

## **Additional Budget Estimates 2 March 2017**

### **Opening statement**

**Frances Adamson, Secretary, Department of Foreign Affairs and Trade**

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Good morning, and thank you Chair for the opportunity to make an opening statement.

I would like to update the Committee on three important issues.

First, DFAT's corporate reforms and regional management training - why we do it and how we will do it better;

Second, an update on the Foreign Policy White Paper;

And third, a new initiative, the Global Heads of Mission meeting.

Let me start by recognising this Committee's interest in arrangements for the regional management conference, a principal vehicle through which we conduct staff training, in Paris last year.

We answered questions at the last hearing and in response to Questions on Notice and I don't propose to revisit those answers in my opening remarks.

What I would like to do is summarise why we conduct this training, where we've made changes since then, and underline to you my own determination as Secretary, to ensure departmental practices meet community expectations.

I lead a department that today supports a workforce overseas of more than 6,500 Australian and locally engaged staff, who are overwhelmingly non-Australian staff across over 100 locations.

You will have heard the Prime Minister's announcement during the recent visit by the President of Indonesia, that we are shortly to open another consulate in Surabaya, underlining the government's intention to further expand our diplomatic reach.

Australia's growing overseas network helps build vital contacts, interpret events, identify underlying trends, advocate a wide range of Australian interests including growing our export markets and facilitating two-way investment and of course we assist Australians who need help.

- And to quickly illustrate this – in the past year Posts attending training in Paris last year managed over 5,500 consular cases and accepted over 33,000 passport applications.

The key purpose of the meeting in Paris last year was to ensure our staff from key European Posts have the skills and knowledge to implement the

department's corporate reform agenda, including how to deliver the most cost-effective services overseas.

Another key topic of that meeting was security, given the heightened threat of terrorism at that time.

Posts in Europe last year managed responses to four major crises:

- Istanbul saw two major incidents with the explosions in January and the airport attacks in June 2016;
- explosions in Brussels in March 2016;
- and the terror attacks in Paris in November 2015
- there are always lessons to be learned from these responses and while we receive very positive feedback from many of the Australians we assist, we need to continue to improve our performance.

After the last Estimates, I initiated a review of regional management training, noting that this kind of training has been held in one form or another by the Department for over 30 years.

The review found that training should continue in a streamlined way, with a focus on corporate reform and capability, minimising the number of Canberra-based participants and encouraging greater use of video conferencing where this is technically feasible.

There will be better coordination of travel, with high-level oversight over delegations and a single point of approval for travel.

Before the review was finalised, we revised arrangements for the next iteration, held in Jakarta last November.

Six officers travelled to Jakarta from Canberra to lead those sessions.

There were 93 participants, from 21 posts including Jakarta.

Not surprisingly, and it was one of the reasons for hosting the meeting there, 53 of those were based in Jakarta.

I note too, that many of the sessions were delivered by Skype from Canberra, though the technology did not always play nicely. I am sure that will improve.

That aside, I do want to underline my ongoing commitment to regional management training, because it helps ensure staff overseas have the skills and knowledge to run our overseas Posts efficiently and professionally; deliver services to Australians and meet priorities across Government.

Particularly in our region, overseas posts are critical to delivering a \$3.8 billion aid program aimed at contributing to sustainable economic growth, poverty reduction and regional stability, all of which are strongly in Australia's national interest.

Many members of this Committee have worked directly with overseas Posts to fulfil their international duties; whether monitoring overseas elections or facilitating your work with foreign counterparts or indeed as Ministers.

It is vital that overseas Posts maintain a high-level of capability.

We do this work in a complex international environment where the scale and pace of change is unprecedented.

It is in this context that we are working on a whole of government **Foreign Policy White Paper**.

It is the right time to re-state and advocate our values, to look at our priorities and our interests, and ensure that what we do in our international engagement advances the national interest.

We need to consider how well positioned we are to seize the economic opportunities that are emerging, including in the Indo-Pacific, where a growing, urban middle class continues to power growth and provide opportunities for our exporters.

We expect these opportunities to continue to grow, but so will competition from other producers of goods and services.

We are seeing the emergence of a more competitive, perhaps more contested, world.

We are also seeing the continued emergence of new powers, including in the Indo-Pacific.

We assess that our Ally, the United States, will remain the world's leading power, especially in military terms, by a considerable margin, where its relative strength will reduce and many other countries, including China and India, are likely to exert more international influence.

This sort of shift in relative power, as well as the risk of economic nationalism, bears careful examination.

The Government is looking, through the Foreign Policy White Paper, to ensure that it has the right, long-term policy settings to mitigate risk and seize opportunities.

As the Minister for Foreign Affairs has said, there have been significant changes in the international environment since the publication of the last such White Paper in 2003.

The White Paper will examine drivers of change internationally and assess their implications for Australia's interests.

It will outline the government's international priorities in response to this changing international context.

It will assess Australia's ability to shape events, to influence outcomes, and to determine what is in our national interest at this time and over the next 10 years.

This is not about predicting the future but getting the right framework in place so Australia is strategically positioned to manage, and perhaps shape events.

Since the last Estimates, Richard Maude, on leave from his position as Director-General of the Office of National Assessments, has taken up his position as Head of the White Paper Taskforce.

Mr Maude and his team have been conducting an extensive consultation process across the country, seeking public submissions for the White Paper.

And we can go into further detail on that process today.

The final issue I'd like to brief the Committee about **is the role of Australian Heads of Mission.**

Just as critical as our policy settings in promoting and protecting our interests, is the leadership of our Heads of Mission.

We ask many things of our Heads of Mission – the ambassadors, high commissioners, consuls-generals and trade commissioners - who represent Australia abroad.

We expect them to be connected; both with influential contacts in their host countries, as well as with the policy settings here at home and to be able to advance and defend a wide-range of Australian interests.

As you may have seen in media reports, the department will be holding a meeting of all of its Heads of Mission from the 28<sup>th</sup> of March firstly in Canberra, and then state capitals and rural and regional Australia.

This meeting will bring together for the first time our Heads of Mission to discuss Australia's foreign, trade and development policy objectives and the global environment in which we are seeking to achieve them.

Participants will make a direct contribution to the formulation of the Foreign Policy White Paper and test its assumptions.

They will connect with domestic stakeholders in state and territory capitals, and regional and rural Australia to listen and refine our policy settings and advance commercial and trade interests.

For example, our Ambassador in Stockholm will visit the headquarters in Brisbane of Volvo Trucks, a major Swedish investor, producing Australia-designed vehicles at the largest assembly plant for heavy-duty trucks in Australia.

Rio Tinto in Bundoora will host our Ambassador in Belgrade at their new pilot plant for the Jadar lithium-borate project to commence in Serbia.

Our High Commissioner in Pretoria will visit the Geelong Headquarters of the Cotton On Group, over the past five years, South Africa has been the single largest driver of the Cotton On Group in Australia

Our High Commissioner to Malta will engage with members of the Maltese community.

Our Ambassador to Iraq will also be meeting with members of the Iraqi community.

And our Ambassador in Copenhagen, an Indigenous Australian Ambassador, is visiting Alice Springs with our Ambassador to the UN in New York to inform Australia's international position on human rights issues.

All the costs of this meeting will be met through existing funds – there is no new money attached to this initiative.

The cost in Canberra to host the meeting will be about \$70,000, covering venue costs and catering.

And the cost of flights and accommodation for officials will be approximately \$1.1 million, which will be fully absorbed by DFAT.

Costs have been offset including by not holding meetings that would otherwise bring ambassadors back to Canberra, saving around \$400,000.

I should add that meetings of this kind are a well-established practice amongst modern foreign services.

For example, China, France, Germany, India, Indonesia, Korea, the UK, Russia and the United States - and countries the size of New Zealand and The Netherlands - all conduct annual meetings of their ambassadors in their capitals.

We are not proposing this meeting be held annually, but given the White Paper process underway, this is an opportune time to convene the event.

In summary, in an uncertain global environment I want the Department I lead to be in the best position possible to respond quickly and professionally to unpredictable events, build links to enhance Australia's influence, support Australians overseas, and connect with the views of Australians.

Thank you again Chair.

My colleagues and I would be happy to respond to questions from the Committee.

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