



Australian Government

Australian Government response to the
Joint Standing Committee on Foreign Affairs, Defence and Trade
report:

“Australia’s Overseas Representation – Punching below our
weight?”

30 May 2013

Australia's Overseas Representation – Punching Below Our Weight?

Report of the Joint Standing Committee on Foreign Affairs, Defence and Trade

Australian Government Response

The Australian Government welcomes the Report of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Australia's Overseas Representation, as tabled on 29 October 2012. The Report underscores the importance of an effective diplomatic network to advancing Australia's national interests internationally. Following are the Government's responses to the recommendations contained in the Report.

Australia's Diplomatic Footprint

Recommendation 1

The Committee recommends that Budget priority for overseas representation should be significantly raised because of the benefits that accrue from diplomacy.

Response: Noted.

The Government recognises the benefits that accrue from diplomacy, most recently in the White Paper on *Australia in the Asian Century* and in the National Security Strategy *Strong and Secure: A Strategy for Australia's National Security*. For this reason, since 2007-08, we have agreed to an increase in the Department of Foreign Affairs and Trade's diplomatic reach despite tight budgets. We have, for example, opened four new embassies or consulates in Mumbai (India), Chennai (India), Lima (Peru) and Addis Ababa (Ethiopia); and increased the number of Australian diplomats overseas – from 539 in 2007 to 605 today (31 December 2012). The Government has also announced we will open a consulate in Chengdu (inland China) and an embassy in Dakar (Senegal).

Moreover, in view of the growing importance of Australia's relations in Asia, as highlighted in the White Paper on *Australia in the Asian Century*, we have announced the establishment of a dedicated Ambassador to the Association of South-East Asian Nations (ASEAN) based in Jakarta. We also signalled in the White Paper that, when circumstances allow, we will open a full embassy in Ulaanbaatar (Mongolia) – Austrade already manages a Consulate-General there – and consulates in Shenyang (north-eastern China), Phuket (Thailand) and in eastern Indonesia.

The Government has also significantly enhanced Australia's middle power status in the world, by successfully leading a campaign to gain a seat on the UN Security Council – the

UN's premier decision-making body. Additionally, Australia as a G20 member and host in 2014 will work to strengthen international cooperation on challenges to sustainable global growth and the development of governance arrangements which support this objective.

Recommendation 2

The Committee recommends that the Government produce a White Paper to set the agenda for Australia's whole of government overseas representation. The White Paper should include, but not be restricted to:

- *a consideration of the value to Australia of its diplomatic network;*
- *criteria for establishing, continuing or closing diplomatic posts; and*
- *a statement of the government's priorities for expanding the network.*

Response: Not Supported.

The Government does not believe the proposed White Paper would add anything new to the agenda for Australia's whole-of-government overseas representation. The Government already values highly the positive contribution made by its diplomatic network. The Australian public also values the overseas network, especially its provision of consular and passport services.

The Government's considerations around establishing, maintaining and closing diplomatic posts are flexible and responsive to emerging trends. Our priorities for expanding the network have already been enunciated to Parliament. Most recently, the White Paper on *Australia in the Asia Century* considered the need for effective diplomatic representation in the Asian region (see Recommendation 1). In the longer term, and as circumstances allow, the Government will consider extending Australia's overseas footprint to respond to emerging economic locations and to meet consular demand.

Recommendation 3

The Committee recommends that, in the medium term, Australia should substantially increase the number of its diplomatic posts to bring it to a level commensurate with its position in the G20 and OECD economies. This increase should be by at least twenty posts.

Response: Noted.

As outlined in our response to Recommendation 1, since 2007-08 the Government has increased the number of diplomatic posts by opening four new missions in Mumbai (India), Chennai (India), Lima (Peru) and Addis Ababa (Ethiopia). The Government has also announced we will open a consulate in Chengdu (inland China) and an embassy in Dakar (Senegal).

The Government also signalled in the White Paper on *Australia in the Asian Century* that, when circumstances allow, we will open a full embassy in Ulaanbaatar (Mongolia) – Austrade already manages a Consulate-General there – and consulates in Shenyang (north-eastern China), Phuket (Thailand) and in eastern Indonesia.

Recommendation 4

The Committee recommends that the Department of Foreign Affairs and Trade's funding be increased in the long term to a set percentage of gross domestic product sufficient for the creation of a diplomatic network appropriate to Australia's standing in the G20 and OECD.

Response: Not Supported.

Establishing funding for the diplomatic network around a formulaic approach based on a set percentage of gross domestic product (GDP) will not necessarily result in a diplomatic network that best meets Australia's need. The size of the overseas network, and its associated funding requirements, will vary over time and will be driven by the international strategic environment and not the size of Australia's GDP.

Recommendation 5

The Committee recommends that Australia should increase its diplomatic representation, including increased Austrade representation in North Asia and Central Asia, and in particular China.

Response: Supported.

Australia's representation in China will be increased when the consulate in Chengdu (inland China) opens during 2013. Austrade already operates a trade office in Chengdu which will move into the consulate when it opens. In addition, the Government has signalled in the White Paper on *Australia in the Asian Century* that, when circumstances allow, Australia will open a full embassy in Ulaanbaatar (Mongolia) – Austrade already manages a Consulate-General there - and a consulate in Shenyang (north-eastern China). Austrade currently has a small trade office in Shenyang.

Recommendation 6

The Committee recommends that Australia should deepen its relationship with Indonesia by opening a diplomatic post in Surabaya, East Java.

Response: Supported.

The Government has signalled in the White Paper on *Australia in the Asia Century* that, when circumstances allow, Australia will open a consulate in eastern Indonesia.

Recommendation 7

The Committee recommends that the Department of Foreign Affairs and Trade discuss the reasons for proposing to open or close Australia's diplomatic posts either by way of private briefings or public hearings before this Committee.

Response: Partially Supported.

Decisions on post openings and/or closures are made consistent with Australia's emerging foreign and trade policies and to meet consular and budget requirements. The Department of Foreign Affairs and Trade is happy to brief the Committee privately on the reasons for Government decisions to open or close diplomatic missions.

Activities at Overseas Posts

Recommendation 8

The Committee reiterates its recommendation in its report of its Inquiry into Australia's Relationship with the countries of Africa that the Government should increase the number of Austrade offices and personnel that are based in sub-Saharan Africa.

Response: Partially Supported.

Austrade delivers trade, investment and education development activities in sub-Saharan Africa through offices in Johannesburg, Accra and Nairobi. In addition, Austrade has a trade representative in Port Louis (reporting to Johannesburg). Austrade has also appointed a new locally-engaged Business Development manager in Johannesburg with a focus on promoting Australian education, training and skills capabilities in sub-Saharan Africa.

In June 2012, the Minister for Trade and Competitiveness, The Hon Dr Craig Emerson MP, announced the creation of a new Australian-based Trade Commission in Accra, Ghana, and the Trade Commissioner commenced at post in October 2012. This represents a significant expansion of Austrade resources covering the growth areas of West Africa.

During 2012 Austrade placed an Australian-based Trade Commissioner in Nairobi on a short-term assignment to assess commercial opportunities for Australia businesses in East Africa. Subject to resources, Austrade will continue to look at options to strengthen its presence in Nairobi.

Recommendation 9

The Committee, noting the valuable activities of the Department of Foreign Affairs and Trade and Austrade in promoting overseas trading opportunities, recommends that these agencies broaden their contacts with Australian business boardrooms to deepen understanding of how the Department and Austrade can assist in facilitating their overseas activities.

Response: Noted.

The Department of Foreign Affairs and Trade (the Department) works closely with Australian businesses to identify opportunities to assist them as they seek to compete in an increasingly integrated global economy. The Department seeks to maximise these opportunities through proactive participation in the World Trade Organization (WTO) and Asia Pacific Economic Cooperation (APEC). It also promotes trading opportunities through advancing Australia's free trade agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities for bilateral and regional FTAs.

In its direct engagement with foreign governments, the Department also advocates on specific market access issues raised by Australian businesses and introduces and supports Australian commercial interests to help them take advantage of overseas opportunities and to engage with key officials. The Department also provides guidance to businesses about the political and economic situation in countries of interest. In this regard, Heads of Mission (HoM) have a pivotal role in providing high-level guidance and support to business and promoting the national trade agenda.

The Department conducts extensive consultation and outreach with business in the trade negotiation process. This includes open calls for submissions, discussions with business, industry bodies and non-government organisations, regular peak organisation briefings, and briefing sessions in capitals. In the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA) negotiations, the Government funded the Indonesia–Australia Business Partnership Group (IA-BPG) to prepare a position paper for both governments on their desired outcomes for an IA-CEPA. The IA-BPG consists of peak Australian and Indonesian business associations, and it is the first time such a grouping from Australia and a trade negotiating partner have jointly developed positions on negotiating issues.

The Department also conducts industry outreach on sanctions and Australian laws that apply extraterritorially, through seminars with the heading of 'trading with integrity'. These activities encourage companies to adopt best practice principles when operating overseas. Since August 2007, the Department has been involved with 50 such seminars, either as the host or through an officer delivering the key note address at functions arranged by legal firms, industry associations and federal and state government agencies.

The Department is also working to expand its outreach to business, with the recent establishment of an e-newsletter "Trade Talk" providing updates on developments in

Australia's trade policies and negotiations; outreach through social media such as Twitter; and regular website updates on FTA negotiation rounds.

Austrade continues to deliver practical in-market support, advice and insights to export-ready Australian businesses at both the operational and board level in Australia and internationally where Australian businesses operate.

Austrade is focusing on identifying and delivering high-quality foreign business opportunities to export-ready Australian firms. Austrade engages with stakeholders from relevant industry associations, business chambers and individual firms to enhance board level understanding of the opportunities available and services Austrade can provide to assist with their international activities.

Recommendation 10

The Committee recommends that the Australian Government place on the Council of Australian Governments agenda, discussion of the location, coordination and effective use of State and Commonwealth trade representations in the national interest.

Response: Not Supported.

The Council of Australian Governments (COAG) considers issues that require leader-level engagement and are of strategic importance to the three levels of government. While it is important to coordinate and effectively use Commonwealth, State and Territory trade representations in the national interest, the Government considers existing mechanisms for intergovernmental collaboration meet this need.

There are currently two State or Territory officers co-located in Austrade's international posts. This should increase substantially in 2013: Austrade is currently working closely with States and Territories to finalise an agreement for employing State and Territory specialist business development managers for trade, education and investment purposes at Austrade posts. Austrade also contracts more than half of its TradeStart network through State or Territory governments.

In addition, the long-standing National Trade Development Working Group meets regularly to coordinate operational trade promotion and collaboration matters.

The recently-formed Senior Officials Trade and Investment Group (SOTIG) meets every six months to improve coordination and collaboration between the Commonwealth, States and Territories to grow Australia's trade and investment. Part of SOTIG's role is to maximise the value of relatively limited resources, particularly through more effective collaboration and increased clarity about the respective roles and priorities of Commonwealth, State and Territory governments.

Finally, the Minister for Trade and Competitiveness, The Hon Dr Craig Emerson MP, meets with State and Territory ministers as issues arise.

Recommendation 11

The Committee recommends that the Minister for Foreign Affairs should create a mediation unit within AusAID and funded from the aid budget. The aim of the unit would be to prevent conflict by providing timely assistance to mediation efforts, and acting as a mediator and legitimate third-party.

Response: Not Supported.

The Australian Government, through its aid agency, AusAID, already provides timely assistance to mediation efforts, working with United Nations agencies and Non-Government Organisations (NGOs) with proven track records and the specialist expertise needed to undertake this work.

Australia's aid policies recognise the importance of promoting peace and security in order to achieve development outcomes.

These issues are core business for AusAID. Over 55 per cent of Australia's aid program is delivered in fragile and conflict-affected states. Australia's approach, as outlined in AusAID's *Framework for working in fragile and conflict-affected states*, focuses on three mutually enforcing aims: building more responsive states, building resilient communities and preventing violent conflict. AusAID's framework and methodologies provide clear entry points for mediation as an important element of conflict prevention work. Conflicts, especially those within state borders, are often socially and politically complex involving a range of stakeholders, including non-state actors. AusAID officers and partners are trained in these approaches, including peace and conflict analysis and 'Do No Harm' practice. Fragility and conflict specialists actively support AusAID programs in volatile locations. In this environment, and where it is appropriate to do so, the Australian Government will engage constructively with governments in the region to voice our concerns or offer assistance.

A challenge for any entity facilitating a mediation effort is maintaining neutrality and impartiality. NGOs and multilateral organisations are important partners for mediating conflicts, as these organisations often are perceived as neutral and impartial in ways that third party states, including Australia, may not be. Effective mediation efforts are highly context-specific and successful mediation is often best supported through mediators equipped with a solid understanding of the local historical, cultural and political context, the local drivers of conflict and measures to address them, as well as the diverse interests of the groups involved in conflict and their willingness to engage in dialogue.

For these reasons, AusAID supports mediation through international organisations and NGOs with the experience and expertise to address conflict through mediation in a variety of contexts. Australian Government support to international mediation efforts focuses on strengthening multilateral mediation services, delivered through United Nations (UN) agencies, and on providing targeted support to local peace initiatives through NGOs.

Australian funding to the United Nations Department of Political Affairs (DPA) is an example of timely assistance to prevent and respond to crises. DPA monitors and assesses global political developments to detect potential crises before they escalate and to devise effective responses. DPA provides close support to the UN Secretary-General and his envoys, as well as to UN political missions deployed with mandates to help defuse crises or promote lasting solutions to conflict. In 2011, Australia was the largest contributor of voluntary funds to the DPA. Between 2008 and 2011, Australia provided over \$6 million to support DPA's work.

AusAID also supports mediation and conflict prevention in our region through other mechanisms. In the Philippines, AusAID's 'Supporting Peace in Mindanao' initiative has assisted local non-government organisations that work to reduce violent conflict at the local level. A total of 258 local clan disputes were resolved through the Lupon Tagapamayapa program in 2010 and 2011. The resolution of these conflicts has enabled people to return to their farms, to bring their goods safely to markets and to return to school.

Since October 2012, AusAID has been supporting the Centre for Peace and Conflict Studies to provide advice and technical expertise to five different negotiation processes between the Myanmar Government and non-state armed groups. The Centre for Peace and Conflict Studies is providing advice, training and facilitating exposure visits to other countries to learn about successful peace processes in order to strengthen the negotiations in Myanmar.

In Solomon Islands, through the Law and Justice Program of the Regional Assistance Mission to the Solomon Islands (RAMSI), Australia is providing support to strengthening tribal land dispute resolution. Population pressures have contributed to an increasing number of land disputes. The Solomon Islands Ministry of Justice and Legal Affairs is working on a legal framework that supports local level decision-making on tribal land disputes, and ensures that decisions are made by the people who live on the land and who understand the genealogy, history and custom of the area. Australia funds two legal policy positions that are working in the Ministry leading on this work.

As these examples demonstrate, the Australian Government places a high priority on preventing conflict and building peace, including mediation, through its overseas aid program. This is particularly important given that around 55 per cent of Australia's bilateral and regional development assistance is expected to be delivered in fragile or conflict-affected states in 2012-13.

Since 2006, we have contributed more than \$30 million to support UN agencies in peace building and conflict prevention efforts. This support, complemented by assistance to NGOs and local stakeholders to prevent and resolve conflict at the local level, represents a significant commitment to effective and well-targeted mediation and preventative diplomacy, and to supporting countries emerging from conflict to build lasting peace.

Recommendation 12

The Committee recommends that the cost of meeting increasing demand for consular services should be met through a combination of increased passport fees and a small hypothecated and indexed travel levy.

Response: Noted.

The current focus of the Department of Foreign Affairs and Trade (the Department) is on discharging its consular role within existing resources. The Department has no current plan to seek additional funding for consular services but, in light of the resource implications for the Department of continuing high demand, it will continue to assess all appropriate options to ensure that the level of resourcing is aligned to demand for consular services. The Department will continue to support Australian travellers to help themselves, by providing accurate and up-to-date travel advice and by encouraging travellers to have appropriate travel insurance, are registered with *Smartraveller* and subscribe to travel advisory updates.

Recommendation 13

The Committee recommends that the Department of Immigration and Citizenship engage in an ongoing dialogue with interested parties, including the Migration Institute of Australia to identify poor client service performance by locally engaged staff at overseas offices and by Service Delivery Partners, with the aim of strengthening the performance management and training for underperforming overseas staff and Service Delivery Partners

Response: Not Supported.

The Government disagrees with the premise put forward by the Migration Institute of Australia (MIA) during the Inquiry regarding the extent of discrimination and poor service from locally engaged staff overseas.

The Department of Immigration and Citizenship (the Department) takes allegations of poor client service, whether onshore or offshore, very seriously and has always investigated and taken action where appropriate. The Department encourages stakeholders who make such allegations to provide evidence to form the basis of an investigation. Where evidence is not made available, it is difficult for claims to be verified.

Similarly, the Department will investigate and take action against Service Delivery Partners (SDPs) who are underperforming. The Department has robust contractual procedures in place to deal with any underperformance. SDP staff are bound by DIAC's code of conduct and are contractually obliged not to provide any advice in relation to immigration matters. The Department has strong performance management and training regimes in place for staff at its overseas offices and for SDPs. These regimes are supported by the Global Learning and Change Branch in the DIAC National Office and Training Coordinators in each of the eight global regions in which the Department has offices (East Asia, Middle

East, Africa, Europe, South East Asia, South Asia, South Pacific and Americas). The development of training materials for SDPs and Offshore Contract Management is supported by the Offshore SDP and Biometrics Support Section in Canberra.

The Department has numerous mechanisms in place for consultation with stakeholders on issues concerning the delivery of visa services offshore. These include the Migration Advice Industry Liaison (MAIL) Meeting which is generally held three times a year in Canberra. MAIL meetings comprise DIAC, the MIA and the Law Council of Australia (LCA). Organisations such as the MIA also meet with DIAC State and Territory Directors as well as with senior staff at overseas offices on an ad hoc basis. Further, as the MIA and LCA are aware, the Department has formal contact channels available for feedback on its website, including through the Global Feedback Unit:

<http://www.immi.gov.au/contacts/forms/services/>.

The Department will continue to work with stakeholders to strengthen the performance of staff at overseas offices. This will include the establishment of more regular meetings between MIA and senior staff on a regional basis overseas. The MIA is encouraged to use these meetings, as well as the other consultation mechanisms outlined above, to provide feedback on performance that is supported by verifiable evidence. The MIA can assure its members that complaints will be dealt with seriously and will not result in retribution. The Department welcomes such feedback as a method for continuously improving performance.

Recommendation 14

The Committee recommends that there be an external review of the Department of Foreign Affairs and Trade. The terms of reference for the review should include, but not be limited to:

- *ensuring the Department is able to effectively carry out the Government's priorities as identified in its White Paper;*
- *strategies and procedures to ensure the integrity and probity of Australian businesses with which the Department's overseas operations become associated;*
- *ensuring effective resource allocation of current and any additional funding;*
- *the efficiency and effectiveness of multiple country accreditation and representation;*
- *back to back postings of A-based staff;*
- *the capacity of posts to provide infrastructure and accommodation to meet the needs of increases in AusAID staff and staff other agencies;*
- *examining the use of locally engaged staff; and*
- *ensuring that the Department has the capacity to attract and retain high quality staff.*

Response: Not Supported.

The Government does not believe an external review of the Department of Foreign Affairs and Trade (the Department) along the lines proposed in Recommendation 14 is warranted. External scrutiny of the Department is already extensive, including being the subject of an Australian Public Service Commission (APSC) Capability Review during 2013. This Review will focus on the Department's capability with regard to leadership, strategy and delivery. It will be conducted over 18 weeks and require a substantial allocation of departmental resources to service the Review team. The department is also subject to an ongoing program of audits by the Australian National Audit Office (ANAO). A further review, as proposed by the Committee, would not add value to these extant and upcoming scrutiny and accountability processes.

E-diplomacy

Recommendation 15

The Committee recommends that the Department of Foreign Affairs and Trade immediately refurbish Australian embassy websites to make them more informative, attractive and user-friendly.

Response: Partially Supported.

In April 2012 the Department refurbished the websites of its 95 overseas diplomatic missions to apply consistent branding and to ensure more user-friendly presentation and functionality. These changes were made following a survey of usage conducted in March 2012. The Department has received positive feedback on these enhancements and, subject to resource constraints, will continue to look at the scope for improvements.

Recommendation 16

The Committee recommends that the Department of Foreign Affairs and Trade establish an Office of e-Diplomacy, subject to the external review, the Government White Paper and any increase in resources.

Response: Noted.

Oversight of the Department of Foreign Affairs and Trade's (the Department's) social media agenda, including the development and implementation of policy guidelines and evaluation, is handled within the Parliamentary and Media Branch, specifically the Online Communications Section and the Media Liaison Section. These work units are situated in the Consular, Public Diplomacy and Parliamentary Affairs Division thus ensuring that the social media work is integrated into the Department's broader communications, outreach and public diplomacy programs.

While the above arrangements have been working well to date, and are adequate to support the Department's social media program in line with the recommendations in the White Paper on *Australia in the Asian Century*, they will be kept under review and new arrangements may be considered if that is warranted by changed circumstances.

Recommendation 17

The Committee recommends that the Department of Foreign Affairs and Trade should make better use of social media platforms to promote Australia's foreign policy, trade opportunities, and the Department's role to the wider Australian public and key audiences in Asia and the Pacific.

Response: Supported.

Over the course of 2012, the Department of Foreign Affairs and Trade (the Department) expanded its use of social media platforms substantially, with the aim of promoting Australia internationally and advancing our foreign and trade policy interests to a diverse range of audiences.

From a position at the beginning of the year in which two overseas missions were using social media tools, toward the end of the year 12 missions were pursuing active social media programs and a further six are expected to come on line in the near future. The Department also expanded its use of social media tools for consular purposes, including through the establishment of a Smartraveller facebook page.