



STATEMENT TO THE SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

ADDITIONAL BUDGET ESTIMATES- 1 MARCH 2018

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Thank you Chair for the opportunity to make an opening statement.

As the Committee is aware, the Prime Minister, Foreign Minister and Trade, Tourism and Investment Minister launched the 2017 Foreign Policy White Paper on 23 November last year.

Our purpose was to chart a clear course for Australia at a time of rapid change.

The White Paper was the result of a year of intensive work for the Government, my Department and the whole-of-government taskforce convened to produce it.

We have distributed copies of the White Paper to 6500 people in Australia and overseas.

In the week following the Paper's launch, domestic and international media commentary on the White Paper reached an estimated audience of 18.8 million.

More than 55,000 people have accessed our Foreign Policy White Paper website.

Here we host not just the White Paper text, but also personal stories – told through words, pictures and video content – to highlight the many ways in which Australians in each of our states and territories engage with the world.

This innovative new content complements the White Paper's policy framework with stories of remarkable people making a difference – supporting Australia and helping to build prosperous and resilient societies in our region. I commend it to the Committee.

Implementation


The White Paper, as Foreign Minister Bishop has said, provides a framework for our interests, values and priorities at a time of uncertainty and change.

It affirms that an outward-looking Australia, fully engaged with the world, is essential to our future prosperity and security.

I think it fair to say that the White Paper's analysis of the challenges we face at a time of disruption and change met broad support, even if there is room, of course, for robust debate about specific policy approaches.

The Department is now working with partners across government and internationally to implement the White Paper.

The Foreign Affairs and Trade, Tourism and Investment Ministers will report on our progress to Cabinet every six months.



The whole-of-government White Paper Board, which guided the development of the White Paper throughout 2017, continues to meet regularly to oversee implementation.

I have revised the department's organisational structure and allocated our resources to align with the strategic direction and priorities of the White Paper. I am pleased to table copies of our new organisational chart, reflecting this structure.

Five newly-established groups headed by deputy secretaries mirror the White Paper's priorities and harness the services and capabilities required for their effective implementation.

The establishment of a United States and Indo-Pacific Strategy Division gives us stronger focus and resources to deliver our regional agenda.

We are reviewing how we can best build Australia's soft power.

The Diplomatic Academy, now fully operational, is giving our staff the modern skills and capabilities they need to support ambitious and integrated Australian foreign, trade and development policies.

Four years after integration, we have strengthened our approach to evaluations and knowledge management and established a new Aid Governance Board to provide clear strategic oversight of the aid budget and help ensure its alignment with the White Paper.

I released a new departmental Workforce Strategy outlining the workforce management settings to build the skills of our staff.

This year, I look to place particular emphasis on continuing to grow our aid management expertise through considered workforce planning.

And in a tight budgetary environment, we are using more efficient means and cost-effective technologies to support our overseas engagement, including as we expand our diplomatic network.

Our priorities

From this strong base, the Department is helping Government bring the White Paper to life.

Without going through all five of the White Paper's priorities, I thought it might be helpful if I highlighted some of the work we are doing.

In the Indo-Pacific, we are acting to promote an open, inclusive and prosperous region in which the rights of all states are respected.

For example, the Department is working to encourage the strongest possible economic and security engagement by the United States in the region.

Already this year, we have supported visits to the United States by the Prime Minister, Foreign Minister and Trade, Tourism and Investment Minister.


Following the Prime Minister's visit, we will work with the United States Administration to promote policies that support shared objectives in our White Paper and the US National Security and National Defense strategies.

At the same time, the Department is advancing our Comprehensive Strategic Partnership with China.

Not only is China our largest trading partner, but our societies are increasingly connected, including through flows of migrants, students and visitors.

While competition in the region is increasing, there must also remain space for cooperation.

We continue to place priority on positive and active engagement with China. The quality of discussion at the Australia-China High-level Dialogue held in late November and co-chaired by former Prime Minister John



Howard and former Chinese Foreign Minister Li Zhaoxing, demonstrated the value of such forums. Clearly there are some points of contention in this relationship, and channels like this are helpful in managing these.

The Government is lifting the ambition of Australia's engagement with major Indo-Pacific democracies: Japan, Indonesia, India and the Republic of Korea.

These countries are of first-order importance to Australia.

The Department will do more bilaterally and across these partnerships, including in small groups.

For example, the revived Quadrilateral Group – which includes Australia, India, Japan and the United States - demonstrates our commitment to bolster cooperation among these regional powers.

The department represented Australia late last year at a first meeting of the Quad, as it is known.

As competition for influence in Southeast Asia sharpens, the department is working to ensure Australia remains a leading economic, development and security partner for ASEAN and its members.

Together with the Department of Prime Minister and Cabinet, for example, we are supporting the Prime Minister's historic special ASEAN-Australia Summit, which will be held later this month.

The Summit is a clear demonstration of our ambition for deep, distinctive and enduring ties with the countries of Southeast Asia.

In recent months, the Department has also worked intensively to support the Government's objective of regional trade and investment arrangements that increase growth, promote openness and help reduce strategic rivalry.

Our support for the Prime Minister and the Minister for Trade, Tourism and Investment as they worked successfully to conclude the TPP-11 agreement is an important example of this commitment.

The Department is working hard to deliver the White Paper's commitment to expand our network of free trade agreements and support a rules-based trading system.

By 2020, we aim to have FTAs with countries that account for more than 80 per cent of our trade.

In addition to the TPP-11, the Department has supported the recent conclusion, in record time, of a bilateral free trade agreement with Peru.

We are close to finalising an India Economic Strategy.

Working with others across Government, my Department is also stepping up our efforts to engage with Australian businesses, and to ensure community support for Australia's openness to trade, investment and skilled migration.

Finally, the Department is implementing the Government's step-change in Australia's engagement with the Pacific.

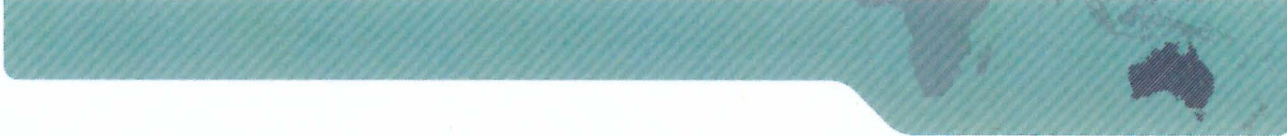
The step-up is a major policy initiative focussing on three priorities: stronger partnerships for economic growth; stronger partnerships for security; and stronger relationships between our people.

Australia's step up builds on and leverages our development assistance to the region of \$1.1 billion this financial year.

The department is working to establish, with our Pacific partners, a new Australian Pacific Security College to deliver security and law enforcement training at the leadership level.

Working with other relevant government agencies, the Department is also expanding non-seasonal labour mobility opportunities through the Pacific Labour Scheme.

This will support economic growth in the Pacific while enabling Australian employers to address labour shortages.



We are building the infrastructure that will support economic growth, such as the telecommunications cable between Australia and PNG and the Solomon Islands.

Conclusion

Chair, the Prime Minister says in his introduction to the White Paper that: “we are meeting the challenges of an uncertain future with confidence, open to the world and its opportunities, while resolutely resisting threats to our way of life”.

The White Paper sets a clear course, despite the many risks, for renewed ambition in our international engagement.

I have every reason to be confident as we move forward with our plan.

Thank you again Chair. My colleagues and I am happy to respond to your questions.