
Note 25: Special Accounts
Note 26: Compensation and Debt Relief
Note 27: Reporting of Outcomes
Note 28: Net Cash Appropriation Arrangements

## Notes to and forming part of the Financial Statements

### Note 1: Summary of Significant Accounting Policies

#### 1.1 Objectives of the Department

The Department of Foreign Affairs and Trade (the Department) is a not for profit Australian Government controlled entity. The objective of the Department is to support Australia's interests in international security, contribute to national economic and trade performance, promote global cooperation in partnership with other members of the international community and help Australian travellers and Australians overseas.

The Department is structured to meet three outcomes:

- Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities;
- Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas; and
- Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate.

The Department's activities that contribute towards these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

The Department conducts the following administered activities;

- Consular and passport services;
- Public information services and public diplomacy; and
- Payments to international organisations.

The continued existence of the Department in its present form and with its present programs is dependent on Australian Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

#### 1.2 Monitoring of Constitutional and Other Legal Requirements

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The department will review its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. This process will include instances where payments from annual appropriations are made under foreign legislation.

#### 1.3 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

## Notes to and forming part of the Financial Statements

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets at fair value or amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 10).

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated in Note 1.22

### 1.4 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Department has made the following judgement that has a significant impact on the amounts recorded in the financial statements:

- the fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, the Department's buildings are purpose built and may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### 1.5 New Australian Accounting Standard Requirements

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards, amendments and interpretations, which were issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer, were applicable to the current reporting period:

AASB 7	Financial Instruments: Disclosures - September 2011 (Compilation)
AASB 101	Presentation of Financial Statements - September 2011 (Compilation)
AASB 121	The Effects of Changes in Foreign Exchange Rates – September 2011 (Compilation)
AASB 132	Financial Instruments: Presentation – September 2011 (Compilation)

**Notes to and forming part of the Financial Statements**

Other new standards, amendments and interpretations that were issued prior to the signing of the statement by the chief executive and chief financial officer and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the entity.

**Future Australian Accounting Standard Requirements**

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the adoption of these pronouncements will have no material future financial impact on the entity:

AASB 7	Financial Instruments: Disclosures – December 2012 (Compilation)
AASB 9	Financial Instruments – September 2012 (Compilation)
AASB 13	Fair Value Measurement - December 2012 (Principal)
AASB 101	Presentation of Financial Statements – December 2012 (Compilation)
AASB 102	Inventories - December 2012 (Compilation)
AASB 107	Statement of Cash Flows – December 2012 (Compilation)
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors – December 2012 (Compilation)
AASB 110	Events after the Reporting Period – September 2012 (Compilation)
AASB 116	Property, Plant and Equipment – September 2012 (Compilation)
AASB 117	Leases – September 2012 (Compilation)
AASB 118	Revenue – December 2012 (Compilation)
AASB 119	Employee Benefits - September 2011 (Principal)
AASB 127	Consolidated and Separate Financial Statements - December 2012 (Compilation)
AASB 128	Investments in Associates - December 2012 (Compilation)
AASB 1053	Application of Tiers of Australian Accounting Standards - June 2010 (Principal)
AASB 1055	Budgetary Reporting – March 2013 (Principal)
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]



## Notes to and forming part of the Financial Statements

- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- Interp. 21 Levies – June 2013 (Principal)

Other new standards, amendments and interpretations that were issued prior to the signing of the statement by the chief executive and chief financial officer and are applicable to the future reporting period are not expected to have a future financial impact on the entity.

### 1.6 Revenue

#### **Revenue from Government**

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### **Resources Received Free of Charge**

Resources received free of charge are recognised as revenue, when and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### **Parental Leave Payments Scheme**

The Department offsets amounts received under Parental Leave Payments Scheme (for payment to employees) by amounts paid to employees under that scheme, because these transactions are only incidental to the main revenue-generating activities of the entity. Amount received by the entity not yet paid to employees would be presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to the Note 4E: Revenue from Government.

#### **Other Types of Revenue**

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Department retains neither managerial involvement nor effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

## Notes to and forming part of the Financial Statements

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits of the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### 1.7 Gains

#### Other Resources Received Free of Charge

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government Agency or Authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

### 1.8 Transactions with the Government as Owner

#### Equity Injections

Amounts appropriated that are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

#### Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. In 2012-13, by agreement with the Department of Finance and Deregulation, the Department returned from the Overseas Property Office net sale proceeds of \$1,423,478 (2011-12: \$719,281).

### 1.9 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

## Notes to and forming part of the Financial Statements

---

### **Leave**

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave for Australia-based employees, as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave. In the case of locally engaged staff at overseas posts, where the entitlement is vested, a liability has been recognised.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined with reference to an actuarial assessment conducted during 2010-11. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion, inflation and changes in the government bond rate.

### **Overseas Allowances**

Overseas conditions of service entitlements for officers during their posting are expensed as incurred. At reporting date the Department did not recognise any liability for overseas allowances, except as part of year-end salary accruals.

### **Separation and Redundancy**

Provision is made for separation and redundancy benefit payments. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

In some countries, locally engaged staff at overseas posts are entitled to separation benefits. The provision for these benefits has been classified as employee benefits.

### **Superannuation**

Australia-based staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the Public Sector Superannuation accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for the defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Department makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the Department's employees. The Department accounts for the contributions as if they were contributions to defined contributions plans. Where required, the Department makes superannuation contributions to comply with overseas local labour laws.

Australia-based staff who are engaged on a temporary basis and locally engaged staff engaged overseas who are considered to be Australian residents for taxation purposes have compulsory employer superannuation contributions made on their behalf by the Department to Australian Super or another complying fund as nominated by them.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

## Notes to and forming part of the Financial Statements

The Department administers defined benefit pension schemes for some locally engaged staff in North America, the United Kingdom and India on behalf of the Australian Government (refer to Note 19).

### 1.10 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

### 1.11 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, cash held with outsiders, cash in special accounts, demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### 1.13 Financial Assets

The Department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; or
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

#### Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;

## Notes to and forming part of the Financial Statements

- are a part of an identified portfolio of financial instruments that the Department manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

### Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Department has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

### Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. The Department has no such instruments.

### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

### Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- *Available-for-sale financial assets* - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the

## Notes to and forming part of the Financial Statements

asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

### 1.14 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities 'at fair value through profit or loss' are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### 1.15 Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable and contingent liabilities are disclosed when settlement is greater than remote.

### 1.17 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

### 1.18 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners



## Notes to and forming part of the Financial Statements

at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

### 1.19 Infrastructure, Plant and Equipment

#### **Asset Recognition Threshold**

Purchases of Infrastructure, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Department where an obligation exists to restore the property to its original condition on termination of the lease. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'makegood' recognised.

#### **Revaluations**

Fair values for each class of asset are determined as shown below.

<b>Asset Class</b>	<b>Fair value measured at:</b>
Land	Market selling price
Buildings exc. Leasehold improvements	Market selling price
Leasehold Improvements	Depreciated replacement cost
Infrastructure, Plant and Equipment	Market selling price

In the absence of market-based evidence, fair value is estimated using depreciated replacement cost.

Assets held overseas are valued in local currencies and translated in to Australian dollars.

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the surplus/deficit.

Revaluation decrements for a class of assets are recognised directly through the operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation.

Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

## Notes to and forming part of the Financial Statements

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2013	2012
Buildings	<b>Based on remaining useful life</b>	Based on remaining useful life
Leasehold improvements	<b>Lesser of lease term or 15 years</b>	Lesser of lease term or 15 years
Infrastructure, Plant and Equipment	<b>5 or 10 years</b>	5 or 10 years
Intangibles	<b>6 years</b>	6 years

The aggregate amount of depreciation allocated during the reporting period is disclosed in Note 3D.

### Impairment

Assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of any asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### 1.20 Intangibles

The Department's intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software assets are 6 years (2011-12: 6 years). All software assets were assessed for indicators of impairment as at 30 June 2013.

### 1.21 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition, are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work in progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

## Notes to and forming part of the Financial Statements

### 1.22 Taxation

The Department is exempt from all forms of Australian taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Overseas, the department may be subject to Value Added Tax (VAT) on the purchase of goods and services.

Revenues, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

### 1.23 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes. Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### **Administered Cash Transfers to and from Official Public Account**

Revenue collected by the Department for use by the Australian Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Australian Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Australian Government and reported as such in the schedule of administered Cash Flows and in the Administered Reconciliation schedule.

#### **Business undertaken on the National Interest Account**

Part 5 of the Export Finance and Insurance Corporation Act (*EFIC Act 1991*) provides for the Minister for Trade to give an approval or direction to EFIC to undertake any transaction that the Minister considers is in the national interest. Such transactions may relate to a class of business which EFIC is not authorised to undertake, or involve terms and conditions EFIC would not accept in the normal course of business on its Commercial Account. EFIC manages these transactions on the National Interest Account (NIA).

Where the Minister gives EFIC an approval or direction to undertake a transaction under Part 5 of the Act, the credit risk is borne by the Australian Government and the funding risk is borne by EFIC on the Commercial Account. Accordingly, premium or other incomes arising from these transactions are paid by EFIC to the Australian Government in line with Part 8 of the EFIC Act. EFIC recovers from the Australian Government the costs of administering business undertaken under Part 5 and also recovers from the Australian Government any losses incurred in respect of such business. These transactions are disclosed separately as income and expenses administered on behalf of Government in Notes 15 and 16.

The Department's accounts reflect the Commonwealth's exposure to the NIA. This exposure is disclosed as a liability in Note 19 and reflects the overall business written on the NIA. The detailed transactions undertaken in the NIA are disclosed in EFIC's financial statements in accordance with EFIC's reporting requirements and applicable accounting standards.

#### **Revenue**

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government. Administered fee revenue is recognised when goods or services have been provided.

**Notes to and forming part of the Financial Statements****Loans and Receivables**

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through surplus and deficit.

**Administered Investments**

Administered investments in subsidiaries are not consolidated because their consolidation is relevant only at the Whole of Government level. Administered investments are classified as available-for-sale and are measured at their fair value as at 30 June 2013. Fair value has been taken to be the Australian Government's interest in the net assets of the entity as at balance date.

**Overseas Superannuation Schemes**

The Department recognises an administered liability for the present values of the Australian Government's expected future payments arising from the unfunded components of the North American Pension Scheme (NAPS), London Pension Scheme and the New Delhi Gratuity Scheme.

The Department engages actuaries to estimate the unfunded provisions and expected future cash flows as at 30 June each year. Actuarial gains and losses for the defined plans are recognised applying the "direct to equity" option as outlined in AASB 119. These estimates are disclosed in the Schedule of Administered Items and Note 19.

**Guarantees to Controlled Entities**

The amounts guaranteed by the Commonwealth have been disclosed in the Schedule of Administered Items and Note 21. At the time of completion of the financial statements, there was no reason to believe that the guarantees would be called upon, and recognition of a liability was therefore not required.

**Grants**

The Department administers one grant program on behalf of the Australian Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Australian Government enters into an agreement to make the grants but services have not been performed or criteria satisfied.

**Note 2: Events After the Reporting Period****Departmental**

There have been no events after 30 June 2013 which will affect the financial position of the Department materially at the reporting date.

**Administered**

There have been no events after 30 June 2013 which will affect the financial position of the Department materially at the reporting date.

**Note 3: Expenses**

	2013 \$'000	2012 \$'000
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	336,630	326,702
Superannuation:		
Defined contribution plans	21,782	16,103
Defined benefit plans	36,686	36,719
Leave and other entitlements	33,897	49,485
Separation and redundancies	7,175	5,659
Other Employee Expenses	18,425	9,035
<b>Total employee benefits</b>	<b>454,595</b>	<b>443,703</b>

**Note 3B: Supplier****Goods and services**

Passport Expenses	83,326	81,395
Property Related Expenses (excluding rent)	67,924	73,179
Information and Communication Technology	52,702	57,938
Staff Related Expenses	36,209	38,697
Security Expenses	66,471	59,349
Travel Expenses	26,931	28,116
Office Expenses	16,207	17,288
Legal and Other Professional Services	8,596	8,355
Other Expenses	16,564	22,490
<b>Total goods and services</b>	<b>374,930</b>	<b>386,807</b>

**Goods and services are made up of:**

Provision of goods – external parties	52,299	56,274
Rendering of services – related entities	26,588	24,328
Rendering of services – external parties	296,043	306,205
<b>Total goods and services</b>	<b>374,930</b>	<b>386,807</b>

**Other supplier expenses**

Operating lease rentals		
Minimum lease payments	87,828	89,000
Workers compensation expenses	2,834	1,993
<b>Total other supplier expenses</b>	<b>90,662</b>	<b>90,993</b>
<b>Total supplier expenses</b>	<b>465,592</b>	<b>477,800</b>

**Note 3C: Grants****Private sector:**

Non-profit organisations	2,857	2,439
Overseas	775	782
<b>Total grants</b>	<b>3,632</b>	<b>3,221</b>

**Note 3: Expenses (continued)**

	2013 \$'000	2012 \$'000
<b>Note 3D: Depreciation and Amortisation</b>		
<b>Depreciation:</b>		
Infrastructure, plant and equipment	39,640	36,278
Buildings and Leasehold Improvements	64,778	50,064
<b>Total depreciation</b>	<b>104,418</b>	<b>86,342</b>
<b>Amortisation:</b>		
Intangibles - computer software	8,030	5,245
<b>Total amortisation</b>	<b>8,030</b>	<b>5,245</b>
<b>Total depreciation and amortisation</b>	<b>112,448</b>	<b>91,587</b>
<b>Note 3E: Finance Costs</b>		
Unwinding of discount	1,786	2,620
<b>Total finance costs</b>	<b>1,786</b>	<b>2,620</b>
<b>Note 3F: Write-Down and Impairment of Assets</b>		
<b>Asset write-downs and impairments from:</b>		
Net revaluation decrement - Buildings and infrastructure, plant and equipment	158	-
Write-down of assets under construction	1,544	-
Impairment of non-current assets held for sale	-	4
Impairment of Land & Buildings	-	1,034
Impairment of financial assets	18	156
<b>Total write-down and impairment of assets</b>	<b>1,720</b>	<b>1,194</b>
<b>Note 3G: Foreign Exchange Losses</b>		
Non-speculative	5,072	2,051
<b>Total foreign exchange losses</b>	<b>5,072</b>	<b>2,051</b>
<b>Note 3H: Losses from Asset Sales</b>		
<b>Land and buildings:</b>		
Proceeds from sale	(1,485)	(770)
Carrying value of assets sold	1,599	760
Selling expense	62	50
<b>Infrastructure, plant and equipment:</b>		
Proceeds from sale	(769)	(747)
Carrying value of assets sold	6,672	3,192
Selling expense	-	-
<b>Intangibles:</b>		
Proceeds from sale	-	-
Carrying value of assets sold	1,633	3,408
Selling expense	-	-
<b>Leasehold Improvements:</b>		
Proceeds from sale	-	-
Carrying value of assets sold	547	198
Selling expense	-	-
<b>Total losses from asset sales</b>	<b>8,259</b>	<b>6,091</b>
<b>Note 3I: Other Expenses</b>		
Other expense	78	70
<b>Total other expenses</b>	<b>78</b>	<b>70</b>



**Note 4: Income**

	2013	2012
OWN-SOURCE REVENUE	\$'000	\$'000

**Note 4A: Sale of Goods and Rendering of Services**

Provision of goods - external parties	29	28
Rendering of services - related entities	100,357	109,252
Rendering of services - external parties	7,897	9,619
<b>Total sale of goods and rendering of services</b>	<b>108,283</b>	<b>118,899</b>

**Note 4B: Other Revenue**

Other Revenue	10,304	9,905
<b>Total other revenue</b>	<b>10,304</b>	<b>9,905</b>

**GAINS****Note 4C: Reversals of Previous Asset Write-Downs and Impairments**

Asset revaluation increment	-	16,691
<b>Total reversals of previous asset write-downs and impairments</b>	<b>-</b>	<b>16,691</b>

**Note 4D: Other Gains**

Resources received free of charge	460	410
Non-Financial Assets Received free of charge	-	5,999
<b>Total other gains</b>	<b>460</b>	<b>6,409</b>

**REVENUE FROM GOVERNMENT****Note 4E: Revenue from Government\*****Appropriations:**

Departmental appropriations	885,748	821,534
<b>Total revenue from Government</b>	<b>885,748</b>	<b>821,534</b>

\* The entity received \$438,122 (2012: \$333,611) under the Paid Parental Leave Scheme.

**Note 5: Financial Assets**

	2013 \$'000	2012 \$'000
<b><u>Note 5A: Cash and Cash Equivalents</u></b>		
Special Accounts	3,713	1,640
Cash held by outsiders	162	234
Cash on hand or on deposit	55,471	52,913
<b>Total cash and cash equivalents</b>	<b>59,346</b>	<b>54,787</b>
<b><u>Note 5B: Trade and Other Receivables</u></b>		
<b>Goods and Services:</b>		
Goods and services - related entities	28,737	20,234
Goods and services - external parties	2,320	4,096
<b>Total receivables for goods and services</b>	<b>31,057</b>	<b>24,330</b>
<b>Appropriations receivable:</b>		
For existing programs		
Overseas Property Office	427,533	438,950
Other Departmental	506,593	459,047
<b>Total appropriations receivable</b>	<b>934,126</b>	<b>897,997</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	2,571	2,693
Advances	10,259	8,704
Other	10,609	10,527
<b>Total other receivables</b>	<b>23,439</b>	<b>21,924</b>
<b>Total trade and other receivables (gross)</b>	<b>988,622</b>	<b>944,251</b>
<b>Less impairment allowance account:</b>		
Goods and services	(311)	(453)
<b>Total impairment allowance account</b>	<b>(311)</b>	<b>(453)</b>
<b>Total trade and other receivables (net)</b>	<b>988,311</b>	<b>943,798</b>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	980,779	937,154
More than 12 months	7,532	6,644
<b>Total trade and other receivables (net)</b>	<b>988,311</b>	<b>943,798</b>

**Note 5: Financial Assets (continued)**

	2013 \$'000	2012 \$'000
<b>Receivables are aged as follows:</b>		
Not overdue	969,685	932,521
Overdue by:		
0 to 30 days	8,179	1,929
31 to 60 days	1,207	1,830
61 to 90 days	20	734
More than 90 days	9,531	7,237
<b>Total receivables (gross)</b>	<b>988,622</b>	<b>944,251</b>

**The impairment allowance account is aged as follows:**

Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	311	453
<b>Total impairment allowance account</b>	<b>311</b>	<b>453</b>

Credit terms were within 30 days (2012: 30 days).

**Reconciliation of the Impairment Allowance Account:****Movements in relation to 2013**

	Goods and services \$'000	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	122	331	453
Amounts written off	-	-	-
Amounts recovered and reversed	(122)	(29)	(151)
Increase/decrease recognised in net surplus	-	9	9
<b>Closing balance</b>	<b>0</b>	<b>311</b>	<b>311</b>

**Movements in relation to 2012**

	Goods and services \$'000	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	-	309	309
Amounts written off	-	-	-
Amounts recovered and reversed	-	(7)	(7)
Increase/decrease recognised in net surplus	122	29	151
<b>Closing balance</b>	<b>122</b>	<b>331</b>	<b>453</b>

**Note 6: Non-Financial Assets**

	2013 \$'000	2012 \$'000
<b>Note 6A: Land and Buildings</b>		
<b>Land:</b>		
Land at fair value <sup>1</sup>	1,097,187	921,466
<b>Total land</b>	<b>1,097,187</b>	<b>921,466</b>
<b>Buildings:</b>		
Fair value <sup>1</sup>	739,363	696,486
Accumulated depreciation	(1,077)	(521)
Work in progress <sup>2</sup>	50,781	15,657
<b>Total buildings</b>	<b>789,067</b>	<b>711,622</b>
<b>Leasehold improvements:</b>		
Fair value	200,436	289,995
Accumulated depreciation	(21,288)	(121,876)
Work in progress	16,251	15,674
<b>Total leasehold improvements</b>	<b>195,399</b>	<b>183,793</b>
<b>Total land and buildings</b>	<b>2,081,653</b>	<b>1,816,881</b>

<sup>1</sup> This includes assets held for sale as follows:

2012-13: One property (Former Chancery in Phnom Penh, Cambodia) was sold and settled during the year. Total value is \$1,599,307.

2011-12: One property (Former Chancery in Phnom Penh, Cambodia) has been classified as an Asset Held for Sale. Total value is \$1,599,307.

<sup>2</sup> This is a qualifying asset and includes foreign exchange gains and losses that have been capitalised.

No indicators of impairment have been found for land and buildings (2012: \$1,034,000).

**Note 6B: Infrastructure, Plant and Equipment****Infrastructure, Plant and Equipment:**

Fair value	207,968	181,737
Accumulated depreciation	(88,770)	(59,680)
Work in progress	28,585	29,502
<b>Total infrastructure, plant and equipment</b>	<b>147,783</b>	<b>151,559</b>

No plant and equipment was held by the Department under finance leases.

Isolated indicators of impairment worth \$24,422 (2012: \$4,040) were found for Infrastructure, plant and equipment.

**Revaluations of non-financial assets**

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. Land and buildings have been independently valued by Savills as at 30 June 2013. Leasehold Improvements and Infrastructure, plant and equipment have been independently valued by the Australian Valuation Office as at 31 March 2013.

Revaluation increments of \$180,380,000 for land (2012: increments of \$54,412,000), revaluation increments of \$57,164,666 for buildings (2012: increments of \$2,946,000), revaluation increments of \$17,888,807 for leasehold improvements (2012: impairment decrements of \$28,101) and impairment decrements of \$20,743 for infrastructure, plant and equipment (2012: revaluation/impairment increment of \$5,642,652) were made to the asset revaluation reserve.

Revaluation decrements of \$153,606 for infrastructure, plant and equipment (2012: decrement of \$nil), impairment decrement for infrastructure, plant and equipment of \$3,679 (2012: decrement of \$4,040) and revaluation decrements of \$nil for buildings (2012: increments of \$16,691,000) were recognised in the profit and loss.

**Restrictions on title**

Due to the diplomatic nature of the overseas property portfolio, some properties have restriction on title. Restrictions on title vary depending on local government rules and regulations, such as one long term title that prohibits the Commonwealth of Australia from profiting from sale of the land.

**Note 6: Non-Financial Assets (continued)**

Note 6C: Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment 2013

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Infrastructure, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2012</b>					
Gross book value	921,466	986,481	1,907,947	181,737	2,089,684
Accumulated depreciation and impairment	-	(122,397)	(122,397)	(59,680)	(182,077)
Work in progress	-	31,331	31,331	29,502	60,833
<b>Net book value 1 July 2012</b>	<b>921,466</b>	<b>895,415</b>	<b>1,816,881</b>	<b>151,559</b>	<b>1,968,440</b>
Additions:					
By purchase	-	31,570	31,570	16,866	48,436
By finance lease	-	-	-	-	-
By donation/gift	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	180,380	75,053	255,433	(21)	255,412
Revaluations recognised in the operating result	-	-	-	(154)	(154)
Impairments recognised in the operating result	-	-	-	(4)	(4)
Reversal of impairments recognised in the operating result	-	-	-	-	-
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation expense	-	(64,778)	(64,778)	(39,619)	(104,397)
Other movements	-	-	-	-	-
Asset transfers	(3,165)	12,156	8,991	26,765	35,756
Movement in work in progress	-	-	-	-	-
Reclassification of opening balance in work in progress	-	-	-	-	-
Net movement in work in progress	-	35,701	35,701	(917)	34,784
Disposals:					
From disposal of entities or operations (including restructuring)	-	-	-	-	-
Other	(1,494)	(651)	(2,145)	(6,692)	(8,837)
<b>Net book value 30 June 2013</b>	<b>1,097,187</b>	<b>984,466</b>	<b>2,081,653</b>	<b>147,783</b>	<b>2,229,436</b>
<b>Net book value as of 30 June 2013 represented by:</b>					
Gross book value	1,097,187	939,799	2,036,986	207,968	2,244,954
Accumulated depreciation and impairment	-	(22,365)	(22,365)	(88,770)	(111,135)
Work in progress	-	67,032	67,032	28,585	95,617
	<b>1,097,187</b>	<b>984,466</b>	<b>2,081,653</b>	<b>147,783</b>	<b>2,229,436</b>

Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment 2012

	Land \$ '000	Buildings \$ '000	Total land and buildings \$ '000	Infrastructure, plant & equipment \$ '000	Total \$ '000
<b>As at 1 July 2011</b>					
Gross book value	867,840	916,717	1,784,557	182,316	1,966,873
Accumulated depreciation and impairment	-	(95,826)	(95,826)	(55,555)	(151,381)
Work in progress	-	61,994	61,994	14,672	76,666
<b>Net book value 1 July 2011</b>	<b>867,840</b>	<b>882,885</b>	<b>1,750,725</b>	<b>141,433</b>	<b>1,892,158</b>
Additions:					
By purchase or internally developed	156	39,246	39,402	21,550	60,952
By finance lease	-	-	-	-	-
By donation/gift	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	54,412	2,946	57,358	5,643	63,001
Revaluations recognised in the operating result	-	16,691	16,691	-	16,691
Impairments recognised in the operating result	(229)	(805)	(1,034)	(4)	(1,038)
Reversal of impairments recognised in the operating result	-	-	-	-	-
Assets held for sale or in a disposal group held for sale	1,494	105	1,599	-	1,599
Depreciation expense	-	(50,064)	(50,064)	(36,278)	(86,342)
Other movements	-	-	-	-	-
Asset transfers	-	35,425	35,425	7,577	43,002
Movements in work in progress	-	-	-	-	-
Reclassification of opening balance in work in progress	-	-	-	-	-
Net movement in work in progress	-	(30,663)	(30,663)	14,830	(15,833)
Disposals:					
From disposal of entities or operations (including restructuring)	-	-	-	-	-
Other	(2,207)	(351)	(2,558)	(3,192)	(5,750)
<b>Net book value 30 June 2012</b>	<b>921,466</b>	<b>895,415</b>	<b>1,816,881</b>	<b>151,559</b>	<b>1,968,440</b>
<b>Net book value as of 30 June 2012 represented by:</b>					
Gross book value	921,466	986,481	1,907,947	181,737	2,089,684
Accumulated depreciation and impairment	-	(122,397)	(122,397)	(59,680)	(182,077)
Work in progress	-	31,331	31,331	29,502	60,833
	<b>921,466</b>	<b>895,415</b>	<b>1,816,881</b>	<b>151,559</b>	<b>1,968,440</b>



**Note 6: Non-Financial Assets (continued)**

	2013	2012
	\$'000	\$'000
<b>Note 6D: Intangibles</b>		
<b>Computer software:</b>		
Internally developed – in progress	6,453	5,259
Internally developed – in use	35,502	32,518
Purchased	75,565	60,396
Accumulated amortisation	(48,502)	(40,479)
<b>Total computer software</b>	<b>69,018</b>	<b>57,694</b>
<b>Total intangibles</b>	<b>69,018</b>	<b>57,694</b>

No indicators of impairment were found for intangible assets.

**Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles 2013**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	32,518	28,851	61,369
Accumulated amortisation and impairment	(25,082)	(15,397)	(40,479)
Work in Progress	5,259	31,545	36,804
<b>Net book value 1 July 2012</b>	<b>12,695</b>	<b>44,999</b>	<b>57,694</b>
Additions:			
By purchase or internally developed	331	1,064	1,395
By finance lease	-	-	-
By donation/gift	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-
Revaluations and impairments recognised in other comprehensive income	-	-	-
Revaluations and impairments recognised in the operating result	-	-	-
Reversal of impairments recognised in the operating result	-	-	-
Amortisation	(3,695)	(4,335)	(8,030)
Other movements			
Asset transfers	4,088	2,460	6,548
Movements in work in progress			
Reclassification of opening balance in work in progress	-	-	-
Net movement in work in progress	1,194	11,851	13,045
Disposals:			
From disposal of entities or operations (including restructuring)	-	-	-
Other	(1,436)	(198)	(1,634)
<b>Net book value 30 June 2013</b>	<b>13,177</b>	<b>55,841</b>	<b>69,018</b>
<b>Net book value as of 30 June 2013 represented by:</b>			
Gross book value	35,502	32,169	67,671
Accumulated amortisation and impairment	(28,778)	(19,724)	(48,502)
Work in progress	6,453	43,396	49,849
	<b>13,177</b>	<b>55,841</b>	<b>69,018</b>

**Note 6: Non-Financial Assets (continued)****Note 6E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2012**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	32,518	22,713	55,231
Accumulated amortisation and impairment	(23,963)	(11,743)	(35,706)
Work in progress	6,561	10,142	16,703
<b>Net book value 1 July 2011</b>	<b>15,116</b>	<b>21,112</b>	<b>36,228</b>
Additions:			
By purchase or internally developed	-	4,034	4,034
By finance lease	-	-	-
By donation/gift	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-
Revaluations and impairments recognised in other comprehensive income	-	-	-
Revaluations and impairments recognised in the operating result	-	-	-
Reversal of impairments recognised in the operating result	-	-	-
Amortisation	(1,119)	(4,126)	(5,245)
Other movements [give details below]			
Asset transfers	-	5,984	5,984
Movements in work in progress			
Reclassification of opening balance in work in progress	-	-	-
Net movement in work in progress	(1,302)	21,403	20,101
Disposals:			
From disposal of entities or operations (including restructuring)	-	-	-
Other	-	(3,408)	(3,408)
<b>Net book value 30 June 2012</b>	<b>12,695</b>	<b>44,999</b>	<b>57,694</b>

**Net book value as of 30 June 2012 represented by:**

Gross book value	32,518	28,851	61,369
Accumulated amortisation and impairment	(25,082)	(15,397)	(40,479)
Work in progress	5,259	31,545	36,804
	<b>12,695</b>	<b>44,999</b>	<b>57,694</b>

2013  
\$'000

2012  
\$'000

**Note 6F: Inventories****Inventories held for sale:**

Finished goods	<b>30,998</b>	41,843
<b>Total inventories held for sale</b>	<b>30,998</b>	41,843
Inventories held for distribution	<b>127</b>	133
<b>Total inventories</b>	<b>31,125</b>	41,976

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be sold or distributed in the next 12 months.

**Note 6G: Other Non-Financial Assets**

Property leases	<b>19,694</b>	15,571
Other	<b>45,029</b>	11,475
<b>Total other non-financial assets</b>	<b>64,723</b>	27,046
<b>Total other non-financial assets:</b>		
No more than 12 months	<b>56,644</b>	22,705
More than 12 months	<b>8,079</b>	4,341
<b>Total other non-financial assets</b>	<b>64,723</b>	27,046

No indicators of impairment were found for other non-financial assets.

**Note 7: Payables**

	2013 \$'000	2012 \$'000
<b>Note 7A: Suppliers</b>		
Trade creditors and accruals	79,870	76,099
<b>Total suppliers payables</b>	<b>79,870</b>	<b>76,099</b>
<b>Suppliers payables expected to be settled within 12 months:</b>		
Related entities	17,156	18,167
External parties	62,714	57,932
<b>Total</b>	<b>79,870</b>	<b>76,099</b>
<b>Note 7B: Other Payables</b>		
Wages and salaries	10,838	9,313
Superannuation	1,259	1,111
Prepayments received/unearned income	19,518	18,140
Other	11,802	2,983
<b>Total other payables</b>	<b>43,417</b>	<b>31,547</b>
<b>Total other payables are expected to be settled in:</b>		
No more than 12 months	38,763	22,186
More than 12 months	4,654	9,361
<b>Total other payables</b>	<b>43,417</b>	<b>31,547</b>

**Note 8: Provisions**

	2013 \$'000	2012 \$'000
<b>Note 8A: Employee Provisions</b>		
Annual Leave	32,047	31,001
Long Service Leave	74,205	75,982
Superannuation	13,195	13,277
Separations and redundancies	11,967	11,268
Other employee provisions	11,992	4,265
<b>Total employee provisions</b>	<b>143,406</b>	<b>135,793</b>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	50,922	47,189
More than 12 months	92,484	88,604
<b>Total employee provisions</b>	<b>143,406</b>	<b>135,793</b>
<b>Note 8B: Other Provisions</b>		
Provision for restoration obligations	19,595	26,679
<b>Total other provisions</b>	<b>19,595</b>	<b>26,679</b>
<b>Other provisions are expected to be settled in:</b>		
No more than 12 months	952	3,501
More than 12 months	18,643	23,178
<b>Total other provisions</b>	<b>19,595</b>	<b>26,679</b>
	<b>Provision for restoration</b>	
	<b>\$'000</b>	
<b>Carrying amount 1 July 2012</b>	<b>26,679</b>	
Additional provisions made	<b>1,023</b>	
Amounts Reversed	<b>(2,007)</b>	
Revaluation of provision	<b>(8,823)</b>	
Movements due to foreign exchange	<b>936</b>	
Unwinding of discount or change in discount rate	<b>1,787</b>	
<b>Closing balance 2013</b>	<b>19,595</b>	

The Department currently has 69 agreements (2012: 69) for the leasing of premises where the Department has raised a provision to restore the premises to their original condition at the conclusion of the lease. The provision reflects the present value of this obligation.

**Note 9: Cash Flow Reconciliation**

	2013 \$'000	2012 \$'000
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	59,346	54,787
Balance sheet	<u>59,346</u>	<u>54,787</u>
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(934,136)	(876,433)
Add revenue from Government	885,748	821,534
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	112,448	91,589
Net write down of non-financial assets	1,720	1,038
Reversals of Previous Asset Write-Downs (Asset Revaluation)	-	(16,691)
Loss (Gain) on disposal of assets	8,259	6,091
Resources received free of charge - Non Financial Assets	-	(5,999)
Investing OPA (receivable)	9,938	(54,281)
Effect of foreign exchange on cash	5,072	2,051
Interest	-	1
<b>Changes in assets / liabilities</b>		
(Increase) / decrease in net receivables	(44,311)	16,392
(Increase) / decrease in inventories	10,853	(1,738)
(Increase) / decrease in prepayments	(38,306)	734
Increase / (decrease) in employee provisions	9,283	13,959
Increase / (decrease) in supplier payables	3,774	(4,296)
Increase / (decrease) in other provisions	7,027	333
Increase / (decrease) in other assets	(144)	8,751
Increase / (decrease) in unearned income	1,597	(266)
Increase / (decrease) in other liabilities	4,923	(2,712)
<b>Net cash from (used by) operating activities</b>	<u>43,745</u>	<u>57</u>

## Note 10: Contingent Assets and Liabilities

	Guarantees		Claims for damages or costs		Total	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent assets</b>						
Balance from previous period	-	-	-	12	-	12
New contingent assets recognised	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets recognised	-	-	-	-	-	-
Expired	-	-	-	(12)	-	(12)
<b>Total contingent assets</b>	-	-	-	-	-	-
<b>Contingent liabilities</b>						
Balance from previous period	114	125	397	541	511	666
New	-	-	303	-	303	-
Re-measurement	15	(11)	26	(8)	41	(19)
Liabilities recognised	-	-	-	-	-	-
Obligations expired	-	-	-	(136)	-	(136)
<b>Total contingent liabilities</b>	129	114	726	397	855	511
<b>Net contingent assets (liabilities)</b>	<b>(129)</b>	<b>(114)</b>	<b>(726)</b>	<b>(397)</b>	<b>(855)</b>	<b>(511)</b>

### Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$725,969 (2012: \$396,967). This amount represents an estimate of the Department's liability based on precedent cases and on advice from the Department's external legal service providers. The Department is defending the claims.

The Schedule of Contingencies reports contingent liabilities in respect of bank and residential lease guarantees made by the department of \$129,472 (2012: \$113,618).

### Unquantifiable Contingencies

At 30 June 2013, the Department was involved in a number of litigation matters for losses allegedly suffered by claimants. The Department is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

### Significant Remote Contingencies

The Department is currently defending a number of other legal claims. At 30 June 2013, advice from the Department's external legal service providers is that the Department has a strong case in each of these matters and is not likely to be found liable.

**Note 11: Senior Executive Remuneration****Note 11A: Senior Executive Remuneration Expenses for the Reporting Period**

	2013	2012
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	40,665,063	37,245,610
Annual leave accrued	446,141	562,054
Performance bonuses	79,583	712,272
Motor vehicles	3,100,574	3,058,575
Overseas Allowances	13,760,798	12,648,169
Other allowances	4,651,758	3,967,065
<b>Total short-term employee benefits</b>	<b>62,703,917</b>	<b>58,193,747</b>
<b>Post-employment benefits:</b>		
Superannuation	8,653,038	8,659,452
<b>Total post-employment benefits</b>	<b>8,653,038</b>	<b>8,659,452</b>
<b>Other long-term benefits:</b>		
Long-service leave	412,209	1,181,112
<b>Total other long-term benefits</b>	<b>412,209</b>	<b>1,181,112</b>
<b>Termination benefits</b>	<b>487,242</b>	<b>490,418</b>
<b>Total employment benefits</b>	<b>72,256,406</b>	<b>68,524,728</b>

**Notes:**

- Note 11A is prepared on an accrual basis (therefore the performance bonus expenses disclosed above may differ from the cash 'Bonus paid' in Note 11B).
- Note 11A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$180,000.
- The 'Annual leave accrued' and 'Long –service leave' amounts reflect the net movement of the respective leave liabilities and not the total leave accrual amounts for the financial year. The 'Salary' amount includes payments for leave taken. The total of 'Annual leave accrued', 'Long-service leave' and 'Salary' reflects the total accrued salary and leave expense for the financial year.



**Note 11: Senior Executive Remuneration (continued)**

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration <sup>1</sup>	Senior Executives	2013						Total <sup>5</sup>
		No.	Reportable salary <sup>2</sup>			Contributed superannuation <sup>3</sup>	Bonus paid <sup>4</sup>	
			Salary Payments	Domestic Allowances	Overseas Allowances			
Total remuneration (including part-time arrangements):								
less than \$180,000		23	44,913	3,211	8,028	9,712	-	65,864
\$180,000 to \$209,999		5	143,885	10,340	18,355	31,137	511	204,229
\$210,000 to \$239,999		45	164,981	15,228	8,319	36,997	296	225,821
\$240,000 to \$269,999		29	175,369	12,292	27,772	39,414	111	254,959
\$270,000 to \$299,999		36	184,885	10,465	45,752	43,895	258	285,255
\$300,000 to \$329,999		23	182,388	12,671	78,371	42,170	539	316,139
\$330,000 to \$359,999		33	186,997	18,255	95,215	43,470	928	344,864
\$360,000 to \$389,999		16	192,921	18,319	114,904	45,934	-	372,077
\$390,000 to \$419,999		12	209,790	19,884	123,449	55,627	258	409,008
\$420,000 to \$449,999		5	258,185	9,068	111,017	60,688	182	439,140
\$450,000 to \$479,999		1	230,696	24,159	151,365	45,144	-	451,364
\$480,000 to \$509,999		5	247,508	7,074	174,417	63,012	-	492,010
\$510,000 to \$539,999		2	399,179	-	68,064	55,311	-	522,554
\$540,000 to \$569,999		1	526,193	1,570	9,220	3,391	-	540,374
\$600,000 to \$689,999		1	484,224	11,773	80,999	96,788	-	673,784
Total		237						

Average annual reportable remuneration <sup>1</sup>	Senior Executives	2012						Total <sup>5</sup>
		No.	Reportable salary <sup>2</sup>			Contributed superannuation <sup>3</sup>	Bonus paid <sup>4</sup>	
			Salary Payments	Domestic Allowances	Overseas Allowances			
Total remuneration (including part-time arrangements): <sup>6</sup>								
less than \$180,000		20	60,136	5,191	3,276	16,730	420	85,755
\$180,000 to \$209,999		24	146,668	12,007	5,296	35,354	2,697	202,023
\$210,000 to \$239,999		35	146,348	18,268	11,415	42,876	2,900	221,807
\$240,000 to \$269,999		32	163,298	12,801	25,010	53,583	3,415	258,106
\$270,000 to \$299,999		32	157,156	17,156	63,393	45,374	3,431	284,200
\$300,000 to \$329,999		25	168,543	15,659	80,322	50,146	3,607	318,277
\$330,000 to \$359,999		18	158,221	17,096	110,617	56,120	3,480	345,535
\$360,000 to \$389,999		8	180,355	17,916	105,651	61,766	4,141	369,829
\$390,000 to \$419,999		7	221,511	10,786	88,946	79,075	4,304	404,623
\$420,000 to \$449,999		5	203,607	14,194	150,074	60,172	4,126	432,173
\$450,000 to \$479,999		5	227,118	8,406	173,774	52,728	3,143	465,169
\$540,000 to \$569,999		1	413,178	4,449	-	138,361	-	555,988
\$570,000 to \$599,999		1	292,816	25,973	147,372	111,822	5,213	583,196
\$600,000 to \$689,999		1	286,212	25,973	168,341	117,942	5,213	603,681
Total		214						

Note 11: Senior Executive Remuneration (continued)

Notes:

- 1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 2. 'Reportable salary' includes gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column) and comprises the following:
  - a) Salary Payments;
  - b) Domestic and Overseas Allowances. Allowances include reportable fringe benefits (net amount), and
  - c) exempt foreign employment income.
- 3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' pay slips.
- 4. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- 5. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the reportable salary column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.
- 5. Adjustments to 2011-12 comparatives were made to reflect the change in executive remuneration threshold (from \$150,000 to \$180,000), changes to disclosure of reportable-FBT and adjustments to salary inclusions for employees promoted to SES during the financial year.

**Note 11: Senior Executive Remuneration (continued)****Note 11C: Other Highly Paid Staff**

Average annual reportable remuneration <sup>1</sup>	Staff	2013					
		No.	Reportable salary <sup>2</sup>		Contributed superannuation <sup>3</sup>	Bonus paid <sup>4</sup>	Total <sup>5</sup>
			Salary Payments	Domestic Allowances Overseas Allowances			
			\$	\$	\$	\$	\$
<b>total remuneration (including part-time arrangements):</b>							
\$180,000 to \$209,999	109		105,260	3,459	20,938	1,585	193,140
\$210,000 to \$239,999	91		111,619	2,011	24,407	1,871	223,467
\$240,000 to \$269,999	41		113,601	2,133	109,021	2,188	253,900
\$270,000 to \$299,999	30		120,063	3,600	130,146	2,395	284,023
\$300,000 to \$329,999	13		133,136	7,346	138,834	1,408	312,839
\$330,000 to \$359,999	8		125,839	18,346	171,254	1,353	345,115
\$360,000 to \$389,999	1		134,683	35,155	151,846	2,704	360,011
<b>total</b>	<b>293</b>				<b>35,623</b>		

Average annual reportable remuneration <sup>1</sup>	Staff	2012					
		No.	Reportable salary <sup>2</sup>		Contributed superannuation <sup>3</sup>	Bonus paid <sup>4</sup>	Total <sup>5</sup>
			Salary Payments	Domestic Allowances Overseas Allowances			
			\$	\$	\$	\$	\$
<b>total remuneration (including part-time arrangements):<sup>6</sup></b>							
\$180,000 to \$209,999	134		98,723	2,145	23,514	1,258	193,138
\$210,000 to \$239,999	90		105,346	2,784	23,953	1,631	222,778
\$240,000 to \$269,999	40		113,271	4,303	27,198	1,220	252,324
\$270,000 to \$299,999	15		112,688	8,409	132,758	738	286,838
\$300,000 to \$329,999	19		109,545	12,803	151,048	955	309,109
\$330,000 to \$359,999	3		135,103	15,875	155,741	828	339,744
\$390,000 to \$419,999	1		141,200	154	225,603	2,483	394,071
<b>total</b>	<b>302</b>				<b>24,632</b>		

**Notes:**

<sup>1</sup> This table reports staff:

- a) who were employed by the entity during the reporting period;
- b) whose reportable remuneration was \$180,000 or more for the financial period; and
- c) were not required to be disclosed in Tables B or director disclosures.

Each row is an averaged figure based on headcount for individuals in the band.

<sup>2</sup> 'Reportable salary' includes gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column) and comprises the following:

- a) Salary Payments;
- b) Domestic and Overseas Allowances. Allowances include reportable fringe benefits (net amount); and
- c) exempt foreign employment income.

<sup>3</sup> The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' pay slips.

<sup>4</sup> 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

<sup>5</sup> Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

<sup>6</sup> Adjustments to 2011-12 comparatives were made to reflect the change in executive remuneration threshold (from \$150,000 to \$180,000), changes to disclosure of reportable-FBT and adjustments to salary inclusions for employees promoted to SES during the financial year.

**Note 12: Remuneration of Auditors**

	2013	2012
	\$'000	\$'000

Financial statement audit services were provided free of charge to the entity by the Australian National Audit Office (ANAO).

**Fair value of the services provided**

The fair value of the services provided was:

	460	410
<b>Total</b>	<b>460</b>	<b>410</b>

No other services were provided by the ANAO

**Note 13: Financial Instruments**

	2013	2012
	\$'000	\$'000

**Note 13A: Categories of Financial Instruments****Financial Assets****Loans and receivables:**

Cash	59,346	54,787
Receivables for goods and services	30,746	23,877
Other receivables	20,868	19,231
<b>Carrying amount of financial assets</b>	<b>110,960</b>	<b>97,895</b>

**Financial Liabilities****At amortised cost:**

Trade creditors and accruals	79,870	76,099
<b>Carrying amount of financial liabilities</b>	<b>79,870</b>	<b>76,099</b>

**Note 13B: Net Income and Expense from Financial Assets****Loans and receivables**

Exchange gains/(loss)	(5,072)	(2,051)
Impairment gain/(loss)	18	156
<b>Net gain/(loss) from loans and receivables</b>	<b>(5,054)</b>	<b>(1,895)</b>

**Note 13C: Net Income and Expense from Financial Liabilities****Financial liabilities - at amortised cost**

Interest expense	-	-
<b>Net gain/(loss) from financial liabilities - at amortised cost</b>	<b>-</b>	<b>-</b>

**Note 13D: Fair Value of Financial Instruments**

As the Department only holds basic financial instruments (cash, receivables and payables), the carrying amounts are a reasonable approximation of fair value.

### Note 13: Financial Instruments (continued)

#### Note 13E: Credit Risk

The Department is exposed to minimal credit risk as loans and receivables comprise trade and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This is equal to the total amount of these outstanding receivables of \$51,635,000 (2012: \$43,562,000). The Department has assessed the risk of default on payment and has allocated \$311,000 (2012: \$453,000) to an allowance for doubtful debts account. The Department has no collateral to mitigate against credit risk.

#### Ageing of financial assets that were past due but not impaired for 2013

	Not past due not impaired \$'000	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Not impaired</b>						
Cash	59,346	-	-	-	-	59,346
Receivables for goods and services	19,747	8,108	1,192	10	2,000	31,057
Other receivables	13,239	71	15	11	7,532	20,868
<b>Impaired</b>						
Receivables for goods and services	-	-	-	-	(311)	(311)
<b>Total</b>	<b>92,332</b>	<b>8,179</b>	<b>1,207</b>	<b>21</b>	<b>9,221</b>	<b>110,960</b>

#### Ageing of financial assets that were past due but not impaired for 2012

	Not past due not impaired \$'000	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Not impaired</b>						
Cash	54,787	-	-	-	-	54,787
Receivables for goods and services	19,355	1,829	1,826	728	592	24,330
Other receivables	12,476	100	4	5	6,646	19,231
<b>Impaired</b>						
Receivables for goods and services	-	-	-	-	(453)	(453)
<b>Total</b>	<b>86,618</b>	<b>1,929</b>	<b>1,830</b>	<b>733</b>	<b>6,785</b>	<b>97,895</b>

**Note 13: Financial Instruments (continued)****Note 13F: Liquidity Risk**

The Department's financial liabilities are trade creditors. It is highly unlikely that the Department will encounter difficulty in meeting its obligations associated with these liabilities given that it is a Commonwealth entity and has funding mechanisms available to ensure default does not occur. In addition, the Department has internal policies and procedures in place to ensure there are sufficient resources to make payments and has no history of default. The following table illustrates the maturities for financial liabilities:

**Maturities for non-derivative financial liabilities 2013**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	79,870	-	-	-	79,870
<b>Total</b>	-	79,870	-	-	-	79,870

**Maturities for non-derivative financial liabilities 2012**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	76,099	-	-	-	76,099
<b>Total</b>	-	76,099	-	-	-	76,099

The entity had no derivative financial liabilities in either 2013 or 2012.



## Note 13: Financial Instruments (continued)

### Note 13G: Market Risk

#### Currency risk

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instruments will fluctuate due to changes in foreign currency exchange rates. The Department is exposed to foreign currency exchange risk primarily through undertaking certain transactions denominated in a wide range of foreign currency through its operations overseas.

The following table illustrates the effect on the Department's operating result (profit or loss) and equity as at 30 June 2013 from a 15.7% (2012: 15%) increase or decrease against the AUD in the currencies in which financial instruments were held by the Department, with all other variables held constant.

#### Sensitivity analysis of the risk that the entity is exposed to for 2013

	Risk variable	Change in risk variable %	+ Favourable Effect on		- Unfavourable Effect on	
			Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
Cash	43,884	15.7%	(5,955)	(5,955)	8,173	8,173
Receivables for goods and services (net)	(378)	15.7%	51	51	(70)	(70)
Other receivables	2,120	15.7%	(288)	(288)	395	395
Trade creditors	(345)	15.7%	47	47	(64)	(64)
<b>Total</b>	<b>45,281</b>		<b>(6,145)</b>	<b>(6,145)</b>	<b>8,434</b>	<b>8,434</b>

#### Sensitivity analysis of the risk that the entity is exposed to for 2012

	Risk variable	Change in risk variable %	+ Favourable Effect on		- Unfavourable Effect on	
			Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
Cash	44,389	15%	(5,790)	(5,790)	7,833	7,833
Receivables for goods and services (net)	1,506	15%	(196)	(196)	266	266
Other receivables	4,188	15%	(546)	(546)	739	739
Trade creditors	2,890	15%	377	377	(510)	(510)
<b>Total</b>	<b>52,973</b>		<b>(6,155)</b>	<b>(6,155)</b>	<b>8,328</b>	<b>8,328</b>

#### Interest rate and Other price risk

The Department holds basic financial instruments that do not expose it to 'Interest rate risk' or 'Other price risk'.

**Note 14: Financial Assets Reconciliation**

		2013 \$'000	2012 \$'000
<b>Financial assets</b>	<b>Notes</b>		
<b>Total financial assets as per balance sheet</b>		<b>1,047,657</b>	998,585
Less: non-financial instrument components:			
Appropriations receivable	5B	934,126	897,997
Other receivables (GST receivable from the ATO)	5B	2,571	2,693
Total non-financial instrument components		<u>936,697</u>	<u>900,690</u>
<b>Total financial assets as per financial instruments note</b>	13A	<u><b>110,960</b></u>	<u>97,895</u>

**Note 15: Administered - Expenses**

<b>EXPENSES</b>	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<b><u>Note 15A: Employee Benefits</u></b>		
Wages and salaries	142	678
Superannuation:		
Defined benefit plans	23	109
Leave and other entitlements	37	103
North American Pension Scheme - transfers and payments	3,747	3,661
Other	<u>1,269</u>	<u>928</u>
<b>Total employee benefits expense</b>	<u><b>5,218</b></u>	<u>5,479</u>
<b><u>Note 15B: Suppliers</u></b>		
<b>Goods and services</b>		
Professional services	647	7,138
Australia Network	21,984	19,766
Other suppliers	<u>489</u>	<u>2,064</u>
<b>Total goods and services</b>	<u><b>23,120</b></u>	<u>28,968</u>
<b>Goods and services are made up of:</b>		
Rendering of services – related entities	21,984	19,766
Rendering of services – external parties	<u>1,136</u>	<u>9,202</u>
<b>Total goods and services</b>	<u><b>23,120</b></u>	<u>28,968</u>
<b><u>Note 15C: Grants and Contributions</u></b>		
<b>Private sector:</b>		
Non-profit organisations - external	4,575	8,057
Overseas - International organisations	91,615	83,227
Overseas - UN peacekeeping	136,227	139,634
Other	<u>4</u>	<u>93</u>
<b>Total grants and contributions</b>	<u><b>232,421</b></u>	<u>231,011</u>
<b><u>Note 15D: Write-Down and Impairment of Assets</u></b>		
<b>Asset write-downs and impairments from:</b>		
Impairment of financial assets	<u>135</u>	<u>4</u>
<b>Total write-down and impairment of assets</b>	<u><b>135</b></u>	<u>4</u>
<b><u>Note 15E: Foreign Exchange Losses</u></b>		
Non-speculative - NIA	237	305
Non-speculative - other	<u>3,380</u>	<u>1,541</u>
<b>Total foreign exchange losses</b>	<u><b>3,617</b></u>	<u>1,846</u>
<b><u>Note 15F: Other</u></b>		
NIA - Interest	2,752	1,809
NIA - Debt forgiveness	7,989	8,085
NIA - Other financial costs	-	17
EFIC - Administration costs	2,234	1,446
Passport and consular fee refunds	<u>831</u>	<u>885</u>
<b>Total other expenses</b>	<u><b>13,806</b></u>	<u>12,242</u>

**Note 16: Administered - Income**

	2013 \$'000	2012 \$'000
<b>REVENUE</b>		
<b>Non-Taxation Revenue</b>		
<b><u>Note 16A: Sale of Goods and Rendering of Services</u></b>		
Rendering of services – related entities - passport fees	170	103
Rendering of services – external parties - passport fees	355,404	349,029
Rendering of services – external parties - consular services	7,746	7,377
Nuclear safeguard charges - external parties	671	617
<b>Total sale of goods and rendering services</b>	<b>363,991</b>	<b>357,126</b>
<b><u>Note 16B: Interest</u></b>		
NIA	3,869	4,560
Other	90	118
<b>Total interest</b>	<b>3,959</b>	<b>4,678</b>
<b><u>Note 16C: Dividends</u></b>		
Australian Government entities - Export Finance and Insurance Corporation (EFIC)	226,839	30,194
<b>Total dividends</b>	<b>226,839</b>	<b>30,194</b>
<b><u>Note 16D: Other Revenue</u></b>		
NIA - repayment of interest subsidy and recoveries	15,894	20,876
NIA - premiums	7,686	5,261
Defined benefit pension schemes - contributions	2,922	3,256
Industry contributions/sponsorship	-	233
Refund of prior year expenses	10,210	11,627
Other	192	161
<b>Total other revenue</b>	<b>36,904</b>	<b>41,414</b>

**Note 17: Administered - Financial Assets**

FINANCIAL ASSETS	2013 \$'000	2012 \$'000
<b>Note 17A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	134	191
<b>Total cash and cash equivalents</b>	<b>134</b>	<b>191</b>
<b>Note 17B: Trade and Other Receivables</b>		
<b>Goods and services:</b>		
Goods and services receivable - external parties *	46	5
<b>Total receivables for goods and services</b>	<b>46</b>	<b>5</b>
<b>Advances and loans:</b>		
Other - Travellers Emergency Loans	1,288	1,448
<b>Total advances and loans</b>	<b>1,288</b>	<b>1,448</b>
<b>Other receivables:</b>		
Related entities	476	408
GST receivable from the ATO	20	354
Dividend - Export Finance and Insurance Corporation (EFIC)	-	30,194
Passport fees, Passport Act fines and consular fees	1,778	1,784
<b>Total other receivables</b>	<b>2,274</b>	<b>32,740</b>
<b>Total trade and other receivables (gross)</b>	<b>3,608</b>	<b>34,193</b>
<b>Less: impairment allowance account:</b>		
Advances and loans - Travellers Emergency Loans	(403)	(546)
Receivables - Passport Act fines	(31)	-
<b>Total impairment allowance account</b>	<b>(434)</b>	<b>(546)</b>
<b>Total trade and other receivables (net)</b>	<b>3,174</b>	<b>33,647</b>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	2,759	33,243
More than 12 months	415	404
<b>Total trade and other receivables (net)</b>	<b>3,174</b>	<b>33,647</b>
<b>Receivables were aged as follows:</b>		
Not overdue	2,676	33,119
Overdue by:		
0 to 30 days	11	10
31 to 60 days	2	9
61 to 90 days	5	2
More than 90 days	914	1,053
<b>Total receivables (gross)</b>	<b>3,608</b>	<b>34,193</b>
<b>The impairment allowance account is aged as follows:</b>		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	(1)
More than 90 days	(434)	(545)
<b>Total impairment allowance account</b>	<b>(434)</b>	<b>(546)</b>

\*Goods and services receivable are with entities external to the Australian Government. Credit terms were within 30 days (2012: 30 days).

**Note 17: Administered - Financial Assets (continued)****Reconciliation of the Impairment Allowance Account:****Movements in relation to 2013**

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	(546)	-	(546)
Amounts impaired	(17)	(31)	(48)
Amounts recovered and reversed	160	-	160
Increase/decrease recognised in net surplus	-	-	-
<b>Closing balance</b>	(403)	(31)	(434)

**Movements in relation to 2012**

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	(553)	-	(553)
Amounts impaired	-	-	-
Amounts recovered and reversed	7	-	7
Increase/decrease recognised in net surplus	-	-	-
<b>Closing balance</b>	(546)	-	(546)

2013	2012
\$'000	\$'000

**Note 17C: Investments Accounted for Using the Equity Method****Investments in associates:**

Export Finance and Insurance Corporation (EFIC)	216,240	418,063
<b>Total equity accounted investments</b>	<b>216,240</b>	<b>418,063</b>

**Investments in equity accounted investments are expected to be recovered in:**

No more than 12 months	-	-
More than 12 months	216,240	418,063
<b>Total equity accounted investments</b>	<b>216,240</b>	<b>418,063</b>

**Details of investments accounted for using the equity method**

	Ownership	
	2013	2012
<b>Name of entity</b>	%	%
<b>Associates:</b>		
Export Finance and Insurance Corporation (EFIC) <sup>1</sup>	100	100

<sup>1</sup> EFIC's principal activity is the provision of competitive finance and insurance services to Australian exporters and Australian companies investing in new projects overseas.

**Summarised financial information of associates:**

	2013 \$'000	2012 \$'000
<b>Balance sheet:</b>		
Assets	2,706,729	3,273,913
Liabilities	2,490,489	2,855,850
Net assets	216,240	418,063
<b>Statement of comprehensive income:</b>		
Income	181,407	263,495
Expenses	158,854	236,656
Net surplus/(deficit)	22,553	26,839
<b>Share of associates' net surplus/(deficit):</b>	<b>22,553</b>	<b>26,839</b>

Dividends received from associates in 2013 included: 2011-12 dividend of \$26.8 million and special dividend of \$200 million paid in June 2013.

**Note 18: Administered - Non-Financial Assets**

NON-FINANCIAL ASSETS	2013 \$'000	2012 \$'000
<b>Note 18A - Prepayments:</b>		
Prepayments	-	1,650
<b>Total prepayments</b>	-	1,650
<b>Prepayments - are expected to be recovered in:</b>		
No more than 12 months	-	1,650
More than 12 months	-	-
<b>Total prepayments</b>	-	1,650

**Note 19: Liabilities Administered on Behalf of Government**

PAYABLES	2013 \$'000	2012 \$'000
<b>Note 19A: Suppliers</b>		
Trade creditors and accruals	293	1,209
Other	7	33
<b>Total suppliers</b>	300	1,242
<b>Supplier payables expected to be settled within 12 months:</b>		
Related entities	-	-
External parties	300	1,242
<b>Total suppliers</b>	300	1,242
Settlement was usually made within 30 days (2012: 30 days).		
<b>Note 19B: Other Payables</b>		
NIA*	3,791	10,689
Unearned income - passports revenue	7,039	8,749
Defined benefit pension schemes - NAPS	36,430	33,327
Defined benefits pension schemes - Other	12,722	6,945
<b>Total other payables</b>	59,982	59,710
<b>Total other payables are expected to be settled in:</b>		
No more than 12 months	897	11,345
More than 12 months	59,085	48,365
<b>Total other payables</b>	59,982	59,710

\* Loans on the National Interest Account (NIA) are funded from the Commercial Account at fair value. The amount disclosed above reflects the Commonwealth's exposure on business undertaken on the NIA. It reflects the net amount of:

- 1) assets in the form of loans and rescheduled credit insurance debts to overseas governments, commitment fees on loans received by EFIC but not yet paid to the Commonwealth, bond premiums receivable from exporters; and
- 2) liabilities relating to the reimbursement to EFIC for debt forgiveness on loans, provision for unearned income on loan premiums, accrued expenses including EFIC administration fees and other creditors.



**Note 19: Liabilities Administered on Behalf of Government (continued)**

<b>Defined Benefit Pension Schemes</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>The amounts recognised in the Balance Sheet are as follows:</i>		
Present value of funded obligations	40,029	31,020
Fair value of plan assets	(27,307)	(24,075)
	<u>12,722</u>	<u>6,945</u>
Present value of unfunded obligations	36,430	33,327
Net liability in balance sheet	<u>49,152</u>	<u>40,272</u>
<i>Movements in the net liability recognised in the Balance Sheet as follows:</i>		
Net liability at the start of the year <sup>1</sup>	40,898	32,742
Exchange differences on foreign plans	3,380	1,538
Net expense recognised in the income statement	2,451	2,852
Net actuarial losses (gains)	5,133	6,155
Employer financing	(2,710)	(3,015)
Net liability at the end of the year	<u>49,152</u>	<u>40,272</u>
<sup>1</sup> Adjustment to 2013 Opening Balance:		
A review of the New Delhi Gratuity Scheme was conducted in 2012-13 by Aon Hewitt. The review concluded that the Department had a liability for the 2011-12 financial year of INR 35,341,333 (AUD\$625,340). This amount was expensed and the opening balance of the net liability adjusted in the Department's 2012-13 accounts.		
<i>Reconciliation of opening and closing balance of the defined benefit obligation:</i>		
Opening liability	64,347	55,656
Adjustment for New Delhi scheme liabilities	196	69
Exchange differences on foreign plans	4,990	2,148
Service cost	1,180	1,552
Interest cost	2,861	3,034
Contributions by plan participants (funded schemes)	68	63
Actuarial (gains) and losses	6,179	5,406
Benefits paid	(3,362)	(3,581)
Closing liability	<u>76,459</u>	<u>64,347</u>
<i>Reconciliation of opening and closing balance of the fair value of plan assets:</i>		
Opening assets	24,075	22,914
Adjustment for New Delhi Scheme assets	(429)	69
Exchange differences on foreign plans	1,610	610
Expected return on plan assets	1,590	1,733
Contributions by plan participants (funded schemes)	68	63
Contributions by employer	468	427
Actuarial gains and (losses)	1,046	(749)
Benefits paid	(1,121)	(992)
Closing assets	<u>27,307</u>	<u>24,075</u>
<i>The amounts recognised in the Income Statement are as follows:</i>		
Current service cost	1,180	1,552
Interest on obligation	2,861	3,034
Expected return on plan assets	(1,590)	(1,733)
Past service cost		
Losses (gains) on curtailments and settlements		
Total included in 'employee benefit expense account'	<u>2,451</u>	<u>2,853</u>

**Note 19: Liabilities Administered on Behalf of Government (continued)***Amounts recognised directly in administered equity*

Financial year ended	2013 \$'000	2012 \$'000
Actuarial Gains (Losses)	(5,133)	(6,155)

*Cumulative amounts of gains and losses recognised in administered equity*

Financial year ended	2013 \$'000	2012 \$'000
Actuarial Gains (Losses)	(21,850)	(16,717)

*Pension Scheme Assets**The fair value of scheme assets is represented by:*

Financial year ended	2013	2012
UK equities	0.0%	0.0%
Overseas equities	0.0%	0.0%
Long dated UK corporate bonds	13.7%	15.6%
Long dated UK Gilts	10.9%	10.1%
Cash	0.3%	0.3%
Insured Pensioner	1.9%	2.0%
Investment in LIC India	0.4%	2.6%
Diversified Growth Fund	72.8%	69.4%

*Fair Value of pension scheme assets*

The fair value of scheme assets does not include amounts relating to:

- any of the Department's (and the Australian Government's) own financial instruments; and
- any property occupied by, or other assets used by the Department (or the Australian Government)

*Expected return on pension schemes assets*

The expected return on assets is based on the weighted average of the London and New Delhi scheme asset balances applied to the discount rate for both schemes.

*Actual return on scheme assets*

Financial year ended	2013 \$'000	2012 \$'000
Actual return on scheme assets	2,636	984
Actual return on scheme assets as a percentage	11%	4%

*Principal actuarial assumptions at the reporting date (expressed as weighted averages):*

Financial year ended	2013	2012
Discount rate at 30 June	3.85%	4.25%
Expected return on assets at 30 June	3.82%	3.07%
Salary growth	3.28%	3.12%
Pension growth	2.92%	1.09%

*Historical Information*

Financial year ended	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000
Present value of defined benefit obligations	(76,459)	(64,347)	(55,656)	(64,981)	(60,950)
Fair value of scheme assets	27,307	24,075	22,914	24,648	21,484
Surplus / (deficit) in the scheme	(49,152)	(40,272)	(32,742)	(40,333)	(39,466)
Actuarial gains (losses) - net liabilities	(5,133)	(6,155)	28	(3,414)	(4,629)
Effect of exchange rate gains (losses)	(3,380)	(1,538)	7,134	2,604	(5,237)

*Expected Employer Contributions*

Financial year ended	2014 \$'000	2013 \$'000
Expected employer contributions <sup>1</sup>	2,831	902

<sup>1</sup> This represents the employer contributions, which are paid into the schemes fund*Scheme Information*

The Department administers on behalf of the Australian Government, defined benefit pension schemes for locally engaged staff at posts in London and New Delhi, and also the North American Pension Scheme. All schemes, with the exception of the New Delhi Gratuity Scheme, have been closed to new employees and provide pensions that are linked to final salaries. Figures disclosed are based on formal actuarial reviews that are generally conducted triennially and reviewed and updated by the actuary on an annual basis. The New Delhi and London schemes are partially funded and the North American Pension Scheme is fully unfunded. Contributions for the North American Scheme are made to the Consolidated Revenue Fund which will provide funding for benefits payable under the scheme.

**Note 20: Administered - Cash Flow Reconciliation**

	2013 \$'000	2012 \$'000
<b>Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Schedule of administered cash flows	134	191
Schedule of administered assets and liabilities	134	191
<b>Difference</b>	-	-
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	353,376	153,862
<b>Adjustments for non-cash items</b>		
Administered revaluations taken to/from reserves	(201,823)	9,981
Actuarial gains/losses taken to/from reserves	(5,133)	(6,155)
<b>Changes in assets / liabilities</b>		
(Increase) / decrease in net receivables	30,473	(31,081)
(Increase) / decrease in investments	201,823	(9,981)
(Increase) / decrease in prepayments	1,650	(37)
Increase / (decrease) in supplier payables	(942)	910
Increase / (decrease) in other payables (NIA)	(6,898)	(10,372)
Increase / (decrease) in other payables pensions	8,880	7,530
Increase / (decrease) in other payables	(1,710)	(2,095)
<b>Net cash from (used by) operating activities</b>	<b>379,696</b>	<b>112,562</b>

**Note 21: Administered - Contingent Assets and Liabilities**

There are no contingent assets or liabilities in 2012-13 (2011-12: nil)

**Quantifiable Administered Contingencies**

There are no quantifiable administered contingencies disclosed in the Schedule of Administered Items.

**Unquantifiable Administered Contingencies**

There are no unquantifiable administered contingencies.

**Significant Remote Administered Contingencies**

Under section 62 of the *Export Finance and Insurance Corporation Act 1991*, the Australian Government guarantees the due payment by the Export Finance and Insurance Corporation of money that is, or may at any time become, payable by the Export Finance and Insurance Corporation to any person other than the Australian Government. Details of remote contingencies are shown in the following table:

	2013 \$'000	2012 \$'000
Contracts of insurance and guarantees	880,000	736,300
Statement of financial position liabilities	1,686,000	2,081,200
NIA contracts of insurance, guarantees and statement of position liabilities	718,500	647,000
	<b>3,284,500</b>	<b>3,464,500</b>

**Note 22: Administered - Financial Instruments**

	2013 \$'000	2012 \$'000
<b>Note 22A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables:</b>		
Cash	134	191
Goods and services receivables	522	413
Dividend - Export Finance and Insurance Corporation	-	30,194
Traveller Emergency Loans	885	902
Other - Passport fees, Passport Act fines and consular fees	1,747	1,784
<b>Total loans and receivables</b>	<b>3,288</b>	<b>33,484</b>
<b>Available for sale:</b>		
Investment - Export Finance and Insurance Corporation	216,240	418,063
<b>Total available for sale</b>	<b>216,240</b>	<b>418,063</b>
<b>Carrying amount of financial assets</b>	<b>219,528</b>	<b>451,547</b>
<b>Financial Liabilities</b>		
<b>At amortised cost:</b>		
Suppliers	300	1,242
NIA	3,791	10,689
<b>Total financial liabilities at amortised cost</b>	<b>4,091</b>	<b>11,931</b>
<b>Carrying amount of financial liabilities</b>	<b>4,091</b>	<b>11,931</b>
<b>Note 22B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Interest revenue	90	118
Impairment Decrease/(Increase)	112	7
Write-off	(135)	(4)
<b>Net gain/(loss) from loans and receivables</b>	<b>67</b>	<b>121</b>
<b>Available for sale</b>		
Dividend revenue	226,839	30,194
Revaluation gain/(loss) recognised in equity	(201,823)	9,981
<b>Net gain/(loss) from available for sale</b>	<b>25,016</b>	<b>40,175</b>
<b>Net gain/(loss) from financial assets</b>	<b>25,083</b>	<b>40,296</b>
<b>Note 22C: Net Income and Expense from Financial Liabilities</b>		
<b>Financial liabilities - at amortised cost</b>		
<b>NIA</b>		
Interest revenue	3,869	4,560
Other revenue	23,580	26,137
Exchange gains/(loss)	(237)	(305)
Interest expense	(2,752)	(1,809)
Administration costs	(2,234)	(1,463)
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>22,226</b>	<b>27,120</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>22,226</b>	<b>27,120</b>

**Note 22: Administered - Financial Instruments (continued)****Note 22D: Fair Value of Financial Instruments**

	Carrying amount 2013 \$'000	Fair value 2013 \$'000	Carrying amount 2012 \$'000	Fair value 2012 \$'000
<b>Financial Assets</b>				
Cash	134	134	191	191
Receivables for goods and services	522	522	413	413
Traveller Emergency Loans	885	885	902	902
Dividend	-	-	30,194	30,194
Accrued Revenue - Passport fees, Passport Act fines & consular fees	1,747	1,747	1,784	1,784
Investments - EFIC	216,240	216,240	418,063	418,063
<b>Total</b>	<b>219,528</b>	<b>219,528</b>	<b>451,547</b>	<b>451,547</b>
<b>Financial Liabilities</b>				
Trade creditors	300	300	1,242	1,242
Other payables	3,791	3,791	10,689	10,689
<b>Total</b>	<b>4,091</b>	<b>4,091</b>	<b>11,931</b>	<b>11,931</b>

**Valuation Method used for determining the Fair Value of Financial Instruments**

The following table identifies for those assets and liabilities (those at fair value through profit and loss or available for sale) carried at fair value (above) whether fair value was obtained by reference to market prices or by a valuation technique that employs observable market transactions, or one that uses non-observable market inputs to determine a fair value.

**Fair value measurements categorised by fair value hierarchy**

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

**Fair value hierarchy for financial assets**

	Level 3	
	2013 \$'000	2012 \$'000
<b>Financial Assets</b>		
<b>Financial assets at fair value</b>		
EFIC - Valuation by net assets	216,240	418,063
<b>Total</b>	<b>216,240</b>	<b>418,063</b>

As the Department only administered basic financial instruments (outlined above), the carrying amounts are a reasonable approximation of fair value.

The department holds no financial instruments measured at fair value by valuation method Level 1 or Level 2 (2011-12: Nil).

**Reconciliation of Level 3 fair value hierarchy for financial assets**

	Financial assets at fair value	
	Investments	
	2013 \$'000	2012 \$'000
<b>Opening balance</b>	<b>418,063</b>	<b>408,082</b>
Total gains or losses recognised in other comprehensive income *	(201,823)	9,981
<b>Closing balance</b>	<b>216,240</b>	<b>418,063</b>

\* This revaluation gain/loss is presented in the schedule of administered items and is related to the movements in the carrying amount of investments.

**Note 22: Administered - Financial Instruments (continued)****Note 22E: Credit Risk****Recognised in the DFAT Administered Accounts***Maximum exposure*

The Department's Senior Executive has endorsed policies and procedures for debt management (including the provision of credit terms) to reduce the incidence of credit risk. Collateral is not required on any loan.

The Department's maximum exposure to credit risk at reporting date in relation to each class of recognised administered financial asset is the carrying amount of those assets as indicated in the Schedule of Administered Items, unless otherwise detailed in the table below:

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
<b>Financial assets</b>		
as per balance sheet	<b>219,548</b>	451,901
<b>Total</b>	<b>219,548</b>	451,901

*Credit Quality*

The Department's Administered Traveller Emergency Loans receivable includes debtors with a carrying amount of approximately \$489,000 (2012: \$524,000) that are past due at the reporting date and for which the Department has not provided. Based on experience, the Department believes that the amounts are still considered receivable. The Department does not hold any collateral over these balances. However, it requires settlement of the outstanding debt before the debtor's passport is renewed.



# Note 22: Administered – Financial Instruments (continued)

Ageing of financial assets that were past due but not impaired for 2013

	Not past due nor impaired \$'000	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Not Impaired</b>						
Cash and Cash Equivalents	134	-	-	-	-	134
Goods and Services Receivable, Passport & Consular fees, Passport Act fines and Other	2,260	8	-	-	1	2,269
Dividend	-	-	-	-	-	-
Traveller Emergency Loans	396	3	2	5	479	885
Investments - Export Finance and Insurance Corporation	216,240	-	-	-	-	216,240
<b>Total</b>	<b>219,030</b>	<b>11</b>	<b>2</b>	<b>5</b>	<b>480</b>	<b>219,528</b>

<b>Impaired</b>						
Travellers Emergency Loans*	-	-	-	-	403	403
Receivables - Passport Act Fines	-	-	-	-	31	31
<b>Total</b>	<b>219,030</b>	<b>11</b>	<b>2</b>	<b>5</b>	<b>914</b>	<b>219,962</b>

Ageing of financial assets that were past due but not impaired for 2012

	Not past due nor impaired \$'000	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
<b>Not Impaired</b>						
Cash and Cash Equivalents	191	-	-	-	-	191
Goods and Services Receivables, Other and Passport fees	2,193	3	1	-	-	2,197
Dividend	30,194	-	-	-	-	30,194
Traveller Emergency Loans	378	7	8	2	507	902
Investments - Export Finance and Insurance Corporation	418,063	-	-	-	-	418,063
<b>Total</b>	<b>451,019</b>	<b>10</b>	<b>9</b>	<b>2</b>	<b>507</b>	<b>451,547</b>

<b>Impaired</b>						
Travellers Emergency Loans*	-	-	-	1	545	546
<b>Total</b>	<b>451,019</b>	<b>10</b>	<b>9</b>	<b>3</b>	<b>1,052</b>	<b>452,093</b>

\* DFAT impaired some traveller emergency loans immediately on issuance as the loan recipient, while requiring consular assistance and legally able to enter into a loan contract, was assessed as not likely to be in a position to repay the loan based on observable evidence and factors.

**Note 22: Administered – Financial Instruments (continued)****Note 22F: Liquidity Risk**

The Department receives an annual Administered Appropriation to fund payments due on the financial liabilities listed and therefore does not carry any liquidity risk.

The following tables illustrates the maturities for financial liabilities.

**Maturities for non-derivative financial liabilities 2013**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	300	-	-	-	300
NIA <sup>1</sup>	-	(6,143)	3,396	5,035	1,503	3,791
<b>Total</b>	-	<b>(5,843)</b>	<b>3,396</b>	<b>5,035</b>	<b>1,503</b>	<b>4,091</b>

**Maturities for non-derivative financial liabilities 2012**

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	1,242	-	-	-	1,242
NIA	-	2,597	6,075	1,626	391	10,689
<b>Total</b>	-	<b>3,839</b>	<b>6,075</b>	<b>1,626</b>	<b>391</b>	<b>11,931</b>

The entity had no derivative financial liabilities in both the current and prior financial year.

<sup>1</sup> The NIA payable within 1 year (\$6,143,000) is net of receivables (\$11,953,000) and payables (\$5,810,000) recoverable within 1 year.

**Note 22G: Market Risk**

The following table illustrates the effect on the Department's Administered net income less expenses and equity as at 30 June 2013 from a 15.7 % (2012: 15%) increase or decrease against the AUD in the currencies in which financial instruments were administered by the Department, with all other variables held constant.

	2013 \$'000	2013 USD \$'000	2012 \$'000	2012 USD \$'000
Other Payables - NIA	9,031	8,376	6,288	6,408
Supplier Payable - Grants and Contributions	-	-	(184)	(188)
<b>Total Exposure USD</b>		<b>8,376</b>		<b>6,220</b>

	2013 \$'000	2013 EUR \$'000	2012 \$'000	2012 EUR \$'000
Other Payables - NIA	200	142	193	156
<b>Total Exposure EUR</b>		<b>142</b>		<b>156</b>

**Sensitivity analysis of the risk that the entity is exposed to for 2013**

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$'000	Equity \$'000
Currency risk - All currencies	9,231 15.7%	(1,253)	(1,253)
Currency risk - All currencies	9,231 -15.7%	1,719	1,719

**Sensitivity analysis of the risk that the entity is exposed to for 2012**

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$'000	Equity \$'000
Currency risk - All currencies	6,297 15%	(821)	(821)
Currency risk - All currencies	6,297 -15%	1,111	1,111

All other items are denominated in AUD and are not subject to market risk due to exchange rate fluctuations.

**Note 23: Administered Financial Assets Reconciliation**

		2013 \$'000	2012 \$'000
<b>Financial assets</b>	<b>Notes</b>		
<b>Total financial assets as per schedule of administered assets and liabilities</b>		<b>219,548</b>	<b>451,901</b>
Less: non-financial instrument components			
Other receivables (GST receivable from the ATO)	17B	20	354
Total non-financial instrument components		20	354
<b>Total financial assets as per financial instruments note</b>	22A	<b>219,528</b>	<b>451,547</b>

## Note 24: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

	2013 Appropriations						Appropriation applied in 2013 (current and prior years)	Variance <sup>(c)</sup>
	Appropriation Act		FMA Act					
	Annual Appropriation <sup>(a)</sup>	Appropriations reduced <sup>(b)</sup>	Section 30	Section 31	Section 32	Total appropriation		
	\$	\$	\$	\$	\$	\$	\$	\$
DEPARTMENTAL								
Ordinary annual services	953,336,000	-		78,521,209	-	1,031,857,209	(994,688,845)	37,168,364
Other services	62,101,000	-			-	62,101,000	(40,513,825)	21,587,175
Equity								
Total departmental	1,015,437,000	-	-	78,521,209	-	1,093,958,209	(1,035,202,670)	58,755,539
ADMINISTERED								
Ordinary annual services								
Administered items	275,129,000	(25,576,642)	157,857		-	249,710,215	(250,184,153)	(473,938)
Other services								
Administered assets and liabilities								
Total administered	275,129,000	(25,576,642)	157,857		-	249,710,215	(7,988,906)	(7,988,906)
							(258,173,059)	(8,462,845)

### Notes:

(a) In 2012-13, there were adjustments that met the recognition criteria of a formal addition and reductions to revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period. The adjustments were:

- a reduction to revenue of \$3,008,918 relating to the Passport Services Purchasing Agreement;
- a reduction to revenue of \$2,771,027 relating to no-win/no-loss funding for Kabul Security Projects;
- an addition to revenue of \$7,939,145 relating to no-win/no-loss funding for foreign exchange; and
- an addition to revenue of \$182,822 relating to no-win/no-loss funding for FBT payable on LAFHA;

(b) Appropriations reduced under Appropriation Acts (No. 1.3) 2012-13: sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2.4) 2012-13: sections 12.13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. There was no reduction in departmental appropriations in 2012-13.

(c) Variance is comprised of the following elements

Departmental Ordinary annual services: Appropriation spent due to losses related to No-win/No-loss Funding for foreign exchange and non-cash expenses due to occur in future years  
Departmental Other Services: Equity appropriation retained for multi year capital projects and funding is expected to be used in future financial years with the exception of \$7,739,141 lapsed under the Finance determination.

Administered Ordinary annual services: Prior year Appropriation applied in 2012-13 and Appropriation required for 2012-13 expense payments to be paid in future financial years

Administered Other Services: Debt for Health swap, which will be paid over the future financial years.

	2012 Appropriations						Appropriation applied in 2012 (current and prior years)	Variance <sup>(d)</sup>
	Appropriation Act		FMA Act					
	Annual Appropriation <sup>(a)</sup>	Appropriations reduced <sup>(b)</sup>	Section 30	Section 31 <sup>(c)</sup>	Section 32	Total appropriation		
	\$	\$	\$	\$	\$	\$	\$	\$
DEPARTMENTAL								
Ordinary annual services	929,940,000	(65,846,266)		123,480,153	-	987,573,887	(1,032,613,870)	(45,039,984)
Other services	72,005,000	-			-	72,005,000	(30,502,000)	41,503,000
Equity	1,001,945,000	(65,846,266)	-	123,480,153	-	1,059,578,887	(1,063,115,870)	(3,536,984)
Total departmental								
ADMINISTERED								
Ordinary annual services								
Administered items	279,145,000	(30,771,313)	74,361		-	248,448,048	(247,699,278)	748,770
Other services	-	-	-		-	-	(8,085,059)	(8,085,059)
Administered assets and liabilities							(255,784,337)	(7,336,289)
Total administered	279,145,000	(30,771,313)	74,361		-	248,448,048		

**Notes:**

(a) In 2011-12, there were adjustments that met the recognition criteria of a formal addition and reductions to revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period. The adjustments were:

- an addition to revenue of \$5,589,828 relating to the Passport Services Purchasing Agreement;
- a reduction to revenue of \$14,164,449 relating to no-win/no-loss funding for foreign exchange; and
- a reduction to revenue of \$2,326,131 relating to no-win/no-loss funding for Kabul Security Projects;

(b) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12: sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2,4,6) 2011-12: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. The Finance Minister determined 2 reductions in departmental appropriations following requests by the Minister for Foreign Affairs and Trade. The reductions were:

- determined on 11 May 2012 through 'Determination to Reduce Appropriations Upon Request (No. 11 of 2011-2012)' under subsection 10(2) of Appropriation Act (No. 1) 2009-2010 for the amount of \$52,270,253; and
- determined on 11 May 2012 through 'Determination to Reduce Appropriations Upon Request (No. 11 of 2011-2012)' under subsection 10(2) of Appropriation Act (No. 1) 2010-2011 for the amount of \$13,576,013.

- details on Administered Appropriations reduced refer to Note 24: Table E: Reduction in Administered Items

(c) The 2011-12 Section 31 amount has been restated as it was found to include an amount of \$123,733,377 which was not a Section 31 appropriation.

(d) Variance is comprised of the following elements

- Departmental Ordinary annual services: Appropriation not spent due to gains related to No-win/No-loss Funding for foreign exchange and non-cash expenses due to occur in future years
- Departmental Other Services: Equity appropriation retained for multi year capital projects and funding is expected to be used in future financial years
- Administered Ordinary annual services: Prior year Appropriation applied in 2011-12 and Appropriation required for 2011-12 expense payments to be paid in future financial years
- Administered Other Services: Debt for Health swap, which will be paid over the future financial years.

## Note 24: Appropriations (continued)

Table B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2013 Capital Budget Appropriations				Capital Budget Appropriations applied in 2013 (current and prior years)			
	<i>Appropriation Act</i>		<i>FMA Act</i>		Payments for non-financial assets <sup>3</sup>	Payments for other purposes	Total payments	Variance
	Annual Capital Budget \$	Appropriations reduced	Section 32	Total Capital Budget Appropriations				
<b>DEPARTMENTAL</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	63,256,000	-	-	63,256,000	(63,349,341)	-	(63,349,341)	(93,341)

### Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1.3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

	2012 Capital Budget Appropriations				Capital Budget Appropriations applied in 2012 (current and prior years)			
	<i>Appropriation Act</i>		<i>FMA Act</i>		Payments for non-financial assets <sup>3</sup>	Payments for other purposes	Total payments	Variance
	Annual Capital Budget \$	Appropriations reduced <sup>2</sup>	Section 32	Total Capital Budget Appropriations				
<b>DEPARTMENTAL</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	73,446,000	-	-	73,446,000	(78,723,440)	-	(78,723,440)	(5,277,440)

### Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1.3.5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

**Note 24: Appropriations (continued)****Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')**

Authority	2013 \$	2012 \$
<b>DEPARTMENTAL</b>		
Appropriation Act (No.2) 2005-06	1,000	1,165,000
Appropriation Act (No.4) 2005-06	-	50,153
Appropriation Act (No.2) 2006-07	-	9,643,000
Appropriation Act (No.2) 2007-08	-	7,166,000
Appropriation Act (No.2) 2008-09	305,859	4,507,000
Appropriation Act (No.4) 2008-09	-	1,876,000
Appropriation Act (No.2) 2009-10	292,000	23,392,000
Appropriation Act (No.1) 2010-11	-	961,056
Appropriation Act (No.2) 2010-11	59,254,469	45,864,000
Appropriation Act (No.4) 2010-11	473,000	473,000
Appropriation Act (No.1) 2011-12	23,493,331	355,867,024
Appropriation Act (No.2) 2011-12	70,884,000	72,005,000
Appropriation Act (No.3) 2011-12	-	21,363,601
Appropriation Act (No.5) 2011-12	-	300,000
Appropriation Act (No.1) 2012-13	349,409,388	-
Appropriation Act (No.2) 2012-13	54,145,000	-
Appropriation Act (No.3) 2012-13	12,158,309	-
Appropriation Act (No.4) 2012-13	2,350,000	-
<b>Total</b>	<b>572,766,356</b>	<b>544,632,834</b>

Authority	2013 \$	2012 \$
<b>ADMINISTERED</b>		
Appropriation Act (No.2) 2009-10	51,473,081	59,461,988
Appropriation Act (No.1) 2011-12	85,557	27,128,552
Appropriation Act (No.3) 2011-12	-	4,463,000
Appropriation Act (No.1) 2012-13	25,837,385	-
<b>Total</b>	<b>77,396,023</b>	<b>91,053,540</b>

**Table D: Special Appropriations ('Recoverable GST exclusive')**

Authority	Type	Purpose	Appropriation applied 2013 \$	2012 \$
Export Finance and Insurance Corporation (EFIC) Act 1991 s.54(10), Administered	Unlimited Amount	For the payment by the Commonwealth to EFIC of amounts equal to the amount of capital determined by the EFIC Board as necessary to overcome the inadequacies, or expected inadequacies, in the moneys or other assets of EFIC to meet the expected liabilities, losses or claims against EFIC	-	-
Financial Management and Accountability Act 1997 s.28(1), Administered	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment	888,482	953,172
<b>Total</b>			<b>888,482</b>	<b>953,172</b>



## Note 24: Appropriations (continued)

Table E: Reduction in Administered Items ('Recoverable GST exclusive')

2013	Amount required <sup>3</sup> -by Appropriation Act				Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction
	Act (No.1)	Act (No.3)	Act (No.5)				
Ordinary Annual Services							
Outcome 1	249,438,890.83	-	-	-	249,438,890.83	274,379,000.00	24,940,109.17
Outcome 2	113,467.04	-	-	-	113,467.04	750,000.00	636,532.96

### Notes:

- Numbers in this section of the table must be disclosed to the cent.
- Administered items for 2013 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity's 2013 annual report. This reduction was effective in 2014, but the amounts were reflected in Table A in the 2013 financial statements in the column 'Appropriations reduced' as they were adjustments to 2013 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11).
- Total amount appropriated in 2013.
- Total reduction effective in 2014.

2012	Amount required <sup>3</sup> - by Appropriation Act				Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction
	Act (No.1)	Act (No.3)	Act (No.5)				
Ordinary Annual Services							
Outcome 1	244,105,766.95	1,020,000.00	3,000,000.00	-	248,125,766.95	278,395,000.00	30,269,233.05
Outcome 2	247,919.62	-	-	-	247,919.62	750,000.00	502,080.38

### Notes:

- Numbers in this section of the table must be disclosed to the cent.
- Administered items for 2012 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity's 2012 annual report. This reduction was effective in 2013, but the amounts were reflected in Table A in the 2012 financial statements in the column 'Appropriations reduced' as they were adjustments to 2012 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11).
- Total amount appropriated in 2012.
- Total reduction effective in 2013.

**Note 25: Special Accounts**

Note 25A: Special Accounts (Recoverable GST exclusive)

	Expositions Special Account (Administered) <sup>1</sup>		Consular Services Special Account (Administered) <sup>2</sup>		Administered Payment and Receipts Special Account (Administered) <sup>3</sup>		Services for Other Entities and Trust Monies Special Account (Administered) <sup>4</sup>		Overseas Property Special Account (Departmental) <sup>5</sup>	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Balance brought forward from previous period</b>	747,893	7,391,247	44,574	44,194	4,999,812	5,000,000	672,758	3,070,424	440,589,985	393,250,280
<b>Increases:</b>										
Appropriation credited to special account	1,500,000	1,020,000	-	-	-	-	-	-	-	-
Costs recovered	71,846	322,797	62,645	82,707	254,422,047	229,209,068	2,011,613	2,195,329	9,378,980	14,180,935
Realised investments	-	-	-	-	-	-	-	-	104,904,844	103,378,431
Other receipts	-	-	-	-	-	-	-	-	-	-
<b>Total increases</b>	1,571,846	1,342,797	62,645	82,707	254,422,047	229,209,068	2,011,613	2,195,329	114,283,824	117,559,366
<b>Available for payments</b>	2,319,739	8,734,044	107,219	126,901	259,421,859	234,209,068	2,684,371	5,265,753	554,873,809	510,809,646
<b>Decreases:</b>										
<b>Departmental</b>										
Payments made to employees	-	-	-	-	-	-	-	-	(2,928,310)	(2,899,017)
Payments made to suppliers	-	-	-	-	-	-	-	-	(119,282,513)	(66,601,363)
Return of capital and dividends	-	-	-	-	-	-	-	-	(1,417,363)	(719,281)
<b>Total departmental decreases</b>	-	-	-	-	-	-	-	-	(123,628,186)	(70,219,661)
<b>Administered</b>										
Payments made to employees	(210,786)	(672,719)	-	-	-	-	-	-	-	-
Payments made to suppliers	(1,115,424)	(7,313,432)	-	-	(254,421,859)	(229,209,256)	(2,056,140)	(4,592,995)	-	-
Payments made to other	-	-	(62,595)	(82,327)	-	-	-	-	-	-
<b>Total administered decreases</b>	(1,326,210)	(7,986,151)	(62,595)	(82,327)	(254,421,859)	(229,209,256)	(2,056,140)	(4,592,995)	-	-
<b>Special Public Money</b>										
Payments made	-	-	-	-	-	-	-	-	-	-
Payments made to others	-	-	-	-	-	-	-	-	-	-
<b>Total special public money decreases</b>	-	-	-	-	-	-	-	-	-	-
<b>Total decreases</b>	(1,326,210)	(7,986,151)	(62,595)	(82,327)	(254,421,859)	(229,209,256)	(2,056,140)	(4,592,995)	(123,628,186)	(70,219,661)
<b>Total balance carried to the next period</b>	993,529	747,893	44,624	44,574	5,000,000	4,999,812	628,231	672,758	431,245,623	440,589,985

## Note 25: Special Accounts (continued)

<sup>1</sup> Appropriation: Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2007/14

Purpose:

(a) to acquire, lease, hire, construct, manage, operate, repair, maintain, identify and advise on, and undertake any other activities in relation to Australia's participation at international expositions; and

(b) activities that are incidental to a purpose mentioned in paragraph (a); and

(c) to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and

(d) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

<sup>2</sup> Appropriation: Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2005/38

Purpose:

(a) providing assistance to Australian citizens and permanent residents overseas;

(i) in circumstances of urgency; or

(ii) when commercial money transfer services are unavailable or inappropriate; and

(b) to repay to an original payer amounts credited to the Special Account and residual after any necessary payments have been made under paragraph (a); and

(c) activities that are incidental to a purpose mentioned in paragraphs (a) or (b); and

(d) to reduce the balance of the Special Account (and, therefore, the available appropriation for that Account) without making a real or notional payment; and

(e) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

<sup>3</sup> Appropriation: Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2005/26

Purpose:

(a) to make payments overseas on behalf of entities; and

(b) to make payments to entities for amounts received overseas on their behalf; and

(c) to make payments overseas on projects jointly funded with entities; and

(d) activities that are incidental to a purpose mentioned in paragraphs (a), (b) and (c); and

(e) to reduce the balance of the Special Account (and, therefore, the available appropriation for that Special Account) without making a real or notional payment; and

(f) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

<sup>4</sup> Appropriation: Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2009/25

Purpose:

(a) disburse amounts held in trust or otherwise for the benefit of a person other than the Commonwealth;

(b) disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;

(c) repay amounts where an Act or other law requires or permits the repayment of an amount received; and

(d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

<sup>5</sup> Appropriation: Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2002/01

Purpose:

(a) acquire, lease, construct, manage, operate, repair, maintain, divest, finance, identify or advise on, and undertake any other activities in relation to, the real property of the Commonwealth

outside Australia; and

(b) return dividends or net proceeds from the sale of an asset to the Budget as agreed between the Finance Minister and the responsible minister; and

(c) carry out activities that are incidental to a purpose mentioned in paragraph (a); and

(d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment; and

(e) repay amounts where an Act or other law requires or permits the repayment of an amount received.

**Note 26: Compensation and Debt Relief**

	2013	2012
	\$	\$
<b>Compensation and Debt Relief - Departmental</b>		
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period (2012: Nil).	-	-
Nil 'Act of Grace' payment was expensed during the reporting period (2012: One payment).	-	695,000
<b>Compensation and Debt Relief - Administered</b>	<b>2013</b>	<b>2012</b>
	\$	\$
No 'Act of Grace' payments were expensed during the reporting period (2012: No expenses incurred).	-	-
Fifteen payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: Seventeen payments)	<b>27,092</b>	12,049
No ex-gratia payments were provided for during the reporting period (2012: nil).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 during the reporting period (2012: nil).	-	-

## Note 27: Reporting of Outcomes

The Department uses an Activity Based Costing System to determine the attribution of its shared items for Departmental Outcomes and Actual Cost allocations for Administered Outcomes. The basis of attribution in the table below is consistent with the basis used for the 2012-13 Budget.

### Note 27A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Departmental</b>								
Expenses	516,461	503,671	295,183	270,184	241,538	254,482	1,053,182	1,028,337
Income from non-government sector:								
Activities subject to cost recovery	2,916	3,266	-	-	5,010	6,380	7,926	9,646
Other								
Other own-source income	80,893	92,688	-	-	30,228	49,570	111,121	142,258
Departmental cost/(contribution) of outcome delivery	432,652	407,717	295,183	270,184	206,300	198,532	934,135	876,433
<b>Administered</b>								
Expenses	277,354	278,578	963	972	-	-	278,317	279,550
Income from non-government sector:								
Activities subject to cost recovery	672	617	363,319	356,509			363,991	357,126
Other own-source income	267,583	76,137	119	149	-	-	267,702	76,286
Administered cost/(contribution) of outcome delivery	9,099	201,824	(362,475)	(355,686)			(353,376)	(153,862)
Net cost/(contribution) of outcome delivery	441,751	609,541	(67,292)	(85,502)	206,300	198,532	580,759	722,571

Outcomes 1, 2 & 3 are described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome.

**Note 27: Reporting of Outcomes (continued)****Note 27B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome**

	Outcome 1		Outcome 2		Outcome 3		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Expenses</b>								
Employees	236,737	231,852	135,307	124,373	82,551	87,478	454,595	443,703
Suppliers	223,512	228,044	127,748	122,330	114,331	127,496	465,591	477,870
Depreciation and Amortisation	46,278	36,381	26,450	19,516	39,720	35,690	112,448	91,587
Other	9,934	7,394	5,678	3,965	4,936	3,818	20,548	15,177
<b>Total</b>	<b>516,461</b>	<b>503,671</b>	<b>295,183</b>	<b>270,184</b>	<b>241,538</b>	<b>254,482</b>	<b>1,053,182</b>	<b>1,028,337</b>
<b>Income</b>								
Revenues from government	464,005	432,381	265,202	231,942	156,541	157,211	885,748	821,534
Sale of goods and services	73,046	79,640	-	-	35,237	39,259	108,283	118,899
Other non-taxation revenues	10,764	16,314	-	-	-	-	10,764	16,314
<b>Total</b>	<b>547,815</b>	<b>528,335</b>	<b>265,202</b>	<b>231,942</b>	<b>191,778</b>	<b>196,470</b>	<b>1,004,795</b>	<b>956,747</b>
<b>Assets</b>								
Cash	29,144	27,972	16,657	15,005	13,545	11,810	59,346	54,787
Receivables	286,953	258,402	164,007	138,614	526,742	537,910	977,702	934,926
Accrued Revenue	4,667	3,474	2,667	1,864	3,275	3,534	10,609	8,872
Land and buildings	142,041	119,267	81,184	63,978	1,858,428	1,632,037	2,081,653	1,815,282
Infrastructure, plant and equipment	74,717	76,975	47,519	46,222	25,547	28,362	147,783	151,559
Assets held for sale	-	-	-	-	-	1,599	-	1,599
Intangibles	35,659	30,090	21,329	16,663	12,030	10,941	69,018	57,694
Inventories	66	70	31,037	41,880	22	26	31,125	41,976
Other non-financial assets	16,164	13,696	9,240	7,348	39,319	6,002	64,723	27,046
<b>Total</b>	<b>589,411</b>	<b>529,946</b>	<b>373,640</b>	<b>331,574</b>	<b>2,478,908</b>	<b>2,232,221</b>	<b>3,441,959</b>	<b>3,093,741</b>
<b>Liabilities</b>								
Suppliers	36,430	35,616	20,821	19,106	22,619	21,377	79,870	76,099
Other payables	4,722	13,214	2,699	7,088	35,996	11,245	43,417	31,547
Employees	74,314	70,589	42,474	37,865	26,618	27,339	143,406	135,793
Other provisions	10,265	14,042	5,867	7,532	3,463	5,105	19,595	26,679
<b>Total</b>	<b>125,731</b>	<b>133,461</b>	<b>71,861</b>	<b>71,591</b>	<b>88,696</b>	<b>65,066</b>	<b>286,288</b>	<b>270,118</b>

1. Outcomes 1, 2 & 3 are described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome. Refer to Outcome Resourcing Tables at Appendix 3 of this Annual Report.

**Note 27: Reporting of Outcomes (continued)****Note 27C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome**

	Outcome 1		Outcome 2		Total	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>						
Grants and contributions	232,417	230,918	4	93	232,421	231,011
Employee Expenses	5,218	5,479	-	-	5,218	5,479
Suppliers	23,120	28,968	-	-	23,120	28,968
Net write-down and impairment of assets	-	-	135	4	135	4
Foreign exchange losses	3,617	1,846	-	-	3,617	1,846
Other	12,982	11,367	824	875	13,806	12,242
<b>Total</b>	<b>277,354</b>	<b>278,578</b>	<b>963</b>	<b>972</b>	<b>278,317</b>	<b>279,550</b>
<b>Income</b>						
Sale of goods and services	672	617	363,319	356,509	363,991	357,126
Net foreign exchange gains	-	-	-	-	-	-
Interest	3,959	4,678	-	-	3,959	4,678
Dividends	226,839	30,194	-	-	226,839	30,194
Other non-taxation revenues	36,785	41,265	119	149	36,904	41,414
<b>Total</b>	<b>268,255</b>	<b>76,754</b>	<b>363,438</b>	<b>356,658</b>	<b>631,693</b>	<b>433,412</b>
<b>Assets</b>						
Cash	134	191	-	-	134	191
Receivables	69	30,554	3,105	3,093	3,174	33,647
Investments	216,240	418,063	-	-	216,240	418,063
Prepayments	-	1,650	-	-	-	1,650
<b>Total</b>	<b>216,443</b>	<b>450,458</b>	<b>3,105</b>	<b>3,093</b>	<b>219,548</b>	<b>453,551</b>
<b>Liabilities</b>						
Suppliers	287	1,232	13	10	300	1,242
Other	52,943	50,961	7,039	8,749	59,982	59,710
<b>Total</b>	<b>53,230</b>	<b>52,193</b>	<b>7,052</b>	<b>8,759</b>	<b>60,282</b>	<b>60,952</b>

1. Outcomes 1 & 2 are described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table and Outcome 2 Resourcing Table at Appendix 3 of this Annual Report.

**Note 28: Net Cash Appropriation Arrangements**

	2013	2012
	\$'000	\$'000
<b>Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations<sup>1</sup></b>	<b>304,190</b>	<b>77,228</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation <sup>2</sup>	<b>(88,342)</b>	<b>(69,126)</b>
<b>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</b>	<b>215,848</b>	<b>8,102</b>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. Total Depreciation/Amortisation expense as per the Statement of Comprehensive Income is \$112,449 (2012: \$91,587). Depreciation/Amortisation related to the Overseas Property Special Account of \$24,107 (2012: \$22,461) has been excluded from this note in accordance with Finance Brief 39.





1.

del **Diplomazia** 통상 ทางการทูต **Ngoại giao** **Comércio** **Дипломатия** diplomácia یاستس  
 با Trade دیپلوماسیة **Diplomatija** **Treid** कूटनीति **Diplomatiko** 外交 Kalakalan  
**Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး تجارت **La diplomatie**  
 تجارة торговля **Thương mại** **Komersiu** تجارت **le commerce** **Diplomatie** 貿易 **Handel**  
**Дипломатия** **Diplomacy** یاستس **Perdagangan** دیپلوماسیة **διπλωματία** Kalakalan بازرگانی  
 دیپلوم **Diplomatiko** 外交 **Trade** εμπόριο **Diplomasi** **Com** kereskedelem 외교  
**Diplomasia** Ticaret **Commercio** سوداگری **การค้า** التجارة **торговля**



2.

Images:

1. Ambassador-designate to Burkina Faso, Joanna Adamson, on her way to present her credentials to President Blaise Compaoré, Presidential Palace, Ouagadougou, 19 April 2013. [Official Burkinabè Photograph]

2. Australian Representative to the Palestinian Authority, Jenny Grant-Curnow, visiting an Australian-funded UNRWA school as part of a DFAT-AusAID mission to assess damage sustained in the November 2012 Gaza War, Gaza City, December 2012. [Jenny Grant-Curnow]

3. Then High Commissioner to India, Peter Varghese AO (centre), and mission staff with Masterchef hosts, Gary Mehigan and George Colambaris, who toured India as part of Oz Fest, New Delhi, October 2012. [Australian High Commission New Delhi]

# SUBSIDIARY MATERIAL SECTION 6

دىپلوماسىيە *le commerce* *Diplomatie* 貿易 သံတမန်ရေးရာ *Handel* ***Diplomazia*** 통상 ทางการ  
*Perdagangan* διπλωματία ពាណិជ្ជកម្ម *Diplomacy* بازرگانی Trade دیپلوماسیة *Diplomatija*  
 εμπόριο *Diplomasi* Comercio سفارت *kereskedelem* ***Diplomati*** 외교 ***Commerce***  
*Ticaret* *Commercio* سوداگری ការទូត *Diplomacia* व्यापार تجارة торговля Thương mại  
***Diplomazia*** 통상 ทางการทูต *Ngoại giao* ***Comércio*** дипломатия *Diplomacy* یاستس  
 သံတမန်ရေးရာ ពាណិជ្ជកម្ម *Diplomatija* ***Treid*** कूटनीति دیپلوماسی ***Diplomatiko*** 外交 Trade εμ  
***Commerce*** การค้า ကုန်သွယ်ရေး تجارت *La diplomatie* *Diplomasia* *Ticaret* *Commercio*



# SUBSIDIARY MATERIAL

<b>Guide to the report</b>	<b>299</b>
<b>Glossary of terms</b>	<b>300</b>
<b>Acronyms and abbreviations</b>	<b>302</b>
<b>List of tables</b>	<b>306</b>
<b>List of figures</b>	<b>307</b>
<b>List of photographs</b>	<b>308</b>
<b>List of requirements</b>	<b>311</b>
<b>Index</b>	<b>314</b>

# GUIDE TO THE REPORT

This is the Secretary's report to the Minister for Foreign Affairs and the Minister for Trade on the performance of the Department of Foreign Affairs and Trade during the financial year 2012–13. The report is prepared in accordance with the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports*, as approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit on 28 June 2012 and amended 24 June 2013.

Information and statistics, unless otherwise indicated, cover the financial year 2012–13, or relate to the situation as at 30 June 2013. All dollars are Australian unless otherwise specified.

The report of the Department of Foreign Affairs and Trade uses the same outcome–program structure as outlined in the *Portfolio Budget Statements 2012–13* for the foreign affairs and trade portfolio.

The report includes a review of the department's performance in 2012–13 in relation to the deliverables and key performance indicators of its programs and their effectiveness in achieving planned outcomes. Readers will find the relevant objectives, deliverables and key performance indicators listed at the beginning of each program. Quantity measures have been included in reporting against some programs in tabular form where the information contributes to the overall reporting of the department's effectiveness in achieving planned outcomes.

We have included trade statistics covering services as well as goods. The latest goods and services trade statistics relate to calendar year 2012. They are not part of the department's performance reporting but are included as background information for the benefit of readers.

**Section 1** contains:

- the Secretary's review for 2012–13
- the departmental overview, including:
  - organisational structure
  - executive structure
  - outcomes and programs framework
  - portfolio structure.

**Section 2** contains the department's outcome–program performance information reporting. In line with the *Portfolio Budget Statements 2012–13*:

- performance is reported by departmental program
- reporting addresses all deliverables and key performance indicators.

**Section 3** reports on enabling services that do not appear under the program structure. It includes reporting on corporate governance, external scrutiny and management of human and financial resources.

**Section 4** includes appendixes providing reports required under specific legislation and other useful additional information.

**Section 5** contains the audited financial statements for 2012–13.

**Section 6** contains subsidiary material.

## Further information

Publications:

*Portfolio Budget Statements 2012–13*  
and *2013–14 Portfolio Additional Estimates Statements 2012–13*

*Portfolio Supplementary Additional Estimates Statements 2012–13*

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

# GLOSSARY OF TERMS

accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
additional estimates	Where amounts appropriated at Budget time are insufficient, parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
administered items	Revenues, expenses, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
agency	Agencies are departments of state, departments of the parliament and 'prescribed agencies' for the purposes of the <i>Financial Management and Accountability Act 1997</i> .
appropriation	An authorisation by parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
APS employee	A person engaged under section 22, or a person who is engaged as an APS employee under section 74, of the <i>Public Service Act 1999</i> .
average staffing level	The average number of employees receiving salary over the financial year, with adjustments for part-time and casual employees to show the full-time equivalent.
corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
departmental items	Revenue, expenses, assets and liabilities that are controlled by the agency in providing its programs.
grant	Commonwealth financial assistance as defined under Regulations 3A(1) and 3A(2) of the <i>Financial Management and Accountability Regulations 1997</i> .
memorandum of understanding	A document outlining the terms and details of a non-binding agreement between parties including each parties' requirements and responsibilities.
non-ongoing APS employee	A person engaged as an APS employee under subsection 22(2)(b) or 22(2)(c) of the <i>Public Service Act 1999</i> .
ongoing APS employee	A person engaged as an ongoing APS employee under subsection 22(2)(a) of the <i>Public Service Act 1999</i> .
outcomes	The results, impacts or consequence of actions by the Commonwealth on the Australian community. Outcomes are consistent with those listed in the department's Portfolio Budget Statements.
performance pay	Also known as performance-linked bonuses and usually take the form of a one-off payment in recognition of performance.



program	An activity or a group of activities that deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
purchaser–provider arrangements	Arrangements under which the services of one agency are purchased by another agency to contribute to outcomes.
risk management	The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
service charters	It is government policy that departments which provide services directly to the public have service charters in place. A service charter is a public statement about the service that a department will provide and what customers can expect from the department.

# ACRONYMS AND ABBREVIATIONS

AAD	Australian Antarctic Division
AANZFTA	ASEAN–Australia–New Zealand FTA
ACC	Australia–China Council
ACIAR	Australian Centre for International Agricultural Research
ADF	Australian Defence Force
AG	Australia Group
AIC	Australia–India Council
AICC	Australia International Cultural Council
AII	Australia–Indonesia Institute
AJF	Australia–Japan Foundation
AKF	Australia–Korea Foundation
AMI	Australia–Malaysia Institute
ANAO	Australian National Audit Office
ANZCERTA	Australia–New Zealand Closer Economic Relations Trade Agreement
APEC	Asia-Pacific Economic Cooperation (forum)
APO	Australian Passport Office
APS	Australian Public Service
APIS	Australian Passport Information Service
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia–Europe Meeting
ASNO	Australian Safeguards and Non-Proliferation Office
ATI	Australia–Thailand Institute
ATT	Arms Trade Treaty
AUKMIN	Australia–United Kingdom Ministerial Dialogue
AusAID	Australian Agency for International Development
AUSFTA	Australia–United States Free Trade Agreement
AUSMIN	Australia–United States Ministerial Consultations
Austrade	Australian Trade Commission
BAR	budget allocation review
BCM	business continuity management
CAAR	Council for Australian–Arab Relations





CCAMLR	Conservation of Antarctic Marine Living Resources
CEC	Consular Emergency Centre
CECA	Comprehensive Economic Cooperation Agreement (with India)
CEU	Conduct and Ethics Unit
CHOGM	Commonwealth Heads of Government Meeting
CMP	capital management plan
COALAR	Council on Australia Latin America Relations
CPAT	contingency planning assistance team
DAFF	Department of Agriculture, Fisheries and Forestry
DAP	direct aid program
DE	departmental executive
DFAT	Department of Foreign Affairs and Trade
DIAC	Department of Immigration and Citizenship
DSEWPac	Department of Sustainability, Environment, Water, Population and Communities
EAS	East Asia Summit
EDRMS	electronic document and records management system
EFIC	Export Finance and Insurance Corporation
EITI	Extractive Industries Transparency Initiative
ERT	emergency response team
EU	European Union
FCP	fraud control plan
FOI	freedom of information
FTA	free trade agreement
GDP	gross domestic product
GCC	Gulf Cooperation Council
GCTF	Global Counterterrorism Forum
G20	Group of Twenty (19 member countries and the European Union) designated as the premier forum for international economic cooperation
HRC	Human Rights Council
IA-CEPA	Indonesia–Australia Comprehensive Economic Partnership Agreement
IA-BPC	Indonesia–Australia Business Partnership Group
ICAO	International Civil Aviation Organization
ICN	International Communications Network

ICRC	International Committee for the Red Cross
ICT	information and communications technology
IDF	International Development Fund
IMD	Information Management and Technology Division
IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
IP	intellectual property
ISAF	International Security Assistance Force
ITA	Information Technology Agreement
JSCOT	(Parliamentary) Joint Standing Committee on Treaties
LDC	least developed countries
LES	locally engaged staff
LNG	liquefied natural gas
MAFTA	Malaysia–Australia Free Trade Agreement
MCM	Ministerial Council Meeting
MC9	9th WTO Ministerial Conference
MOU	memorandum of understanding
MRT	ministers responsible for trade
NATO	North Atlantic Treaty Organization
NGO	non-government organisation
NPDI	Non-Proliferation and Disarmament Initiative
NPT	Nuclear Non-Proliferation Treaty
OAIC	Office of the Australian Information Commission
OECD	Organisation for Economic Co-operation and Development
OER	office evaluation review
OPO	Overseas Property Office
OSCE	Organization for Security and Co-operation in Europe
PACER	Pacific Agreement on Closer Economic Relations
PER	post evaluation review
PNG	Papua New Guinea
PRP	passport redevelopment program
PSI	Proliferation Security Initiative
RAMSI	Regional Assistance Mission to Solomon Islands
RCEP	Regional Comprehensive Economic Partnership
Rio+20	UN Conference on Sustainable Development
RMB	renminbi (official currency of China)



ROK	Republic of Korea
SATIN	Secure Australian Telecommunications and Information Network
SCO	staff counselling office
SES	senior executive service
SLA	Service Level Agreement
STOs	state and territory offices
TiSA	Trade in Services Agreement
TPP	Trans-Pacific Partnership (agreement)
TRIPS	Trade Related Aspects of Intellectual Property Rights
TSD	Trilateral Strategic Dialogue
UAE	United Arab Emirates
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNGGE	United Nations Group of Government Experts
UNMIT	United Nations Mission in Timor-Leste
UNCLOS	United Nations Convention on the Law of the Sea
UNSC	United Nations Security Council
US	United States of America
WIPO	World Intellectual Property Organization
WMD	weapons of mass destruction
WTO	World Trade Organization
2+2	Meeting of foreign and defence ministers from two countries

# LIST OF TABLES

Table 1:	Australia's trade in goods and services with North Asian economies	24
Table 2:	Australia's trade in goods and services with Southeast Asia	32
Table 3:	Australia's trade in goods and services with the Americas	45
Table 4:	Australia's trade in goods and services with Africa	47
Table 5:	Australia's trade in goods and services with Europe	55
Table 6:	Australia's trade in goods and services with countries in South Asia and the GCC	58
Table 7:	Services to diplomatic and consular representatives: statistics	110
Table 8:	Requests processed under the <i>Freedom of Information Act 1982</i>	121
Table 9:	Records examined under the <i>Archives Act 1983</i>	122
Table 10:	Travellers' emergency loans	131
Table 11:	Consular services provided to Australian travellers	135
Table 12:	Travel documents issued	137
Table 13:	Security and ICT statistics	151
Table 14:	Consultancy expenditure	175
Table 15:	Employees by classification, gender and location (excluding LES overseas)	181
Table 16:	Ongoing and non-ongoing employees full-time and part-time	182
Table 17:	Employees by categories of employment	182
Table 18:	SES by level and location	182
Table 19:	SES by gender	183
Table 20:	SES: gains and losses during the year	183
Table 21:	SES: interagency mobility during the year	183
Table 22:	Employees by location and gender as at 30 June 2013	184
Table 23:	Employees covered by the EA and remuneration supplementation agreements as at 30 June 2013	185
Table 24:	Performance bonus payments by level 2012-13	186
Table 25:	Department of Foreign Affairs and Trade Resource Statement 2012-13	187
Table 26:	Expenses and Resources for Outcome 1	188
Table 27:	Expenses and Resources for Outcome 2	189
Table 28:	Expenses and Resources for Outcome 3	190
Table 29:	Occupational health and safety statistics	192
Table 30:	Advertising and market research	200
Table 31:	Grants programs	201

Table 32: Contributions to international organisations and peacekeeping operations	201
Table 33: List of Sponsors	203
Table 34: Embassies, high commissions, consulates and multilateral missions managed by the Department of Foreign Affairs and Trade (95 posts)	210
Table 35: Consulates managed by Austrade (17 posts)	213
Table 36: Consulates headed by honorary consuls (67 Consulates)	213
Table 37: Places where Canada provides consular services to Australian citizens	216
Table 38: Places where Australia provides consular services to Canadian citizens	217

## LIST OF FIGURES

Figure 1: Executive structure (as at 30 June 2013)	15
Figure 2: Outcome and programs framework 2012–13	16
Figure 3: Portfolio outcome structure (as at 30 June 2013)	17
Figure 4: Foreign investment from Asia to Australia	25
Figure 5: Australia's trade in goods and services with Japan	26
Figure 6: Australia's trade in goods and services with China	28
Figure 7: Australia's trade in goods and services with Taiwan	29
Figure 8: Australia's trade in goods and services with Republic of Korea	30
Figure 9: Australia's trade in goods and services with ASEAN	39
Figure 10: Australia's trade in goods and services with the United States	43
Figure 11: Australia's trade in goods and services with the European Union	49
Figure 12: Australia's trade in goods and services with India	58
Figure 13: Australia's trade in goods and services with New Zealand	66
Figure 14: Australia's participation in regional economic architecture (as at 30 June 2013)	80
Figure 15: Direction of Australia's exports, 2012	85
Figure 16: Total foreign investment in Australia, 2012	85
Figure 17: Overall satisfaction with passport application process (based on 1 205 clients surveyed over a one-month period)	140
Figure 18: Overall satisfaction with the Australian Passport Information (based on 3 277 clients surveyed over a three-month period)	140

# LIST OF PHOTOGRAPHS

1. Frances Adamson, Qinghai Province, June 2013	6
2. <i>Australia in the Asian Century</i> White Paper consultation, May 2013	6
3. Senator Carr and Ian Kemish AM, PNG, December 2012	7
4. Peter Varghese AO	9
5. The senior executive	14
6. Dr Emerson and Indonesian Trade Minister, Canberra, October 2012	18
7. David Windsor with tribal leader, Uruzgan, June 2013	18
8. Gillian Bird and Hillary Clinton, Perth, November 2012	19
9. Dara Williams, Minami Sanriku, Japan, October 2012	26
10. Dr Emerson and Prime Minister Gillard, Shanghai, April 2013	27
11. Marco Salvio (Canberra–profile)	28
12. Kevin Nixon, <i>Expo 2012</i> , Yeosu, Korea, July 2012	30
13. Senator Carr, Australia–Indonesia ‘2+2’, Indonesia, April 2013	33
14. <i>Australia in the Asian Century</i> White Paper Taskforce (profile)	34
15. James Wise, Thai-Laos Friendship Bridge Run, November 2012	35
16. Alexandra Owens, DAP project, Dili, April 2013	37
17. Jonathan Gilbert (Manila–profile)	38
18. Senator Carr, AUSMIN press conference, Perth, November 2012	42
19. Harold Jenkins, Québec City, October 2012	43
20. Brett Hackett & Latin American HOMs, LADU, Sydney, May 2013	45
21. Chris Lim (Mexico City–profile)	46
22. Richard Marles, AU Summit, Addis Ababa, July 2012	47
23. Bianca Milner, (LES Harare–profile)	48
24. Senator Carr and Duncan Lewis, EU Parliament, April 2013	50
25. Thomas Vitart (LES Paris–profile)	52
26. Ian Biggs, Clean Up the World, Ankara, May 2013	53
27. Damien Miller (Copenhagen–profile)	54
28. Trevor Peacock, Nicosia, June 2013	55
29. Senator Carr and Indian counterpart, New Delhi, January 2013	57
30. Claire Rochecouste (Kabul–profile)	59
31. Robyn Mudie, DAP project, Sri Lanka, December 2012	60
32. Senator Carr, Cairo, September 2012	62
33. Amani and Heba Shenouda (LES Cairo–profile)	63
34. Richard Marles and Prime Minister, Cook Is, August 2012	65
35. Katie Hamilton, Solomon Islands, January 2013	66
36. Senator Thistlethwaite, Suva, April 2013	67



37. Stephen Henningham, Samoa, May 2013	68
38. Jeremy Bruer, Port Vila, November 2012	69
39. Penny Williams, Solomon Islands, November 2012	72
40. Tim Yeend, WTO Geneva, July 2012	74
41. David Kilham (Geneva–profile)	77
42. (a) Frances Adamson, (b) John Fisher, Beijing, June 2013	78
43. TPP Team (Canberra–profile)	81
44. Jo Loundes (Canberra–profile)	84
45. Dr Emerson, APEC, Vladivostok, September 2012	86
46. Dr Emerson, OECD, Paris, May 2013	88
47. Peter Varghese AO, Western Australia, May 2013	89
48. Senator Carr, UNSC vote, October 2012	90
49. UNSC Taskforce (Canberra–profile)	92
50. Governor-General and Richard Rowe, Antarctic, February 2013	96
51. Gary Quinlan, UNSC, May 2013	97
52. Caroline Millar, Hawaii, June 2013	100
53. Peter Woolcott, UN General Assembly, June 2013	101
54. Bill Fisher, Lebanon, May 2013	102
55. Senator Carr and Myanmar delegation, Canberra, September 2012	105
56. Debra Chapman (Darwin–profile)	106
57. El Salvador presentation of credentials, Canberra, June 2013	109
58. Oz Fest, India, October–November 2012	112
59. Patricia Holmes, <i>Our Ambassador</i> series (UTube)	113
60. International media visit, Sydney, November 2012	114
61. Lena Nyadbi, Musée du Quai Branly, Paris, June 2013	115
62. Glenn Miles and Ben Rhee, Fiji, July 2012	116
63. Jakarta Public Affairs team (LES Jakarta–profile)	117
64. LES Michiyo Horita, AJF Secretariat, Tokyo, January 2013	118
65. Anne Plunkett, DAP project, Cape Verde, May 2013	120
66. Greg Moriarty, Bali, October 2012	125
67. Dr Cristina Fernandez (Honorary Consul Bolivia–profile)	131
68. Crisis Emergency Centre team (Canberra–profile)	132
69. Duncan Lockie, Exercise ABLE RESPONSE, Seoul, June 2013	133
70. Patricia Moss, APO, Canberra	139
71. Lahai Kamanda, APO, Canberra	141
72. David Erbacher (Chengdu–profile)	147
73. Andrew Graham and Dane Hayes, Global Support Centre, Canberra	148
74. International Communications Network team (Canberra–profile)	149



75. Passport Redevelopment Program team (Canberra–profile)	150
76. Adrian Bowen, Jakarta, June 2013	154
77. Kathy Nelson and Jeanie Patreach, recordkeeping review, Canberra	156
78. Jill Collins, Guangzhou, July 2012	156
79. Geoff Tooth, Tanzania, May 2013	157
80. Bruce Gosper, Kabul, July 2012	162
81. Dennis Richardson and Indigenous Employee's Network, Canberra	168
82. DFAT Disability Network, Canberra	169
83. Terri Black (LES Washington–profile)	172
84. LES Carolina Miyagui, Bolivia, June 2013	176
85. Graeme Wilson, Johannesburg, May 2013	176
86. Matthew Watters, EDRMS training, Canberra	177
87. Senator Bob Carr	179
88. Dr Craig Emerson	179
89. Kelvin Thompson	180
90. Senator Matt Thistlethwaite	180
91. Tim Bryson, PNG, May 2013	220
92. Casey Beath, Tanna Island, Vanuatu, May 2013	220
93. Michael Danby, Berlin, April 2013	221
94. Joanna Adamson, Burkina Faso, April 2013	296
95. Jenny Grant-Curnow, Gaza City, December 2012	296
96. Peter Varghese AO, New Delhi, October 2012	297

# LIST OF REQUIREMENTS

This list is prepared from the checklist of annual report requirements contained in Attachment F to the *Requirements for Annual Reports* approved by the Joint Committee of Public Accounts and Audit on 24 June 2013.

Description	Page	Requirement
Letter of transmittal	3	mandatory
Table of contents	4	mandatory
Index	314–331	mandatory
Glossary	300–305	mandatory
Contact officer(s)	2	mandatory
Internet home page address and internet address for report	2	mandatory
<b>Review by the Secretary</b>		
Secretary's review	9–13	mandatory
Summary of significant issues and developments	9–13	suggested
Overview of department's performance and financial results	173–175	suggested
Outlook for the following year	13	suggested
Significant issues and developments for the portfolio	9–12	suggested
<b>Departmental overview</b>		
Role and functions	foldout	mandatory
Organisational structure	14–15	mandatory
Outcome and program structure	16	mandatory
Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	n.a.	mandatory
Portfolio structure	17	mandatory
<b>Report on performance</b>		
Review of performance during the year in relation to programs and contribution to outcomes	20–155	mandatory
Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	20–155	mandatory
Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	n.a.	mandatory
Discussion and analysis of performance	20–155	mandatory
Trend information	20–155	mandatory
Significant changes in nature of principal functions/ services	n.a.	suggested
Performance of purchaser–provider arrangements	198–199	suggested
Factors, events or trends influencing departmental performance	20–155	suggested
Contribution of risk management in achieving objectives	163	suggested
Social inclusion outcomes	n.a.	mandatory
Performance against service charter customer service standards, complaints data, and the department's response to complaints	134, 139–140	mandatory
Discussion and analysis of the department's financial performance	173–175	mandatory

Description	Page	Requirement
Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	173–175	mandatory
Agency resource statement and summary resource tables by outcomes	187–190	mandatory
<b>Management and accountability</b>		
<b>Corporate governance</b>		
Agency heads are required to certify that their agency complies with the Commonwealth Fraud Control Guidelines	162–163	mandatory
Statement of the main corporate governance practices in place	159–164	mandatory
Names of the senior executive and their responsibilities	15	suggested
Senior management committees and their roles	159–161	suggested
Corporate and operational planning and associated performance reporting and review	159–163	suggested
Approach adopted to identifying areas of significant financial or operational risk	160–163	suggested
Policy and practices on the establishment and maintenance of appropriate ethical standards	162	suggested
How nature and amount of remuneration for SES officers is determined	172	suggested
<b>External scrutiny</b>		
Significant developments in external scrutiny	164–166	mandatory
Judicial decisions and decisions of administrative tribunals	195	mandatory
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	164	mandatory
<b>Management of human resources</b>		
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	166	mandatory
Workforce planning, staff turnover and retention	166–168	suggested
Impact and features of enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	171, 186	suggested
Training and development undertaken and its impact	169–171	suggested
Work health and safety performance	172, 191–192	suggested
Productivity gains	166	suggested
Statistics on staffing	181–184	mandatory
Enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	171, 185–186	mandatory
Performance pay	186	mandatory
<b>Assets management</b>		
Assessment of effectiveness of assets management	173–175	mandatory
<b>Purchasing</b>		
Assessment of purchasing against core policies and principles	174–175	mandatory

Description	Page	Requirement
<b>Consultants</b>		
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	174–175	mandatory
<b>Australian National Audit Office access</b>		
Absence of provisions in contracts allowing access by the Auditor-General	174	mandatory
<b>Exempt contracts</b>		
Contracts exempt from the AusTender	174	mandatory
<b>Financial statements</b>		
Financial Statements	221–295	mandatory
<b>Other mandatory information</b>		
Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i> )	191–192	mandatory
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	200	mandatory
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	196–197	mandatory
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	n.a.	mandatory
Grant programs	201	mandatory
Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	168–169	mandatory
Information Publication Scheme statement	120–121	mandatory
Spatial reporting – expenditure by program between regional and nonregional Australia	n.a.	mandatory
Correction of material errors in previous annual report	n.a.	mandatory
Agency Resource Statements and Resources for Outcomes	187	mandatory
List of requirements	311–313	mandatory

n.a. not applicable—against requirements that are listed as mandatory, if applicable.

# INDEX

## A

- AANZFTA, 77–8, 82
- ABLE RESPONSE 13 Exercise, 133
- Abuja, 146
- accountability and management, 159–75
- Accra, 146, 166
- Addis Ababa, 146, 149, 155, 166
- administered items, 123–4, 173
- Administrative Officer Development Program, 170
- administrative tribunal appeals and decisions, 165, 195
- advertising and market research, 200
  - smartraveller* campaign, 133–4
- Afghanistan, 42, 51, 59–60, 61, 161, 173
  - ADF operations, 59, 98
  - Kabul physical security works, 146
  - staff posted to, 147
  - women's rights, 71
- Africa, 46–7, 51, 155, 173
  - communications capability, 149
  - consular services, 131
  - counter-terrorism activities, 102
  - Direct Aid Program grants, 72, 120
  - peace and security concerns, 47, 91
  - piracy, 103
  - sanctions, 96
  - security inspections, 146
  - staff posted in, 147, 166
  - women, 70, 72
  - see also* Middle East and North Africa
- Africa Down Under conference, 47
- African Union, 46
- agriculture and agricultural markets, 72, 73, 74, 87
  - China, 27
  - Egypt, 75
  - European Union, 75
  - India, 75
  - Indonesia, 33, 76
  - Kazakhstan, 76
  - Latin America, 44, 82
  - Russia, 52, 76
  - Saudi Arabia, 62
  - Thailand, 83
  - trade disputes, 76
  - Turkey, 75
  - United States, 42, 75, 76
  - Vietnam, 36
  - see also* horticulture
- air services, 36, 54
- airport Wi-Fi, 134
- Al-Qaida, 91, 96
- Albania, 55
- Americas and Africa, 41–8
  - see also* Africa; Canada; Latin America; United States
- Ankara, 53
- Antarctica, 95–6
- Anti-Counterfeiting Trade Agreement, 78
- ANZ Bank, 29
- Anzac Centenary, 173
- Anzac Day, 52, 53, 117, 132–3, 166
- APEC, 52, 86–7
- apprentice, ICT, 170
- archival examination, 121–2
- Argentina, 44, 45, 72, 78, 109
- Armenia, 55
- arms trade, 101–2
- Arms Trade Treaty, 70, 99
- arrested and imprisoned people assisted, 129, 130
- Artbank, 115
- asbestos, 95
- ASEAN, 39
  - Ambassador to, 166, 173
- ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA), 77–8, 82
- ASEAN Emerging Leaders Program, 119
- ASEAN Ministerial Meeting on Women, 70
- ASEAN Regional Forum (ARF), 39, 100, 130
- Asia, *see* Middle East and North Africa; North Asia; South Asia; Southeast Asia
- Asia–Europe Meeting (ASEM), 37, 50
- Asia–Europe Parliamentary Partnership Meeting, 38
- Asialink, 116, 118

- Asian Century White Paper, see *Australia in the Asian Century White Paper*
- assets management, 155, 173
- asylum seekers, 94, 120
- Athens, 161
- Attorney-General's Department (AGD), 77, 94, 97–8, 108, 110, 138
- audio software, 133
- Audit and Risk Committee, 160, 164
- audits, 155, 164, 173, 191
- AUKMIN, 51, 107
- AusAID, 87, 91, 95, 98, 106, 130, 169
  - delegated cooperation arrangement with EU, 51
  - development assistance commitment, 159
  - landmine clearance, 102
  - Pakistan, 60
  - Palestinian Territories, 62
  - Syria, 61
- Auschwitz–Birkenau Foundation, 173
- AUSMIN, 41, 106–7
- Austrade, 44, 82, 106, 159
  - consulates managed by, 44, 213
- Australia–Africa Community Grants Scheme, 72
- Australia–ASEAN Emerging Leaders Program, 119
- Australia Awards, 119
- Australia–China Council, 116
- Australia Council for the Arts, 115, 118
- Australia France Foundation, 117
- Australia Group, 101
- Australia in the Asian Century White Paper*, 99–100, 106, 119
  - Doing Business in China initiative, 27
  - Indonesia Country Strategy, 33
- Taskforce, 34
- Australia–India CEO Forum, 57
- Australia–India Council, 117
- Australia–Indonesia Institute, 118
- Australia International Cultural Council (AICC), 36, 115, 118
- Australia–Japan Foundation, 25, 118
- Australia–Korea Foundation, 118
- Australia–Malaysia Institute, 119
- Australia Network, 114, 124
- Australia–New Zealand Closer Economic Relations Trade Agreement, 65
- Australia Post, 137
- Australia–Thailand Institute, 119
- Australia–United Kingdom Ministerial Consultations, 51, 107
- Australia–United States Ministerial Consultations, 41, 106–7
- Australian Agency for International Development, see AusAID
- Australian–American Fulbright Commission, 42
- Australian American Leadership Dialogue, 41
- Australian Antarctic Division, 95
- Australian Broadcasting Corporation, 114, 124
- Australian Defence Force, see Department of Defence
- Australian Federal Police, 68, 108
- Australian Human Rights Commission complaints, 195
- Australian Institute of International Affairs, 33, 166
- Australian National Audit Office audits, 164, 173
- Australian National University, 96
- Australian Passport Information Service (APIS), 138, 140
- Australian Passport Office, see passport services
- Australian Public Service Commissions (APSC), 167
- Australian Safeguards and Non-Proliferation Office, 101
- Australian Signals Directorate, 150
- Australian Sports Commission, 116
- Australian Sports Outreach Program, 116
- Australian studies courses, 116, 118
- Australian Taxation Office, 110
- Australian Trade Commission, see Austrade
- Australian Treaties Database, 114
- Australian War Memorial, 36
- Austria, 50
- aviation, 36, 54
- Azerbaijan, 108

## B

Baghdad, 173  
*Balgo* exhibition, 115  
 Bali bombings, commemoration of, 33, 124  
 Bali Democracy Forum, 33  
 Bali Process, 94  
 ballistic missiles, 31, 100  
 Bangkok, see Thailand  
 Bangladesh, 61  
 Battle of Crete, 54  
 beef exports, 33, 52, 75, 76, 82  
 Beijing, 151  
     see also China  
 Belarus, 55  
 Belgium, 50, 95  
     Brussels, 51, 146, 151, 155  
 Berlin, 52  
*Beyond the Cables* oral history project, 116  
 BHP Billiton Chair of Australian Studies, 116  
 Bhutan, 61  
 bilateral, regional and multilateral trade  
     negotiations, 73–83  
 biological weapons, 101, 133  
 biosecurity, 44  
 Bogotá, 44, 146  
 Brazil, 44, 45, 115  
 bribery, 97  
 BRIDGE programs, 118, 119  
 briefings, see submissions, briefs  
     and briefings  
 Britain, 51, 70  
 Brunei Darussalam, 37–8, 71  
 Brussels, see Belgium  
 Budapest, 53  
 budget, see finance  
 Budget Allocation Review, 161  
 Bulgaria, 54  
 Burma, see Myanmar  
 business, services to, 106–7  
 business continuity planning, 163  
 Business Council of Australia, 166

## C

cabinet briefs and submissions, 105  
 cadetship program, 167, 170  
 Cairns Group, 74  
 Cambodia, 37, 70  
 Cameroon, 146  
 Canada, 43, 76  
     consular services, 129, 216  
 Çanakkale, 53  
 cancelled passports, 139  
 Capital Management Plan, 161  
 Caribbean, 45, 71, 75  
 Carlson Wagonlit Travel, 174  
 Central African Republic, 47  
 Central America, see Latin America  
 Central Asia, 61, 76  
     see also Afghanistan  
 Charter of the Commonwealth, 93  
 chemical weapons, 101  
 Chengdu, 146, 155, 173  
 Chennai, 58  
 child passport applications, 138  
 children's books, 118  
 Chile, 44, 78, 82  
 China, 27–8, 74, 87, 130  
     Chengdu, 146, 155, 173  
     free trade agreement, 78  
     human rights, 94  
     public diplomacy programs, 27, 115, 116  
     Regional ICT Manager appointment, 151  
     Shanghai, 146  
     trade disputes, 76  
 chrysotile asbestos, 95  
 cigarette packaging, 75  
 civil-military operations, 130, 133  
 classification of staff, 181, 182–3, 185–6  
 client service charters, 134, 139–40  
 climate change, 30, 51, 95  
 Closer Economic Relations Agreement, 65  
 Cluster Munitions Convention, 102  
 coal, 30  
 Colombia, 44, 146  
 Colombo, 155



Comcare, 191, 192  
 Commonwealth (of Nations), 93  
     Women's Affairs Ministers Meeting, 70  
 Commonwealth Eminent Persons Group  
     (EPG) recommendations, 93  
 Commonwealth Ministerial Action Group  
     (CMAG), 61, 67  
 Commonwealth Ombudsman, 165  
 community arts education, 118  
 Community Liaison Officer network, 172  
 Community of Latin America and Caribbean  
     Economic States, 45  
 Comoros, 46  
 compensation for detriment caused by  
     defective administration, 165–6  
 competitive tendering and contracting, 173,  
     174  
 complaints, 165, 195  
     passport services, 140  
 conduct and ethics, 160, 162  
 conflict diamonds, 89  
 Consular Emergency Centre, 129, 132  
 Consular Service Charter, 134  
 consular services, 129–35, 166  
     China, 146, 155, 173  
     Latin America, 44, 131  
     services to representatives in Australia,  
     108–10, 115  
     see also honorary consuls  
 consultancy services, 174–5  
 contingency planning, 133  
 corporate management and accountability,  
     159–75  
 correspondence, 105  
     passports reported lost in mail, 138  
 Côte d'Ivoire, 96  
 Council for Australian–Arab Relations, 72, 116  
 Council on Australia Latin America Relations  
     (COALAR), 44, 119  
 counter-terrorism, see terrorism  
 counterfeiting, 78  
 country (rules) of origin, 34, 82  
 court cases, 165, 195  
 credentials ceremonies, 108  
 Crete, Battle of, 54

crime and criminal matters, 129–30, 166  
     see also transnational crime  
 crisis management, see emergencies  
 Croatia, 54–5  
 Cuba, 45, 75  
 cultural diplomacy, see public  
     information services  
 cyber security, 100, 150  
 Cyprus, 54  
 Czech Republic, 52

## D

Dakar, 146, 173  
 deaths of Australians overseas, 129, 130  
 debt recovery from travellers' emergency  
     loans, 130  
 defective administration, compensation for,  
     165–6  
 defence and security, 39, 99–103  
     gender dimensions of conflict, 70  
     see also Afghanistan; peace building and  
     peacekeeping; protective security;  
     terrorism  
 defence and security, bilateral discussions  
     and cooperation  
     Chile, 44  
     Europe, 51, 53, 54  
     Kiribati, 68  
     North Asia, 25, 29  
     Southeast Asia, 33, 35, 36  
     United States, 41–2, 100  
 Defence White Paper, 99–100  
 deliverables, 22–3, 123, 124, 128, 136,  
     144, 153, 161  
 democratic governance, 72  
     Afghanistan, 59  
     Fiji, 67  
     Middle East and North Africa, 61, 62  
     South Asia, 61  
     Zimbabwe, 47  
     see also elections  
 Democratic People's Republic of Korea, 31,  
     42, 91, 93  
 Democratic Republic of the Congo, 47  
 Denmark, 53

Department of Agriculture, Fisheries and Forestry, 52, 65, 76

Department of Defence (ADF), 25, 42, 103

Afghanistan, 59, 98

exercises with, 100, 130, 133

secondment arrangements, 166

Department of Finance and Deregulation, 174

Department of Health and Ageing, 71, 133

Department of Immigration and Citizenship (DIAC), 94, 108, 110

Department of Industry, Innovation, Science, Research and Tertiary Education, 35

Department of Resources, Energy and Tourism, 88, 106

Department of Sustainability, Environment, Water, Population and Communities, 95

Department of the Prime Minister and Cabinet, 43

Department of the Treasury, 51

departmental executive, 160

deputy secretaries, 14, 159, 160

overseas visits, 60, 161

detriment caused by defective administration, 165–6

development assistance, see international aid and development

diamonds, 89

diplomatic and consular representatives in Australia, 108–10, 115

diplomatic relations, 44, 54, 108

Australian embassy closures, 53

diplomatic relations, anniversaries of

Europe, 50, 52, 55

North Asia, 31; China, 27, 116

Southeast Asia, 34, 38; Vietnam, 36, 112

diplomatic staff, exchange of, 51

Direct Aid Program, 72, 119–20

disability, people with, 168–9

disarmament, see non-proliferation and disarmament

disaster relief and response, see emergencies

discrimination, see human rights

divisional evaluation reviews, 161

documents, 121–2

see also publications

Doha Round, 73–5, 87

Doing Business in China initiative, 27

Dominican Republic, 44, 75

double taxation agreements, 29, 44

Douglas Gabb Australia Pacific Journalist Internship, 114

DTZ, 155

Dubai, 146

## E

East Asia Summit (EAS), 38, 39, 81, 130

East Timor (Timor-Leste), 36–7, 64, 107, 133

ecologically sustainable development and environment performance, 196–7

economic relationships, see investment; trade

education and education markets, 86, 87

China, 116

Fiji, 51

France, 117

India, 58

Indonesia, 118

Laos, 38

Latin America, 44, 45

Malaysia, 35

New Zealand, 65

Philippines, 36

Republic of Korea, 118

Saudi Arabia, 62

Thailand, 119

United States, 42

see also scholarships; staff training and development

EFIC, 87–8

Egypt, 61, 75, 115, 133

El Salvador, 44, 108

elections

Afghanistan, 59

Fiji, 67

to international organisations, 94

Pakistan, 60

Papua New Guinea, 66

Timor-Leste, 36

Elizabeth O'Neill Journalism Award, 114

emergencies, crises and disaster response, 39, 129–30, 132–3

Bangladesh, 61

- bilateral cooperation agreements, 25, 50
  - Haiti, 45
  - Japan, 118
  - passports lost, damaged and destroyed, 138
  - response teams, 166
  - Samoa, 68, 132, 133
  - Emergency Communications Networks, 151
  - emergency issue passports, 137
  - emergency loans to travellers, 130, 131, 164
  - Eminent Persons Group recommendations, 93
  - emissions trading, 51
  - employment
    - diplomatic staff dependants overseas, 109
    - Pacific Seasonal Worker Program, 64, 68, 173
    - working holidays, 53
  - energy markets, see mining and energy sector
  - Enterprise Agreement, 167, 171, 185
  - environment, 76, 95–6
    - climate change, 30, 51, 95
    - departmental performance, 196–7
    - fisheries and fishing, 65, 95
  - environmental goods, tariffs on, 86
  - Equal Futures Partnership, 71
  - Eritrea, 96
  - Estimates hearings, 104
  - ethics and conduct, 162
  - Ethics Committee, 160
  - Ethiopia (Addis Ababa), 146, 149, 155, 166
  - Europe, 49–56
    - chanceries, 146, 155
    - contingency planning, 133
    - diplomatic relations, 54, 108
    - Direct Aid Program grants, 72
    - public diplomacy programs, 51, 52, 54, 115, 117
    - trade disputes, 75, 76
    - WTO accessions, 76
  - European Australian Business Council, 50
  - European Parliament, 50
  - European Union, 50–1, 55, 76, 96
    - multilateral trade negotiations, 74, 75
  - Eurozone, 51
  - evaluation and planning, 161
  - business continuity, 163
  - contingencies, 133
  - records management, 122
  - workforce, 166–8
  - workplace health and safety, 191
  - executive, 14, 15, 159
  - exempt contracts, 174
  - expenses, see finance
  - Expert Panel on Asylum Seekers, 94
  - explosives precursor management, 102
  - Expo 2012*, Yeosu, 30, 124
  - Export Finance and Insurance Corporation, 87–8
  - exports, see trade
  - expos, travel, 134
    - Republic of Korea, 30, 124
  - external scrutiny, 164–6
  - extractive industries, see mining and energy sector
  - Extractive Industries Transparency Initiative
    - Global Conference, 61, 67, 89, 106
  - Extraordinary Chambers in the Courts of Cambodia (ECCC), 37
- ## F
- Facebook, 112, 134
  - Fair Work Australia, 110
  - Families Network, 167
  - Family Liaison Officer, 172
  - Federated States of Micronesia, 68
  - Feeding the Future study, 27
  - Festival of Pacific Arts, 67
  - Fiji, 51, 67, 114
  - film festivals, 116, 117, 119
  - finance, 161, 173–5, 187–90, 198–209, 222–95
    - ANAO audits, 164, 173
    - compensation for detriment caused by defective administration, 165–6
    - Estimates hearings, 104
    - Language Studies Unit budget, 171
    - OPO management expense ratio, 155
    - passport services, 137, 173
    - payments to international organisations, 123, 201–2
    - SAP redevelopment program, 150

travellers' emergency loans, 130, 131, 164  
 see also grants; purchasing; remuneration  
 financial services, 27, 29, 87  
 financial statements, 164, 173, 222–95  
 financing of terrorism, 97, 102  
 Finland, 53  
 fisheries and fishing, 65, 95  
 flexible working arrangements, 167  
 food and food security, 74, 120  
     South Sudan, 51  
     see also agriculture  
 food names, 77  
 football, 44  
 forced marriage, 71, 133  
 Foreign Affairs and Trade operations  
     Program 1.1, 20–124  
     Program 3.1, 144–52  
 foreign investment, see investment  
 forestry, 76  
 former Yugoslav Republic of Macedonia, 54  
 Forum for East Asia Latin America  
     Cooperation, 44  
 Foundation for Australian Studies in China, 116  
 France, 50, 51–2, 96, 115, 117  
     Paris embassy complex, 146, 155  
 fraud control, 162–3  
     passports, 139  
 free trade agreements, 77–83  
     New Zealand, 65  
     Pacific Agreement on Closer Economic  
     Relations (PACER) Plus, 64–5  
     Thailand, 34, 82–3  
 freedom of information, 120–1  
 Friends of the Syrian People Working Group  
     on Sanctions, 62  
 Fujitsu Australia Ltd, 150  
 Fulbright Professional Scholarship, 42  
 full-time staff, 182  
 Fund for African Women, 72

## G

G20, 42, 44, 53, 85–6  
 gas, 29, 53  
 G'Day USA 2013, 42  
 gender equality, see women  
 gender of staff, 181–4

Georgia, 78  
 Germany, 52  
 Global Ambassador for Women and Girls,  
     70, 71  
 goat meat, 75  
 governance, 159–64  
 Governor-General, overseas travel by, 29, 38,  
     62, 66  
     Europe, 50, 51  
     North America, 41, 43  
 graduate program, 166, 167, 169–70  
 grants, 124, 201  
     Australia International Cultural Council,  
     115  
     Direct Aid Program, 72, 119–20  
     Human Rights Grants Scheme, 94  
     International Relations Grant Program,  
     116–19, 124  
*Great Southern Lands*, 44  
 Greece, 54, 161  
 Griffith University, 167  
 Guangdong, 27  
 guest-of-government visitors, 67  
 Gulf Cooperation Council (GCC), 63, 82  
 Gulf States, 62  
 Gumurri Centre, 167  
 Guyana, 44

## H

HV Evatt Library, 122  
 Haiti, 45  
 historical publications and information, 121  
 HMAS *Canberra*, 53  
 Ho Chi Minh City, 151  
 Honduras, 75  
 Hong Kong, 29  
 honorary consuls, 14, 131, 213–15  
     in Australia, 108  
 horticulture, 33, 76  
     Pacific Seasonal Worker Program, 64, 68,  
     173  
     wine, 78  
 hospitalised people assisted, 129  
 human resources, see staff  
 human rights, 93–4  
     Fiji, 67

- Iran, 62
  - Laos, 38
  - Myanmar, 36, 93
  - North Korea, 31, 93
  - Responsibility to Protect (R2P) principle, 91
  - Syria, 91, 93
    - see also women
  - Human Rights Grants Scheme, 94
  - human smuggling and trafficking, 61, 66, 94, 97, 110
  - humanitarian assistance, see emergencies
  - Hungary, 53
- I**
- illegal logging, 76
  - imports, see trade
  - India, 57–8, 75, 101
    - Comprehensive Economic Cooperation Agreement, 79
    - public diplomacy programs, 58, 111–12, 115, 117–18
  - Indian Ocean Commission, 46
  - Indian Ocean Rim Association for Regional Cooperation, 46, 61
  - Indigenous Australians, 43, 112, 115, 117
    - employee secondments to communities, 167
    - Nyabdi, Lena, 51
    - repatriation of ancestral remains, 52
    - staff, 54, 167–8, 170
  - indigenous peoples, 93–4
  - Indonesia, 33, 36, 87, 102
    - Comprehensive Economic Partnership Agreement, 79
    - consular services, 130, 133
    - embassy complex, 146, 154
    - Jakarta-based Ambassador to ASEAN, 166, 173
    - public diplomacy programs, 33, 114, 115, 118
  - Indonesia–Australia Business Partnership Group, 79
  - information and communications technology, 75
    - cyber security, 100
    - information and communications technology, Department, 145, 148–51
    - consular management, 129
    - financial management information system, 173
    - passport services, 138, 148, 150
    - records management, 122, 150
    - services to attached agencies, 105, 198–9
    - staff recruitment, 170
    - see also website services
  - Information Management and Technology Division (IMD), 150, 166
  - Information Publication Scheme, 121
  - information security agreement, Japan, 25
  - infrastructure, 25, 35, 53
  - Innes, Graham, 168
  - intellectual property, 54, 76–8
    - patent attorneys, 65
  - interagency mobility, SES, 183
  - interfaith activities, 91, 102
  - internal audit, 164
  - international agreements, see treaties and other international agreements
  - international aid and development, 44, 72, 119–20, 159
    - Afghanistan, 59
    - Bangladesh, 61
    - Cambodia, 37
    - Palestinian Territories, 62
    - Papua New Guinea, 66
    - trade-related, 75
    - Vanuatu, 68
    - see also AusAID; emergencies
  - International Civil Aviation Organization, 138
  - International Code of Conduct for Outer Space Activities, 100
  - International Committee for the Red Cross, 98, 165
  - International Communications Network (ICN) program, 145, 148–9
  - International Conference on Women's and Girls' Human Rights, 72
  - International Court of Justice, 95
  - International Criminal Court, 165
  - international cultural visits program, 115
  - International Day of People with Disability, 168
  - International Development Fund, 119, 120

International Labour Organization (ILO), 67  
 international law, 97–8  
     action against Japanese whaling, 95  
     see also treaties  
 international organisations, 90–8  
     payments to, 123, 201–2  
 international public diplomacy, see public  
     information services  
 International Relations Grant Program,  
     116–19, 124  
 International Security Assistance Force  
     (ISAF), 51, 59  
 International Skills Development Program,  
     168, 169  
 International Standards Organization, 138  
 investment  
     Africa, 47  
     European Union, 50  
     India, 79  
     Latin America, 44  
     New Zealand, 65  
     Norway, 53  
     United States, 42  
 investment, Asia, 25  
     North, 27, 29, 30  
     Southeast, 33, 36  
 iPhones and iPads, 149  
 Iran, 42, 62, 96  
     Tehran, 145, 146  
 Iraq, 62, 147, 173  
 iron ore, 30  
 irregular maritime arrivals, 94, 120  
 Israel, 62, 130, 132  
 Italy, 53

## J

Jakarta, see Indonesia  
 Japan, 25–6, 100  
     free trade agreements, 79, 80  
     public diplomacy programs, 25, 118  
     trade disputes, 76  
     whaling, 26, 95  
 John Doherty internship program, 114  
 Jordan, 62

## K

Kabul, see Afghanistan  
 kangaroo meat, 52  
 Kathmandu, 146  
 Kazakhstan, 61, 76  
 Kennett, Jeff, 167  
 Kenya, 46, 102  
     Nairobi, 146, 154–5, 166  
 kidnapping, 129, 166  
 Kidu, Dame Carol, 66  
 Kimberley Process, 89  
 Kiribati, 68  
 Kosovo, 54, 72  
 Kyrgyzstan, 61

## L

landmines, 101–2  
 language training, 170–1  
 Langworthy, Erin, 134  
 Laos, 38, 70, 72, 76  
 Latin America, 44–5, 82, 109  
     consular services, 44, 131  
     diplomatic relations, 44, 108  
     public diplomacy programs, 44, 115, 119  
     trade disputes, 75  
     wine trade, 78  
     women, 72  
 Latin America Down Under conference, 44  
 law enforcement, 35, 68, 102  
 Law of the Sea Convention, 96  
*Learn Earn Legend!* program, 167  
 leased estate, 155, 175  
 least developed countries (LDCs), 76, 77  
 Lebanon, 62  
 lectures and lecture series, 66, 107, 118  
 legislation, 96, 165  
     human trafficking, 110  
     illegal logging, 76  
     passports, 137, 138, 139  
     trade finance, 88  
 Leighton Contractors, 154  
 Library, 122  
 Libya, 96, 146  
 Lifeline, training, 131  
 live animal exports, 33, 76  
 LNG, 29

loans to travellers, 130, 131, 164  
 locally engaged staff (LES), 162, 169, 171  
 location of offices, 14  
 location of staff, 181, 182, 184  
 London, 51  
 London Conference on Somalia, 47  
 Long Tan Cross, 36  
 lost or stolen passports, 138

## M

Macedonia, further Yugoslav Republic of, 54  
 malaria, 39  
     conference, 32, 38  
 Malaysia, 35, 71, 87, 119  
     free trade agreement, 82  
 Maldives, 61  
 male staff, 181–4  
 Mali, 70, 91, 146  
 Malta, 54  
 management and accountability, 159–75  
 management expense ratio, OPO, 155  
 marine environment, 95, 124  
     Antarctica, 96  
     fisheries and fishing, 65, 95  
     Indian Ocean, 61  
 maritime security, 61, 95, 100, 103  
 market research, 200  
 markets and market access, 73–83  
     Africa, 47  
     Canada, 43  
     China, 27, 78  
     Egypt, 75  
     European Union, 50, 51  
     Gulf region, 82  
     Hong Kong, 29  
     India, 57, 75, 79, 111–12  
     Indonesia, 33, 79  
     Japan, 25–6, 79  
     Kazakhstan, 76  
     Latin America, 44–5, 82  
     Malaysia, 35, 82  
     Mongolia, 31  
     New Zealand, 65  
     Pakistan, 60  
     Philippines, 36  
     Republic of Korea, 30, 79  
     Russia, 52, 76  
     Solomon Islands, 67  
     Taiwan, 29  
     Thailand, 34, 82–3  
     Turkey, 53, 75  
     United States, 42, 82  
     Vietnam, 36  
     see also free trade agreements;  
         trade statistics  
 marriage, forced, 71, 133  
 Marshall Islands, 68  
 maternal health, 72  
 Mauritania, 46, 146  
 Mauritius, 46, 72  
 meat and animal product markets, 33, 52,  
     75, 76, 82  
 media and media services, 112–13  
     international visits and exchanges, 44,  
     72, 114, 118, 119  
 Medical Unit, 172  
 meeting briefs, 105  
 memorandums of understanding (MOUs), 98  
     Africa, 46  
     Griffith University's Gumurri Centre, 167  
     ICT services to attached agencies, 105,  
     151  
     Macedonia, further Yugoslav Republic of, 54  
     Malaysia, 35  
     Nauru, 94  
     Papua New Guinea, 94  
     Singapore, 35  
     United Arab Emirates, 62  
     United Kingdom, 51  
 mental health, 167  
 merchandise trade, see trade  
 Mercosur talks, Brasilia, 44  
 mercury, 76  
 Message Stick exhibition, 115  
 Mexico, 44, 85  
 Micronesia, 68  
 Middle East and North Africa, 61–3, 75  
     consular services, 131, 132  
     contingency planning, 133  
     Council for Australian–Arab Relations,  
     72, 116  
     counter-terrorism activities, 102  
     Gulf Cooperation Council, 63, 82



- public diplomacy programs, 115, 116
- security of missions, 145, 147, 173
- see also Syria
- Middle East Peace Process, 42, 62
- Millennium Development Goals, 95
- Minami Sanriku, 118
- Mindanao, 36
- Minimata Convention, 76
- mining and energy sector, 76, 88–9, 106
  - Africa, 47
  - Central Asia, 61
  - China, 76
  - India, 57, 101
  - Latin America, 44
  - Norway, 53
  - Philippines, 36
  - Republic of Korea, 30
  - Russia, 52
  - Saudi Arabia, 62
  - Solomon Islands, 67
  - Taiwanese investment, 29
  - Vietnam, 36
- Mining for Development Conference, 106
- ministerial correspondence, 105
- ministerial submissions and briefs, 105
- ministers and parliamentary secretaries, 179–80
- missiles, 31, 100
- mobile roaming charges, 65
- Mongolia, 31, 115
- Morocco, 62–3
- Mozambique, 46
- multilateral trade negotiations, 73–8
- Mumbai, 58
- Myanmar, 35–6, 42, 96, 104, 120
  - human rights, 36, 93; women and girls, 72
  - journalism, 114
  - Yangon, 146
- National Gallery of Australia, 115
- National Identity Security Strategy, 138
- National Mental Health Week, 167
- national security, see defence and security
- National Security Strategy, 99–100
- NATO, 51, 59
- natural disasters, see emergencies
- natural gas, 29, 53
- Nauru, 68, 94
- Nepal, 61, 133
  - Kathmandu, 146
- Netherlands, 49
- New Caledonia, 68
- New Delhi, 58
- New York, 37, 119, 146, 161
  - ICT, 149, 151
  - staff, 91, 166, 168, 170
- New Zealand, 64, 65–6, 77–8, 105
- New Zealand Ministry of Foreign Affairs and Trade, 170
- Nigeria, 46, 102, 146
- NIMBLE TITAN Exercise, 100
- Niue Treaty Subsidiary Agreement, 65
- non-government organisations (NGOs), 94
- non-ongoing staff, 182
- non-proliferation and disarmament, 39, 100–2, 121
  - civil nuclear cooperation, 52, 62, 101
  - Democratic People's Republic of Korea, 31, 42, 91
  - Iran, 42, 62
- North Africa, see Middle East and North Africa
- North America, see Canada; Latin America; United States
- North Asia, 24–31
  - see also China; Japan; Republic of Korea
- North Atlantic Treaty Organization, 51, 59
- North Korea, 31, 42, 91, 93
- Norway, 53
- notarial services, 129, 130
- Noumea, 146
- nuclear non-proliferation, see non-proliferation and disarmament
- nuclear terrorism, 102
- Nyabdi, Lena, 51

## N

- NAIDOC Week, 115
- Nairobi, 146, 154–5, 166
- National Archives of Australia, 121
- National Capital Authority, 108
- National Disability Strategy, 169
- National Farmers' Federation, 74

## O

obstetric fistula, 70  
 occupational health, see workplace health and safety  
 oceans, see marine environment  
 OECD, 74, 87, 88  
     Anti-Bribery Convention, 97  
 Office for the Arts, 52  
 Office of Best Practice Regulation, 87  
 Office of the Australian Information Commissioner, 120  
 office supplies and stationary, 174  
 oil, 53  
 Oman, 62  
 Ombudsman, 165  
 ongoing staff, 182  
     separations, 166  
 online services, see website services  
 organisation and structure, 14–17, 159–64  
     Australia Awards, 119  
 Organisation for Security and Cooperation in Europe (OSCE), 70  
 origin rules, 34, 82  
*Our Ambassadors* video series, 113  
 outcomes and programs, 16, 17, 20–155, 188–90  
 outer space security, 100  
 overseas aid, see international aid  
 overseas investment, see investment  
 overseas network, 14, 143–55, 161, 210–17  
     business continuity planning, 163  
     compliance audits, 164  
     passports issued, 137  
     performance evaluation, 161  
     records management projects, 122  
     staff, 166, 181, 182, 184; locally engaged, 162, 169, 171  
     staff allowances, 171  
     staff conduct and ethics, 162  
     staff dependants, 167, 172; employment, 109  
     staff training and development, 147, 168, 169; ICT, 151  
     staff welfare, 172  
     workplace health and safety audits, 155  
     see also consular services

overseas property (OPO), 153–5  
 overseas trade, see trade  
 overseas travel and tourism, 104, 127–41  
     guest-of-government visitors, 67  
     international media visits and exchanges, 44, 72, 114, 118, 119  
     from Papua New Guinea, 66  
     special visits program, 25, 27, 38, 41, 114  
     working holidays, 53  
     see also consular services; passport services; public information services and public diplomacy  
*Oz Fest*, 58, 111–12, 115, 117

## P

P-series passports, 138  
 Pacific, 51, 64–9  
     climate change, 95  
     consular services, 132, 133  
     journalists, 114  
     public diplomacy programs, 114, 116  
     regional processing centres, 94  
     Trans-Pacific Partnership (TTP) Agreement, 43, 80–1  
     women, 71, 72  
     WTO accessions, 76  
 Pacific Agreement on Closer Economic Relations (PACER) Plus, 64–5  
 Pacific Alliance, 44  
 Pacific Islands Forum, 64–5, 67  
     Pacific Leaders' Gender Equality Declaration, 71  
 Pacific Plan Review team, 64  
 Pacific Seasonal Worker Program, 64, 68, 173  
 packaging of tobacco products, 75  
 Pakistan, 60, 72  
 Palestinian Territories (Ramallah, Gaza), 62, 72, 132  
 Papua New Guinea, 66–7, 71, 72, 94, 146  
 Paraguay, 45  
 Paralympian Program, 168  
 Paris, see France  
 parliamentary committees, 165, 193–4  
     Senate Estimates, 104  
     Treaties, 78, 98, 165, 193–4

- parliamentary questions, 104
- parliamentary secretaries and ministers, 179–80
- parliamentary travel, 104
- part-time staff, 182
- passport services, 14, 136–41, 173
- redevelopment program, 138, 150
  - smartraveller* iPhone app, 149
- patent attorneys, 65
- payments to international organisations, 123, 201–2
- payroll services to attached agencies, 105, 199
- peace building and peacekeeping, 25, 123, 202
  - Afghanistan, 59
  - Africa, 47, 91
  - Cyprus, 54
  - Middle East, 42
  - Philippines, 36
  - Solomon Islands, 67
  - Timor-Leste, 36–7
- people smuggling and trafficking, 61, 66, 94, 97, 110
- people-to-people programs, see public information services
- People's Republic of China, see China
- performance indicators, 23, 123, 124, 128, 136, 144, 153, 161
- performance management, 171
- performance payments, 171, 186
- performance reporting, 20–155
- Peru, 44, 45
- Philippines, 36, 39, 87, 102
  - kidnapping of Australian victim, 129, 166
- piracy, 100, 103
- plain packaging of tobacco products, 75
- planning, see evaluation and planning
- Plimsoll Lecture, 107
- Poland, 53, 173
- police cooperation, 35, 68
- pork, 75
- Port Moresby, 146
- portfolio, 16–17, 159
- Portfolio Budget Statements, 161
- portfolio ministers, 179–80
- Portugal, 54
- Prelude LNG project, 29
- Prime Minister's Directive: Guidelines for the Management of the Australian Government Presence Overseas*, 159–60, 171
- Prime Minister's Special Envoy, 94
- priority issue passports, 137
- Prisoner Loans Scheme, 130
- prisoners and arrested people assisted, 129, 130
- privacy, 165
- procurement, see purchasing
- Productivity Commission, 65, 87, 88
- programs and outcomes, 16, 17, 20–155, 188–90
- protective security, 145–7
  - business continuity planning, 163
  - ICT (cyber security), 150; international activities, 100
  - missions in Australia, 108, 109
  - passports, 138–9
- protocol, 108–10
- public information services and public diplomacy, 111–22, 124
  - Afghanistan, 60
  - China, 27, 115, 116
  - Europe, 51, 52, 54, 115, 117
  - India, 58, 111–12, 115, 117–18
  - Indonesia, 33, 114, 115, 117, 118
  - Japan, 25, 118
  - Latin America, 44, 115, 119
  - Malaysia, 35, 119
  - Mongolia, 31
  - Papua New Guinea, 66–7
  - Republic of Korea, 115, 118; Expo 2012, Yeosu, 30, 124
  - Timor-Leste, 37
  - United States, 42, 115
  - Vietnam, 36, 115, 116
- Public Private Infrastructure Policy Dialogue, Australia–Japan, 25
- public sector development, 35
  - women on government boards, 71
- publications, 103, 107, 113–14, 121, 218
  - COALAR, 44
  - media releases and public statements, 112
  - see also website services

purchaser-provider arrangements, 105, 198–9  
 purchasing, 173–5  
     advertising and market research, 200  
     consular management information  
       system, 129  
     ICT, 148, 150, 151  
     property services, 154

## Q

Qatar, 62  
 questions on notice, 104

## R

Ramos-Horta, José, 107  
 Reconciliation Action Plan 2011–15, 167  
 Reconciliation Week, 115  
 records management, 122, 150  
 recruitment, *see* staff recruitment  
 Regional Assistance Mission to Solomon Islands (RAMSI), 67  
 Regional Comprehensive Economic Agreement, 81–2  
 regional security, *see* defence and security  
 Regional Technical Officers, 151  
 regulation and regulatory impact  
     assessments, 87, 164  
 religion and interfaith activities, 91, 102  
 remuneration, 171, 172, 185–6  
     payroll services to agencies overseas,  
     105, 199  
 renewable energy sector, 76, 86  
 Republic of Korea (ROK), 29–30, 71, 133  
     free trade agreement, 79  
     public diplomacy programs, 115, 118;  
     Expo 2012, Yeosu, 30, 124  
 Republic of the Marshall Islands, 68  
 resources, 187–90  
     *see also* finance; staff  
 resources sector, *see* mining and  
     energy sector  
 Responsibility to Protect (R2P) principle, 91  
 retirement savings and superannuation, 65, 68  
 Réunion, 46  
 Rio+20, 95  
 risk management, 163  
     security threat assessment, 145  
 Romania, 54, 55  
 Rome, 53  
 rules of origin, 34, 82  
 Russia, 52–3, 74, 76, 85–6

## S

Sadlier-Stokes scholarship, 117  
 Samoa, 68, 132, 133  
 sanctions, 91, 96–7  
     Iran, 62, 96  
     North Korea, 31  
     Zimbabwe, 47  
 SAP redevelopment program, 150  
 satellites, 100  
 SATIN, 149, 150  
 satisfaction  
     overseas property services, 155  
     passport services, 139, 140  
 Saudi Arabia, 62  
 scholarships, 42, 117, 118, 119  
     Gumurri Student Support Unit, 167  
 science and technology agreements, 53, 57  
 sea environment, *see* marine environment  
 seasonal workers, 64, 68, 173  
 secondment arrangements, 166, 167  
 Secretary, 14, 35, 110, 116, 159, 160  
     review of year, 9–13  
     staff communications mechanisms, 161  
 security, *see* defence and security;  
     protective security  
 security clearances, 146  
 Senegal (Dakar), 146, 173  
 senior executive service (SES) staff, 182–3  
     meetings, 160  
     recruitment, 166  
     remuneration, 171, 172, 186  
     training and development, 169  
 senior management committees, 159–60  
 separations of staff, 166  
     Senior Executive Service, 183  
 Serbia (Belgrade), 54, 72  
 service charters, 134, 139–40  
 service desk outcomes, 150  
 Service Level Agreement, 105, 198  
 services and services markets, 27, 29, 74, 79

- see also education and education markets
- services to diplomatic and consular representatives, 108–10, 115
- services to other agencies, 104–7, 198–9
  - information and communications technology, 105, 151, 198–9
- sex of staff, 181–4
- sexual violence, 70, 71–2
- Seychelles, 46
- Shanghai, 146
- Shankar, Anoushka, 112
- sheepmeat, 75, 76
- Singapore, 35, 71, 116
- slavery, 94
- Slovakia, 50
- Slovenia, 54
- smartraveller* campaign, 113, 133–4, 149
- social media, 113, 114, 134
  - Oz Fest* Facebook likes, 112
- Solomon Islands, 67, 71
- Somalia, 70, 91, 96
- South Africa, 46, 78
- South America, see Latin America
- South American Diggers conference, 44
- South and West Asia and Middle East, 57–63
- South Asia, 60–1, 72, 133, 146
  - see also India; Sri Lanka
- South East Asia Regional Discretionary Fund, 72
- South Korea, see Republic of Korea
- South Pacific, see Pacific
- South Sudan, 46, 47, 51
- Southeast Asia, 32–40
  - chanceries and embassy complexes, 146, 154
  - counter-terrorism activities, 102
  - free trade agreements, 34, 81–3
  - kidnapping of Australian victim, 129, 166
  - Productivity Commission ‘twinning program’, 87
  - public diplomacy programs, 35, 36, 37, 115, 116, 119
  - women and girls, 70, 71, 72
  - WTO accessions, 76
  - see also Indonesia; Myanmar; Vietnam
- Southern African Development Community, 46
- space security, 100
- Spain, 53
- Special Envoys, 94
- Special Representatives, 54, 60
- special visits program, 25, 27, 38, 41, 114
- sponsors, 203–9
- sport, 44, 51, 116
  - women in, 72
- Sri Lanka, 60–1, 94, 115, 155
  - human rights, 93; women and girls, 72
- staff, 166–72, 181–5
  - communication with, 161
  - exchanges with UK, 51
  - security vetting, compliance and awareness, 146–7
- Staff Counselling Office, 172
- staff recruitment, 166
  - employees with disability, 168
  - ICT skills, 170
  - Indigenous employees, 167, 170
  - Senior Executive Service, 183
- staff training and development, 97, 168, 169–71
  - conduct and ethics, 162
  - consular services, 71, 131
  - ICT, 151
  - media liaison, 113
  - security awareness, 147
  - workplace diversity, 167
  - workplace health and safety, 191
- state and territory offices, 105–7, 129, 151, 161, 163, 164
  - staff, 181, 182, 184
- stationary and office supplies, 174
- statistics, see trade statistics
- stolen or lost passports, 138
- studies assistance, 170
- submarines, 54
- submissions, briefs and briefings, 105
  - to *Australia in the Asian Century* White Paper Taskforce, 33, 34
  - to diplomatic and consular corps, 110
  - to media, 112
  - see also parliamentary committees
- Sudan, 47, 96
- sugar, 75
- superannuation and retirement savings, 65, 68

surf life saving, 118  
 surrogacy, 130  
 sustainable development, 95  
     *see also* mining and energy sector  
 Sweden, 54  
 Sydney Symphony Orchestra, 115  
 Syria, 42, 61–2, 91, 93  
     closure of embassy in Australia, 108  
     exports to, 101

## T

Taiwan (Taipei), 29, 116, 161  
 Tajikistan, 61, 76  
 Taliban, 96  
 TALISMAN SABER 2013 Exercise, 100  
 Tanzania, 102  
 tariffs, 75, 80, 82, 86  
 taxation agreements, 29, 44  
 Tehran, 145, 146  
 terrorism, 91, 96, 102–3  
     Bali bombings commemoration, 33, 124  
 Thailand, 34–5, 71, 77, 115, 119  
     embassy complex, 146, 154  
     free trade agreement, 34, 82–3  
 timeliness of passport issue, 137  
 Timor-Leste, 36–7, 64, 107, 133  
 Timor Sea Treaty dispute, 37  
 tobacco products, plain packaging of, 75  
 Tokyo, *see* Japan  
 Tonga, 68, 114, 133  
 Torres Strait Islanders, *see*  
     Indigenous Australians  
 Total Bangun Persada, 154  
 tourism, *see* overseas travel  
 Tourism Australia, 44  
 trade, 73–89  
     export controls, 101  
     *see also* investment; markets and  
     market access  
 trade advocacy, 113–14  
 trade competitiveness, 88, 106  
 trade development and policy coordination,  
     84–9  
 trade disputes, 75–6  
 trade finance, 87–8  
 Trade in Services Agreement (TiSA), 74  
 trade publications, *see* publications  
 trade statistics, 85, 107, 114  
     Africa, 47  
     Americas, 43, 45  
     Europe, 49, 55  
     Gulf Cooperation Council (GCC), 58  
     New Zealand, 66  
     North Asia, 24, 26, 28, 29, 30  
     South Asia, 58  
     Southeast Asia, 32, 39  
 traffic infringements by diplomats, 109  
 traineeship programs, 167, 169–70  
 Trans-Pacific Partnership (TPP) Agreement,  
     43, 80–1  
 transnational crime, 35, 39, 97  
     people smuggling, 61, 66, 94, 97  
     Responsibility to Protect (R2P) principle, 91  
     *see also* terrorism  
 travel, *see* overseas travel  
 travel advisory services, 113, 133–4  
 travel documents, *see* passport services  
 travellers emergency loans, 130, 131, 164  
 Treasury, 51  
 treaties and other international agreements,  
     98, 114, 193–4  
     Antarctica, 95  
     Argentina, 109  
     arms trade, 70, 99  
     Chile, 44  
     European Union, 50  
     Germany, 52  
     Hungary, 53  
     India, 57  
     Indonesia, 33  
     Italy, 53  
     Japan, 25  
     Law of the Sea Convention, 96  
     NATO, 51  
     New Zealand, 65  
     non-proliferation and disarmament, 101  
     Pacific fisheries, 65  
     Papua New Guinea, 66  
     Philippines, 36  
     Serbia, 54  
     Taiwan, 29  
     Timor-Leste, 37

trade and trade facilitation, 73–5,  
76–83, 87

transnational crimes, 97

United Arab Emirates, 62

Vietnam, 36

see also memorandums of understanding

tribunal appeals and decisions, 165, 195

Trilateral Strategic Dialogue, 100

Trinidad and Tobago, 71

Turkey, 53, 75, 115, 133

Turkmenistan, 61

Twitter account, 113, 114

'2+2' meetings, 25, 29, 33

## U

UGL Services Pty Ltd (DTZ), 155

Ukraine, 75

United Arab Emirates (Abu Dhabi), 62, 72,  
130, 146

United Kingdom, 51, 70

United Nations, 91–4, 95, 101, 121

peacekeeping forces, 91, 123, 202;  
Timor-Leste, 36, 37

United Nations Alliance of Civilizations, 91

United Nations Commission on the Status of  
Women, 70

United Nations Commissioner for Human  
Rights, 31

United Nations Conference on Sustainable  
Development (Rio+20), 95

United Nations Convention on the Law of the  
Sea, 96

United Nations Counter-Terrorism Committee  
Executive Directorate, 97

United Nations Educational, Scientific and  
Cultural Organization (UNESCO), 91

United Nations Framework Convention on  
Climate Change, 95

United Nations General Assembly, 70, 93, 100

United Nations Group of Governmental  
Experts on Developments in  
the Field of Information and  
Telecommunications, 97

United Nations Human Rights Council, 70, 93

United Nations Mission in Timor-Leste  
(UNMIT), 36, 37

United Nations Office on Drugs and Crime,  
102, 103

United Nations Permanent Forum on  
Indigenous Issues, 93–4, 168

United Nations Security Council (UNSC), 42,  
47, 51, 62, 91–3, 173

Afghanistan, 60

climate change debate, 95

Fiji, 67

gender dimensions of conflict, 70

resolutions, 70, 91, 103

taskforce, 92–3

see also sanctions

United Nations Third Committee, 70

United States, 41–3, 64, 74, 170

agriculture, 42, 75; wine labelling, 78

Equal Futures Partnership, 71

free trade agreement, 82

military and planning exercises, 100, 133

public diplomacy programs, 42, 115

trade disputes, 76

see also New York

United States–Cambodia Lower Mekong  
Initiative Gender Policy Dialogue, 70

universities, see education

University of Melbourne, 44

University of Queensland, 44

uranium, 52, 101

Uruguay, 44

Uruzgan Province, 59

Uzbekistan, 61

## V

Vanuatu, 68, 72, 76

Venezuela, 45

Vienna, 53

Vietnam, 36, 72, 87, 130

Ho Chi Minh City, 151

human rights, 94

public diplomacy programs, 36, 115, 116

violence against women and girls, 70, 71–2

visas, 66



## W

Walker, Professor David, 116  
 Washington, 115, 170  
 water management, 44, 57  
 weapons, conventional, 70, 101–2  
 weapons of mass destruction, see  
     non-proliferation and disarmament  
 website services, 113, 167  
     Australian Treaties Database, 114  
     passport issue, 138, 148  
     *smartraveller*, 113, 133–4  
 West Asia, see Afghanistan  
 West Bank, 62  
 whaling, 26, 95  
 White Papers, 99–100  
     see also *Australia in the Asian Century*  
     White Paper  
 White Ribbon Day, 71  
 whole-of-government coordination, 159–60  
 whole-of-government services and supplies,  
     174  
 Wi-Fi, 134  
 wildlife conservation, 65, 95  
 wine, 78  
 women, 66  
     advancing gender equality, 70–2  
         genital mutilation (FGM), 70, 71, 133  
         staff, 181–4  
     workforce planning, 166–8  
     working holidays, 53  
     workplace agreement, 167, 171, 185  
     workplace diversity, 167–8  
     workplace health and safety, 172, 191–2  
         audits, 155  
         security awareness training, 147  
 Workplace Relations Committee, 160  
 World Expo, Yeosu, 30, 124  
 World Intellectual Property Organization  
     (WIPO), 77  
 World Trade Organization (WTO), 73–6, 77, 87  
 World Wine Trade Group, 78

## Y

Yangon, 146  
 Yemen, 62, 102  
 Yonsei University, 118  
 young people, 117–18, 134  
 YouTube channel, 113  
 Yunupingu, Gurrumul, 112

## Z

Zimbabwe, 47



# "I REGISTERED MY TRIP WITH SMARTRAVELLER AND TOOK THEIR ADVICE ON INSURANCE – IT SAVED ME MORE THAN \$50,000."

Before Erin went overseas she registered with Smartraveller and took out full insurance. Lucky she did, because while away her routine bungee jump went horribly wrong. She suffered extensive injuries and was airlifted to a hospital in South Africa for treatment. But since she had full travel insurance, she had no additional cost to pay.

**VISIT NOW FOR VALUABLE ADVICE & UPDATES**

Scan to visit us online



Download the Smartraveller iPhone App



**smartraveller.gov.au**  
Every traveller, every trip.



Australian Government

The Department of Foreign Affairs and Trade has offices in each state and territory capital city and in some regional centres. Please contact your nearest office for more information, or access the department's website at [www.dfat.gov.au](http://www.dfat.gov.au).

## DEPARTMENTAL OFFICES

### Australian Capital Territory

R G Casey Building  
John McEwen Crescent  
Barton ACT 0221  
T: (02) 6261 1111  
F: (02) 6261 3111

### Queensland

Queensland State Office  
Level 16, 150 Charlotte Street  
Brisbane QLD 4000  
T: (07) 3405 4799  
F: (07) 3405 4782  
E: [dfatbris@dfat.gov.au](mailto:dfatbris@dfat.gov.au)

### Tasmania

Tasmania State Office  
Level 1, 111 Macquarie Street  
Hobart TAS 7000  
T: (03) 6238 4099  
F: (03) 6238 4024  
E: [dfat.tasmania@dfat.gov.au](mailto:dfat.tasmania@dfat.gov.au)

### New South Wales

New South Wales State Office  
Level 10, Angel Place  
123 Pitt Street  
Sydney NSW 2000  
T: (02) 9356 6222  
F: (02) 9356 4238  
E: [dfat.nsw@dfat.gov.au](mailto:dfat.nsw@dfat.gov.au)

### Torres Strait Treaty

Liaison Office  
Torres Strait Treaty Liaison Office  
Commonwealth Centre  
Victoria Parade  
Thursday Island QLD 4875  
T: (07) 4069 1495  
F: (07) 4069 1881

### Victoria

Victoria State Office  
Level 14, Casselden Place  
2 Lonsdale Street  
Melbourne VIC 3000  
T: (03) 9221 5555  
T: (03) 9221 5455  
E: [vso@dfat.gov.au](mailto:vso@dfat.gov.au)

### Northern Territory

Northern Territory Office  
5th Floor, Northern Territory House  
22 Mitchell Street  
Darwin NT 0800  
T: (08) 8982 4199  
F: (08) 8982 4155  
E: [dfat.darwin@dfat.gov.au](mailto:dfat.darwin@dfat.gov.au)

### South Australia

South Australia State Office  
5th Floor, 55 Currie Street  
Adelaide SA 5000  
T: (08) 8403 4899  
F: (08) 8403 4873  
E: [adelaide.sa@dfat.gov.au](mailto:adelaide.sa@dfat.gov.au)

### Western Australia

Western Australia State Office  
Level 17, Exchange Plaza  
Sherwood Court  
Perth WA 6000  
T: (08) 9231 4499  
F: (08) 9221 2827  
E: [dfat.wa@dfat.gov.au](mailto:dfat.wa@dfat.gov.au)

## PASSPORT OFFICES

### Canberra Passport Office

R G Casey Building  
John McEwen Crescent  
Barton ACT 0221  
T: 131 232

### Darwin Passport Office

5th Floor, Northern Territory House  
22 Mitchell Street  
Darwin NT 0800  
T: 131 232

### Hobart Passport Office

Level 1, 111 Macquarie Street  
Hobart TAS 7000  
T: 131 232

### Sydney Passport Office

Level 7, Gateway House  
Henry Deane Place  
26 Lee Street  
Sydney NSW 2000  
T: 131 232

### Brisbane Passport Office

Level 17, 150 Charlotte Street  
Brisbane QLD 4000  
T: 131 232

### Melbourne Passport Office

Level 13, Casselden Place  
2 Lonsdale Street  
Melbourne VIC 3000  
T: 131 232

### Newcastle Passport Office

Level 1, Deutsche Bank Building  
77 Hunter Street  
Newcastle NSW 2300  
T: 131 232

### Adelaide Passport Office

5th Floor, 55 Currie Street  
Adelaide SA 5000  
T: 131 232

### Perth Passport Office

Level 17, Exchange Plaza  
Sherwood Court  
Perth WA 6000  
T: 131 232

Handel **Diplomazia** 통상 ทางการค้า **Ngoại giao** **Comércio** **Дипломатия** diplomácia **یاستس**  
بازرگ Trade دیپلوماسیة **Diplomatija** **Treid** कूटनीति **Diplomatiko** 外交 **Kalakalan**  
**em** **Diplomati** 외교 **Commerce** การค้า **Diplomasia** ကုန်သွယ်ရေး تجارت **La diplomatie**  
व्यापार تجارة торговля Thương mại **Komersiu** تجارت le commerce **Diplomatie** 貿易 **Handel**  
**o** **Дипломатия** **Diplomacy** **یاستس** **Perdagangan** دیپلوماسیة διπλωματία **Kalakalan** بازرگانی  
دیپلوماسی **Diplomatiko** 外交 Trade εμπόριο **Diplomasi** **Comercio** سفارت **kereskedelem** 외교  
**Diplomasia** **Ticaret** **Commercio** سوداگری **ကုန်သွယ်** **Diplomacia** व्यापार تجارة торговля