

Introduction

Background to the inquiry

Reference from the Minister

1.1 On 13 September 2011, the acting Minister for Foreign Affairs, the Hon. Craig Emerson MP referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade (the Committee), an inquiry into Australia's overseas representation. The terms of reference were:

- the activities that Australia's diplomatic posts must undertake;
- their geographic location and spread;
- the appropriate level of staffing, including locally engaged staff; and
- the affect of e-diplomacy and information and communications technology on the activities of diplomatic posts.

The Committee's interest

1.2 From late 2009 to early 2011, the Committee reviewed Australia's relationship with the countries of Africa. Part of the review focused on Australia's diplomatic representation with the countries of that continent. The Committee made a number of recommendations designed to broaden

and deepen Australia's diplomatic presence, especially in Francophone Africa.¹

- 1.3 Notwithstanding suggestions that new posts be established in a number of countries, the Committee drew back from recommending opening posts in particular countries. The view of the Committee was that it did not have enough information on the competing demands for opening diplomatic posts in other regions of the world to determine whether posts should be opened in Africa in preference to these other regions.

- 1.4 The Committee revisited the issue of Australia's diplomatic footprint in early 2011 when it reviewed the Department of Foreign Affairs and Trade's (DFAT's) Annual Report 2009–2010. The Committee commented:

The Committee is of the view that there is a substantial question in relation to DFAT's future role and the adequacy of the services it provides on behalf of Australia. The Committee believes a substantial inquiry should be undertaken by the Committee on Australia's representation overseas in order to provide comprehensive advice to the Government on how Australia's interests might be better served by Australia's diplomatic network, and invites the Foreign Minister to provide it with a reference to conduct this substantial inquiry.²

- 1.5 The Minister subsequently requested the Committee inquire into the issue of Australia's overseas representation and provided terms of reference.

Australia's diplomatic footprint

- 1.6 Australia's overseas representation is the responsibility of agencies within the Foreign Affairs and Trade portfolio:

- the Department of Foreign Affairs and Trade;
- the Australian Trade Commission (Austrade); and
- the Australian Agency for International Development (AusAID).

Aims of diplomacy

- 1.7 DFAT has primary responsibility 'for advancing the interests of Australia and Australians internationally.' The department has three outcomes:
- the advancement of Australia's international strategic, security and economic interests including through bilateral, regional

1 Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), *Inquiry into Australia's relationship with the countries of Africa*, p. 29.

2 JSCFADT, *Review of the Department of Foreign Affairs and Trade Annual Report 2009–2010*, p. 12.

- and multilateral engagement on Australian Government foreign and trade policy priorities;
 - 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
 - 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.³
- 1.8 Austrade too has a role in diplomacy, primarily in promoting Australia's trade interests but with a secondary role of providing consular and passport services in specific regions.⁴
- 1.9 AusAID's responsibility is to deliver Australia's aid program currently amounting to about \$4.1 billion.⁵

Overseas posts

- 1.10 Australia's overseas diplomatic posts are managed by DFAT or Austrade.
- 1.11 DFAT manages 95 overseas posts in 77 countries. The network comprises:
- 76 Embassies and High Commissions, some of which act as Permanent Missions to United Nations institutions and to the European Union;
 - 13 Consulates-General;
 - 3 Permanent Missions attached to United Nations institutions;
 - a Delegation to the OECD;
 - a Representative Office in Ramallah; and
 - the Australian Commerce and Industry Office in Taipei.⁶
- 1.12 In addition, there are 46 consulates managed by DFAT and headed by Honorary Consuls. Of these, 23 are in countries where there are no Australian Embassies or High Commissions. This number includes the recently opened posts in Mongolia and Columbia.⁷

3 DFAT, *Annual Report 2010–2011*, October 2011, p. 11.

4 Austrade, *Submission No. 26*, p. 4.

5 AusAID, *Submission No. 23*, p. 1.

6 DFAT, *Submission No. 28*, p. 13.

7 DFAT, *Submission No. 28*, pp. 33–4.

- 1.13 Austrade also has an international network. It has a presence at 92 locations in 52 countries served by 74 trade commissioners – the number being made up by locally engaged staff (LES). As well, Austrade currently manages 15 consular posts in 12 countries, only one of which (Czech Republic) is not served by an Australian Embassy or High Commission.^{8,9}
- 1.14 AusAID is located in 40 diplomatic posts, with officers also in the field, delivering Australia's aid program in 84 countries.¹⁰
- 1.15 Australia's overseas diplomatic posts also provide accommodation and services for officials and officers from other Commonwealth agencies who also contribute to Australia's overseas diplomatic efforts, most notably:
- Australian Customs and Border Protection Service;
 - Australian Federal Police;
 - Department of Agriculture, Fisheries and Forestry;
 - Department of Defence; and
 - Department of Immigration and Citizenship.
- 1.16 The breadth of Australia's diplomatic footprint is discussed further in Chapter Two.

Funding the diplomatic footprint and activities

- 1.17 In 2010–11, to fund Australia's overseas diplomatic network and its departmental activities, DFAT's appropriation, identified as 'revenue from Government', amounted to \$875.6 million.¹¹ In 2011–12, the figure was \$831.1 million, with the estimate for 2012–13 being \$874.5million.¹²
- 1.18 For Austrade, the equivalent figures were \$175.6 million for 2010–11,¹³ \$167.7 million for 2011–12, and \$158.0 million estimated for 2012–13.¹⁴
- 1.19 For AusAID, the revenue from Government amounted to \$251.2 million for 2010–11,¹⁵ \$274.7 million for 2011–12, and \$312.3 estimated for 2012–13.¹⁶ This amount is used to administer Australia's \$4.1 billion aid and assistance program.

8 Austrade, *Submission No. 26*, p. 22.

9 The Austrade post in Libya was closed in 2011.

10 Mr Peter Baxter, *Transcript 17 February 2012*, p. 31.

11 DFAT, *Additional Estimates Statements 2011–12*, February 2012, p. 38.

12 DFAT, *Portfolio Budget Statements 2012–13*, May 2012, p. 46.

13 DFAT, *Portfolio Budget Statements 2011–12, Austrade Budget Statements*, May 2011, p. 82.

14 DFAT, *Portfolio Budget Statements 2012–13, Austrade Budget Statements*, May 2012, p. 79.

15 DFAT, *AusAID Additional Estimates Statements 2011–12*, February 2012, p. 65.

16 DFAT, *Portfolio Budget Statements 2012–13, AusAID Budget Statements*, May 2012, p. 120.

- 1.20 The activities of Australia's overseas representatives are discussed in detail in Chapter Three.

Staffing levels

- 1.21 As at 31 October 2011, DFAT employed 4154 staff, comprising 2493 (60.0 per cent) Australians based in Australia and overseas (A-based staff), and 1661 LES staff. Of the A-based staff, 599 (24.0 per cent) were serving overseas.¹⁷
- 1.22 As at 30 June 2011, Austrade employed 1087 staff, comprising 544 (50.0 per cent) A-based staff and 543 LES. Of the A-based staff, 74 (13.6 per cent) were serving overseas.¹⁸
- 1.23 As at 17 February 2012, AusAID employed 1929 staff, comprising 1381 (71.6 per cent) A-based staff and 548 LES. Of the A-based staff, 212 (15.4 per cent) were serving overseas.¹⁹
- 1.24 The staffing of Australia's diplomatic network is discussed in Chapter Three.

Information and communications technology

- 1.25 Australia's overseas representatives rely on a number of communications systems.
- 1.26 DFAT connects its posts with Australia through the Secure Australian Telecommunications and Information Network (SATIN). This comprises SATIN High – a National Security classified system – and SATIN Low for unclassified communications. The system supports:
- diplomatic cables;
 - consular services;
 - passport and visa services;
 - telephone, e-mail and internet connectivity; and
 - desktop computing and associated applications.
- 1.27 In addition, Australian posts maintain some 100 internet sites.²⁰
- 1.28 Austrade has a separate communications network which supports:
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17 DFAT, *Submission No. 28*, p. 15.

18 Austrade, *Submission No. 26*, pp. 6–7.

19 Mr Peter Baxter, *Transcript 17 February 2012*, p. 31.

20 DFAT, *Submission No. 28*, p. 24.

- Austrade's corporate applications such as its business database, and document management and collaboration system;
 - telephone communications; and
 - video conferencing.²¹
- 1.29 A further network is being deployed by AusAID which aims at providing simple mandated corporate systems to all AusAID locations overseas – 83 per cent of AusAID's overseas staff are currently connected. In addition, AusAID relies on DFAT's communications system, including SATIN, through a service level agreement.²²
- 1.30 E-diplomacy and the use of information and communications technology are discussed in Chapter Four.

Conduct of the inquiry

- 1.31 The Chair of the Committee's Foreign Affairs Sub-committee, Mr Nick Champion MP announced the inquiry via media release on 13 October 2011 and the inquiry was subsequently advertised in *The Australian* on 19 October 2011. Letters inviting submissions were also sent to Ministers, Commonwealth agencies, Ambassadors and High Commissioners from countries who were based in Canberra, and a wide range of individuals and organisations with an expected interest in Australia's overseas representation.
- 1.32 The Committee received 54 submissions (listed at Appendix A), 12 exhibits (listed at Appendix B) and took evidence from 24 organisations and individuals during five public hearings in Canberra and Melbourne (listed at Appendix C).

21 Austrade, *Submission No. 26*, p. 9.

22 AusAID, *Submission No. 23*, pp. 14–15.