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SECTION 1

overviews

Secretary's Review

Departmental Overview



*The Secretary, Dr Ashton Calvert AC
(Photo: Michael Jensen)*

'Our external environment underwent further profound change as a result of the October 2002 Bali tragedy, which was a defining moment for all Australians.'

SECRETARY'S REVIEW

THE INTERNATIONAL YEAR IN REVIEW

The year under review has been a period of unprecedented challenge and great achievement for the Department of Foreign Affairs and Trade. Our external environment underwent further profound change as a result of the October 2002 Bali tragedy, which was a defining moment for all Australians. We provided rapid and highly professional crisis management and consular assistance in Bali itself, and played a key role in coordinating a comprehensive national response. We have also been at the forefront of efforts to forge effective counter-terrorism cooperation in the region.

In 2002–03 we were engaged in extensive efforts to win greater access to international markets for Australian business. These encompassed bilateral trade negotiations, regional efforts and our foremost trade priority, the World Trade Organization (WTO) Doha Round of multilateral negotiations. While the Doha Round experienced some setbacks, we were able to make good progress in other areas, particularly in bilateral trade negotiations.

The department's advocacy in the pursuit of the Government's foreign and trade policy objectives was aided by Australia's high international standing, which has been shaped by: our commitment to promoting peace, stability and democracy, particularly in our immediate region; the high priority we accord to combating terrorism and the proliferation of weapons of mass destruction (WMD); our trade policy leadership; and the strong performance of the Australian economy at a time of global slowdown. Our success in internationalising our economy and our embrace of globalisation has given credibility to our advocacy of reform by others.

We ensured that Australia's bilateral relationships remained vibrant and relevant to our pursuit of the Government's broader foreign and trade policy priorities. Bilateral engagement with the United States is at a historically high level, as illustrated by the negotiations for a free trade agreement (FTA) and our close cooperation in the war against terrorism and the war against Iraq. This is particularly important given the pre-eminence of the United States in world affairs. Our forward-looking approach to relations with Japan and China helped to ensure that these important bilateral relationships remained strong and well positioned to address contemporary challenges.

In February 2003 the Minister for Foreign Affairs, Mr Downer, and the Minister for Trade, Mr Vaile, released *Advancing the National Interest—Australia's foreign and trade policy white paper*. The department had primary responsibility for planning and drafting the White Paper, which provides a confident articulation of Australia's place in the international system and sets out the Government's strategies for advancing Australia's interests.

We did our utmost to ensure that our services to various client groups, both within and outside the Government, were of the highest standard. These services, which are unique to the department, include: providing passport and consular assistance to Australians travelling overseas; facilitating international visits by Australian Government and state

and territory ministers and parliamentarians; helping Australian business gain better access to foreign markets; and providing services to other government agencies operating overseas. Integral to this role was the high priority we gave to assessing the security risks for Australians travelling or resident abroad.

Enhancement of Australia's security

For Australia and its citizens, security issues assumed even greater prominence in 2002–03.

To optimise our capacity to wage war against terrorism, we have built unprecedented levels of international cooperation. The department played an integral role in the highly successful cooperation with Indonesia after the Bali bombings. We facilitated and contributed to extensive bilateral engagement on counter-terrorism, notably to the joint police and intelligence efforts to find and prosecute those responsible for the bombings.

We concluded bilateral memorandums of understanding (MOUs) on counter-terrorism with Malaysia, Thailand, the Philippines, Fiji and Cambodia. We also agreed on a text with India and began negotiations with East Timor; those MOUs were subsequently signed in August 2003. These MOUs constitute a significant achievement: an important network of regional cooperation against terrorism that will facilitate close dialogue and cooperation in the war against terrorism. The department also led the Australian delegations to counter-terrorism dialogues with the United States, Japan, India and Fiji, and opened negotiations with Papua New Guinea on an MOU on counter-terrorism.

In conjunction with other Australian Government agencies, the department helped to strengthen the Asia-Pacific region's counter-terrorism capacity. We achieved this through successful advocacy of a range of initiatives, both bilaterally and in bodies such as the Asia-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF) and the Pacific Islands Forum (PIF). The Government announced a new position of Ambassador for Counter-Terrorism, based in the department, to coordinate Australia's international counter-terrorism policies and capacity-building efforts.

The department gave strong support to international efforts to prevent the development and spread of WMD. The crisis caused by Iraq's refusal to comply with United Nations Security Council resolutions on WMD, the ensuing armed conflict, and the subsequent reconstruction effort in Iraq were major pre-occupations during the year.

The department provided the Government with extensive, timely policy advice and other international support on Iraq. Our Iraq Task Force led interagency coordination and advocacy efforts, and was pivotal to the Government's intensive diplomatic efforts. It has also coordinated Australia's contribution to the rehabilitation of Iraq.

Throughout the crisis, our network of posts played an invaluable role in maintaining close contact with key relevant governments, including negotiating military access in the Gulf region. Posts gave priority to ensuring that other countries understood the basis for Australia's intervention in Iraq and our objectives in the war against international terrorism.

The department participated actively in bilateral and multilateral efforts to deter the Democratic People's Republic of Korea (DPRK) from its nuclear-weapons ambitions. We also supported efforts to persuade Iran to assuage international concerns over its nuclear program. We sustained a high tempo of activity in promoting enhanced law enforcement and export controls on WMD-related materials to thwart the illicit transfer of such materials.

The dangers inherent in the international security environment have underlined the need for Australia to nurture strong security relationships. We worked closely with the United States, our major security ally, to address challenges to a stable global order. Our cooperation with the United Kingdom was also close and valuable. Other bilateral security dialogues—including with Japan, China and Indonesia—were used to advance cooperation against international terrorism and other security challenges. We also addressed these threats in other forums, including the ARF and trilateral security talks with Japan and the United States.

We played a prominent role in the Government's efforts to advance stability and security in the South Pacific. This was particularly so in Solomon Islands, where it became clear that significantly strengthened assistance would be needed to resolve severe security and economic problems. We created a Solomon Islands Task Force to coordinate this assistance, which was put into effect in July 2003 with the despatch to Solomon Islands of a multi-nation regional assistance mission coordinated by a senior departmental official.

Contribution to national prosperity

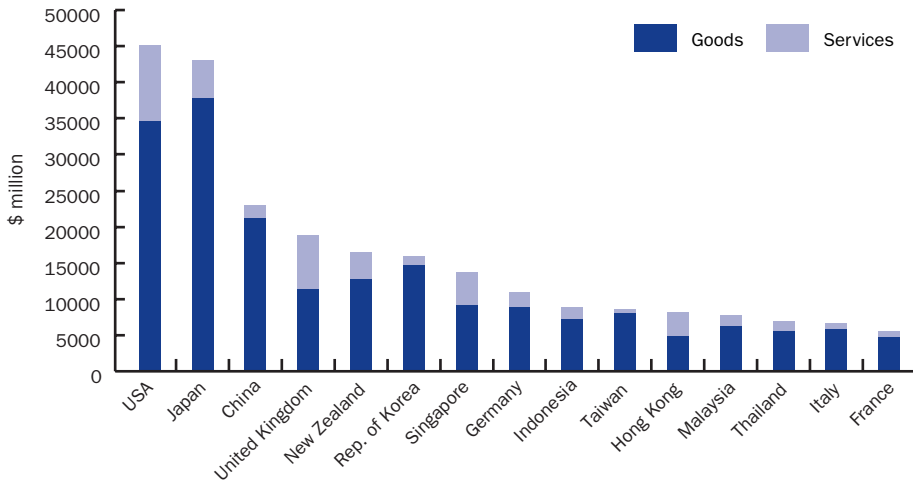
Reflecting the scope and substance of the Government's trade policy agenda, the department is driving the most ambitious and comprehensive array of major trade negotiations we have ever undertaken. We are committed to winning greater access to international markets for Australian business.

We continued to accord top priority to Australia's participation in the WTO Doha Round as the best overall prospect for improved access to global markets for Australian goods and services. At the same time, we were actively engaged in bilateral trade negotiations and regional efforts to advance trade facilitation. The high-quality FTA we concluded with Singapore demonstrated that FTAs can both be consistent with the multilateral trading system and raise the overall trade liberalisation benchmark.

The setbacks suffered in the Doha Round in 2002–03 reflected wide divergences of views among the 146 WTO members, including on agriculture, industrial products and developing-country concerns. We worked strenuously to bridge these differences, including through our support for the first Doha Round informal meeting of WTO trade ministers, hosted by Mr Vaile in Sydney in November 2002.

Negotiations for an FTA with the United States were the most significant of the bilateral trade negotiations that the department led in 2002–03. The potential returns to Australia are high; the United States is the world's largest economy and Australia's biggest two-way trading partner. The agreed aim of concluding an FTA within an ambitious timeframe was

Australia's two-way trade in 2002—top 15 trading partners



Source: DFAT Stars database and ABS International trade in services by partner country 2002.

the result of intensive advocacy by our ministers and the department. We led consultations with state and territory governments, industry, and other stakeholders; these played a vital role in informing the Government's approach to the negotiations.

The department led the successful FTA negotiations with Singapore, which will deliver significant trade liberalisation and a more predictable business environment for bilateral trade and investment. Our leadership role in trade and economic consultations with Japan (our second largest trading partner) led to agreement on a new Australia–Japan Trade and Economic Framework, signed in July 2003 by the Prime Minister, Mr Howard, and Japanese Prime Minister, Junichiro Koizumi. We initiated FTA negotiations with Thailand, Australia's thirteenth-largest trading partner, and trade and economic framework consultations with China, Australia's third-largest trading partner.

The department continued to employ the WTO dispute-settlement system to promote Australia's trade interests. We initiated disputes against the European Union's sugar regime and its legislation for geographical indications for foodstuffs and other agricultural products. In a joint complaint with ten other WTO members, we successfully challenged an aspect of US anti-dumping and countervailing law that unfairly disadvantaged Australian exports. We worked closely with other Government agencies to respond to disputes initiated by the European Union and the Philippines about Australia's quarantine regime.

During the year, Australia embarked on a strategic partnership in energy with China, which in August 2002 awarded a \$25 billion liquefied natural gas (LNG) contract to North-West Shelf Australia LNG. This marked the successful end of a period of intensive high-level advocacy that saw the department—particularly our embassy in Beijing—in the vanguard of a sustained government-private sector effort to achieve this important outcome.

A departmentally-led comprehensive multi-agency review of Australia's relations with the European Union resulted in bilateral agreement at the ministerial level to enhance

engagement and practical cooperation across a broad range of issues. During the five years covered by this bilateral agenda for cooperation, the European Union will prepare for the most significant expansion in its history, accompanied by major change to its institutions and competencies.

Our efforts to ensure high-quality outcomes from Australian's participation in APEC were rewarded at the APEC Leaders' Meeting in Los Cabos in October 2002, where the Prime Minister succeeded in securing agreement to: a statement of strong support for significant progress on trade liberalisation in the WTO Doha negotiations; an initiative to make trade more secure against terrorism; and a commitment to improve the transparency of government business regulations in the APEC region.

In 2002–03, Australia's overall balance of trade in goods and services registered a significant deficit of \$19.7 billion, compared with a deficit of \$1.6 billion in 2001–02. Imports rose by 8.5 per cent, due to the strong Australian economy, while exports fell by 3.3 per cent. This reflected difficult trading conditions, including: slow economic growth in most of our main trading partners; the negative economic impact of the spread of the Severe Acute Respiratory Syndrome (SARS) virus; falling Australian dollar commodity prices; and the effect of the drought on Australia's rural exports.

Contribution to strengthening global cooperation in ways that advance Australia's interests

The department's active participation in multilateral organisations such as the United Nations (UN), the Commonwealth and the Organisation for Economic Co-operation and Development (OECD) helped achieve significant outcomes in those forums that were in line with the Government's foreign and trade policy objectives.

The department supported ministers at the second Bali Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime in April 2003. The Conference agreed on a forward program of practical steps to boost regional efforts to combat people smuggling and trafficking.

The department supported the Prime Minister in his role as Commonwealth Chairman-in-Office, and as Chairman of the Troika—with the leaders of South Africa and Nigeria—dealing with the Commonwealth's response to the deteriorating situation in Zimbabwe. We also supported Mr Downer as Vice-Chair of the Commonwealth Ministerial Action Group and assisted ministers in promoting Australia's broader interests in the Commonwealth.

We worked assiduously to advance Australia's interests—including trade liberalisation—at the OECD's annual Ministerial Council Meeting in April 2003. A key element of this was the support we provided to participation at the meeting by the Treasurer, Mr Costello.

We provided leadership to the successful negotiations to conclude an international unitisation agreement with East Timor, enabling the development of the Timor Sea's Greater Sunrise oil and gas field. The agreement should provide substantial economic benefits to both countries and give East Timor a reliable source of foreign income.

We secured for Australia the position of Vice-Chair of the UN Commission on Human Rights for 2003, and used this to advance Australia's human-rights objectives in the UN system. Significantly, we made further progress in improving the operation of the UN human-rights treaty-body machinery. The department led Australia's bilateral human-rights dialogues with Iran, China and Vietnam, which contribute to improved understanding of human-rights issues in these countries. Our technical cooperation with China has also assisted some modest practical improvements on the ground.

We took forward the Government's interest in practical cooperation on a range of environmental issues and contributed to constructive outcomes in a number of international environment negotiations, including the World Summit on Sustainable Development. In international negotiations on climate change, we promoted environmentally effective outcomes that would not undermine Australia's international competitiveness.

Consular and passport services

The department again delivered high-quality, responsive consular and passport services to the Australian community.

We played a pivotal role in the Government's response to the tragic terrorist bombings in Bali, which resulted in the largest loss of Australian lives overseas in Australia's peacetime history. Our Consul-General in Bali was on the scene, helping Australians, within half an hour of the bombings. Although the crisis placed unprecedented demands on Australia's consular and emergency services, we successfully coordinated the complex emergency medical evacuation and responded to some 30 000 calls from concerned Australians about the welfare of friends and family members. The department has given a high priority, in Australia and in Bali, to ongoing support for the survivors and families and friends of the victims.

In the context of our ongoing contingency and crisis-management planning, we undertook detailed preparations for possible consular emergencies in the event of conflict in the Middle East and to protect Australians visiting Turkey for Anzac Day ceremonies. We activated our Crisis Centre at the onset of the military campaign in Iraq; it played a key role in the Government's successful management of the consular implications of heightened tensions in the Middle East.

Following the bombings in Bali, community interest in reliable travel advice understandably reached unprecedented levels. The department gave the highest priority to providing Australians with timely and accurate advice on a range of breaking issues, and conveying credible information on terrorist and other security threats in South-East Asia, the Middle East and East Africa. We also improved the dissemination of travel advice and strengthened our engagement with the travel industry—including through the launch of a new government–industry Charter of Safe Travel—to ensure this information is reaching Australian travellers.

We issued eight per cent fewer passports and travel documents in 2002–03 than in the preceding year. This reflected a downturn in international travel, owing principally to the Bali bombings, the threat of terrorism and the spread of the SARS virus. Our ongoing efforts to improve passport services to the Australian community included the introduction of a half-price seniors' passport and a priority processing service. Our initiative for biometric identification in passports was rewarded with adoption by the International Civil Aviation Organization—on the basis of work conducted by this department—of 'facial recognition' as the international standard for travel documents.

In December 2002, the department's Passports and Consular Branches received a Special Commendation in the Prime Minister's Awards for Excellence in Public Sector Management.

Public diplomacy

The dynamic nature of the global agenda has reaffirmed the importance of keeping the Australian community accurately informed about foreign and trade policy, and of delivering important messages about Australia to international audiences.

The department availed itself of heightened public and media interest in our work—attributable in large measure to global security concerns, but also to interest in the Government's active trade policy agenda—to disseminate accurate and timely information about the terrorist attack in Bali, the Iraq crisis and other significant developments. We initiated additional measures to meet the high level of media interest in the Bali bombings.

We expanded our trade advocacy and outreach activities to the Australian public and pursued strategies to build community support for key issues such as Australia's active role in the WTO Doha Round and FTA negotiations with the United States. Senior departmental officers took advantage of speaking opportunities and media appearances to explain the Government's approach to specific trade policy initiatives and to promote the importance of trade for Australian communities. We organised community workshops on globalisation in regional and metropolitan locations, giving members of the public an opportunity to express their views on Australia's participation in global trade and investment.

The department again accorded high priority to public diplomacy, which projects a positive, accurate and contemporary image of Australia internationally. We projected Australian views and policies through influential media organisations. Through our monitoring of international media coverage of Australia, we were able to respond quickly to emerging issues. We were also energetic, where necessary, in responding to inaccurate or negative media reporting about Australia.

Especially at posts, we attached importance to ensuring that cultural and other public diplomacy events—which provide an excellent platform for conveying key messages about Australia—were linked to priority issues. Our Special Visits Program and International Media Visits program fostered informed understanding of Australia among influential international contacts.

CORPORATE MANAGEMENT AND ACCOUNTABILITY

Flexible staffing practices and enhanced administrative systems helped us to respond quickly and effectively to the pressures placed on the department's human and financial resources by the Bali bombings, the Iraq crisis and the SARS virus.

We implemented new training courses to improve crisis response skills, introduced programs to address identified skills gaps and improved existing courses. All staff received guidance on Australian Public Service (APS) values and the APS code of conduct in order to reinforce and consolidate our professionalism.

Unqualified financial statements for 2002–03 were presented with no audit observations. We minimised outstanding debts and advances and Overseas Property Office accounting was fully incorporated into financial reporting. Savings resulted from a comprehensive review of posts' administrative resources and a department-wide review of patterns of expenditure. In 2002–03, the department met the Government's dividend and other performance targets for the efficient and effective maintenance of the overseas property portfolio.

The department negotiated a new certified agreement for 2003–2006, approved by 70 per cent of staff participating in the ballot and certified by the Australian Industrial Relations Commission. The agreement provides staff with an 11.5 per cent pay increase over three years and improved conditions of service, in return for productivity increases. The department continued to recognise and reward strong performance by staff. Under the auspices of our working smarter campaign, we continued to develop efficient work systems, lift productivity and foster a culture where staff can maintain a better balance between their professional and private lives.

Security and information technology

The department worked strenuously to enhance the security of Australia's overseas diplomatic network from the threat of terrorism and conflict abroad. We extended the Government's global communications network to provide secure links between seven ministerial offices, 15 government agencies and 86 locations around the world. We deployed the Secure Australian Telecommunications and Information Network (SATIN) to an additional 42 overseas missions, enhancing our communications capacity and efficiency.

We acted decisively in temporarily closing two posts because of specific and credible security threats, and assisted family members evacuated from several posts for security considerations. At several high-risk posts we made significant security improvements, using additional funding provided by the Government for that purpose. We also undertook regular risk assessments of terrorist and other threats and improved the overall level of security advice to posts.

During 2002–03 we initiated a major review of our risk management plan and the development of an organisational business continuity plan. These plans will enhance our capacity to deal effectively with a major unforeseen disruption to the department's operations.

OUTLOOK

The task of combating terrorism and the spread of WMD will remain our paramount foreign policy priority. We will remain unrelenting in our advocacy of measures to counter these twin threats to Australia's security—in bilateral and regional security dialogues, through our network of bilateral counter-terrorism arrangements in the region, in cooperation with like-minded countries on export control and interdiction issues, and in the UN and other regional and multilateral organisations.

Our busy agenda of international trade negotiations will intensify in the next year. The setback in advancing the important Doha Round agenda at the WTO ministerial conference in Cancun in September 2003 presages a difficult next phase of the negotiations. Bilateral efforts too will be intense, with the FTA negotiations with the United States and Thailand moving into their crucial, final stages. Using all available multilateral, regional and bilateral channels, we will sustain our commitment to improving access to foreign markets and facilitating trade and investment opportunities for Australian industry.

The department will set new benchmarks in providing accurate, up-to-date information on the risks facing Australians and Australian interests abroad. We provided extensive support to the launch by Mr Downer in September 2003 of a public awareness campaign to ensure that all Australians travelling overseas are aware of the department's travel advisories. With our extensive network of overseas missions, we will continue to provide high-quality consular and other services to Australians. The release in late 2003 of a new security-enhanced passport will enhance the security of travel documents and complement our leading-edge work on incorporating facial-recognition technology into Australian passports.

The department is laying the groundwork to implement the Government's decision to enhance Australia's overseas diplomatic network, announced on 18 July 2003. We will open new posts in Accra (Ghana), Kuwait City and Port of Spain (Trinidad and Tobago), while closing posts in Bridgetown (Barbados) and Caracas (Venezuela). These changes support and build on important commercial and other bilateral interests and will provide increased support for the Government's multilateral interests and candidacies.

The Department of Foreign Affairs and Trade—with its ability to shift resources quickly to meet emerging priorities and its highly developed advocacy skills—is committed to supporting the Government in meeting international challenges in the year ahead.

Ashton Calvert
Secretary

DEPARTMENTAL OVERVIEW

ROLE AND FUNCTIONS

The department is responsible for advancing the interests of Australia and Australians internationally, through: enhancing Australia's security; contributing to growth in Australia's economy, employment and standard of living; assisting Australian travellers and Australians overseas; strengthening global cooperation in ways that advance Australia's interests; fostering public understanding of Australia's foreign and trade policy; projecting a positive image of Australia internationally; and managing efficiently the overseas property owned by the Australian Government.

The department's staff in Canberra, in our state and territory offices and around the world work towards the achievement of the department's four outcomes, described in the department's *Portfolio Budget Statements 2002-03* and presented in Figure 4 on page 18:

- Australia's national interests protected and advanced through contributions to international security, national economic and trade performance, and global cooperation
- Australians informed about and provided access to consular and passport services in Australia and overseas
- public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally
- efficient management of the Commonwealth overseas owned estate.

To support the achievement of these outcomes, the department has developed a range of resource management practices and corporate services. In an operating environment of uncertainty and high demand, these services ensure the department is able to respond and adapt quickly and effectively to changed circumstances, while maintaining a high level of productivity. The department's resource management practices foster and support a highly motivated, adaptable and flexible workforce through appropriate recruitment processes and reward systems, skills recognition and training. We strive to create a working environment that enables staff successfully to balance their professional and personal interests and commitments.

ORGANISATIONAL STRUCTURE

The Secretary, Dr Ashton Calvert, and four deputy secretaries together constitute the department's Senior Executive. Supported by the department's Senior Executive Service, they manage the department and provide leadership on foreign and trade policy and corporate issues. In fulfilling this role, the Senior Executive: shapes the values and culture of the department; maintains the highest professional standards of service to the Government and to Australia; and ensures an open, fair and professionally rewarding working environment for all staff.

The department's structure is detailed in Figure 2. In Canberra, the department is made up of eleven divisions, as well as the Executive, Planning and Evaluation Branch, the Protocol Branch, the Overseas Property Office, the Australian Safeguards and Non-Proliferation Office and the Economic Analytical Unit. The department's staff are located in Canberra, state and territory offices, and overseas posts. Each overseas post is attached to a parent division in Canberra.



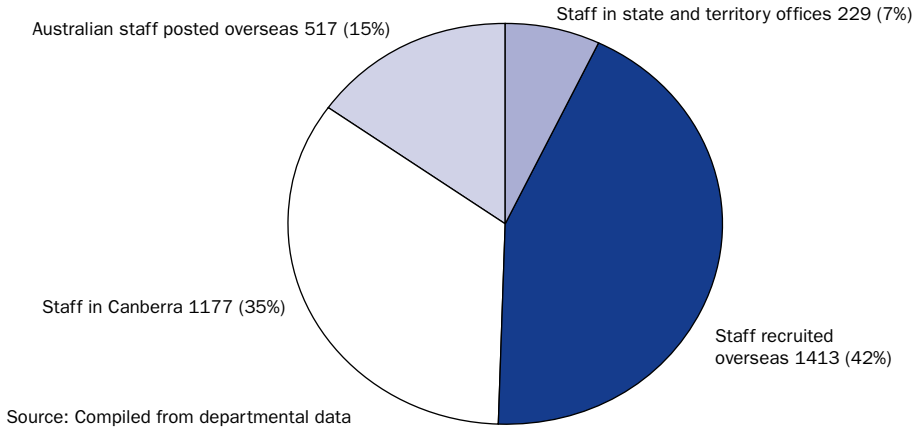
Senior Executive of the Department of Foreign Affairs and Trade (as at 30 June 2003). Centre: Dr Ashton Calvert AC, Secretary. From left: Deputy Secretaries Mr Peter Grey (seated), Mr Doug Chester (standing), Mr Paul O'Sullivan (standing) and Dr Geoff Raby (seated). (Photo: Michael Jensen)

During 2002–03, the department restructured divisions and also created task forces, on an as-required basis, to reflect the international priorities and challenges of our work. We restructured the International Security Division—including creating an Anti-Terrorism and Intelligence Policy Branch and a Strategic Affairs Branch. We created task forces to coordinate the department's work on Iraq, the outbreak of the Severe Acute Respiratory Syndrome virus and Solomon Islands. In addition, Corporate Management Division's Financial Management Branch was divided into two separate branches, one responsible for strategic financial and budgetary policy, the other delivering financial services.

The department manages an overseas network of 84 embassies, high commissions, consulates-general and multilateral missions—details are provided at Appendix 13 (Summary of the overseas network). The department also maintains offices in all Australian state and territory capital cities. These offices provide an invaluable link between the department and the public, particularly through the provision of consular

and passports services to the Australian community and liaison services to state and territory governments and Australian business. We also maintain a Passports Office in Newcastle and a Liaison Office on Thursday Island in the Torres Strait. Contact details of our offices in Australia are provided inside the back cover of this report.

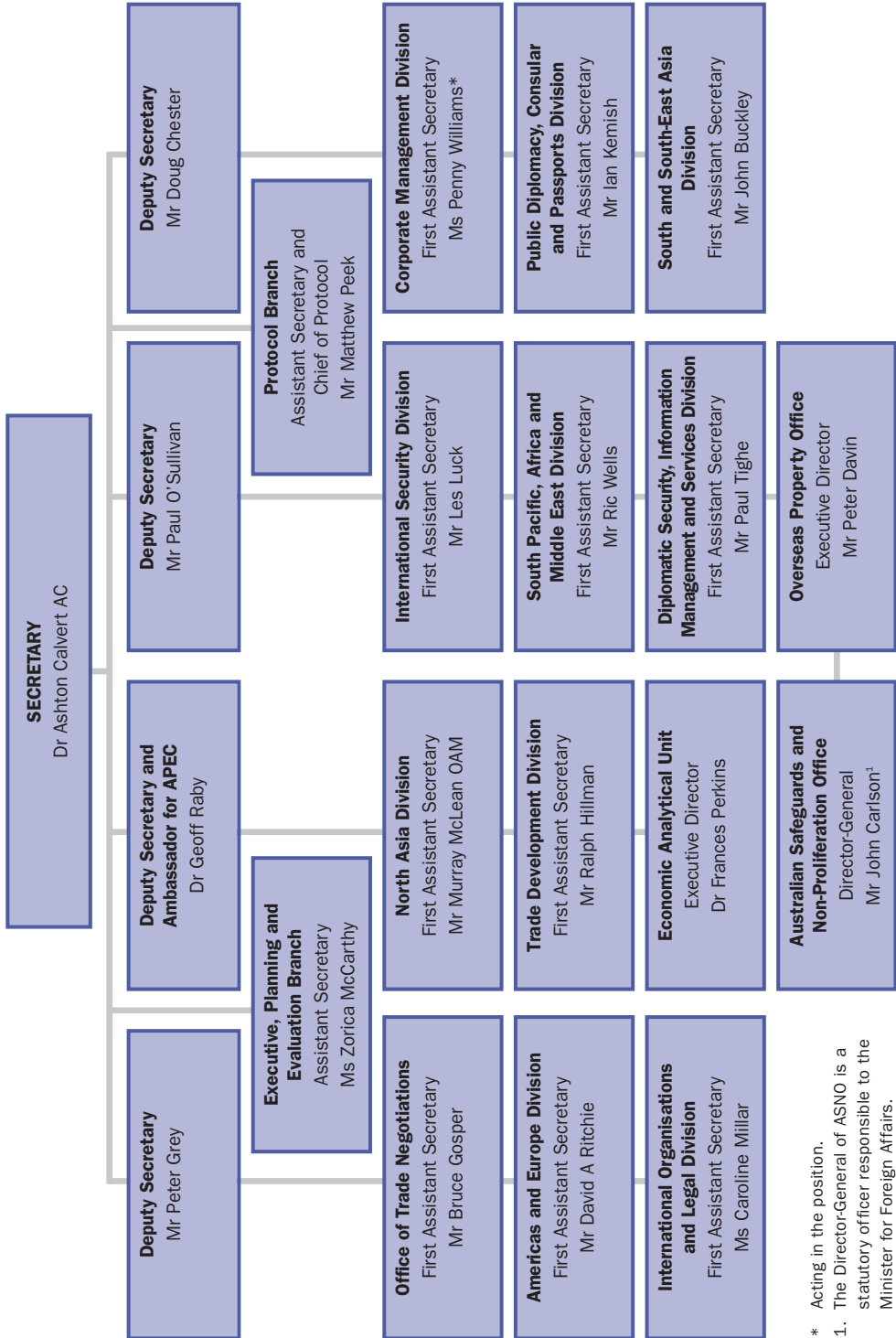
Figure 1. Location of staff (as at 30 June 2003)



The above chart shows the proportion of the department's staff who are serving in Australia, at our state and territory offices and in Canberra, as well as those Australia-based staff who are posted to our overseas network, and staff who are employed locally at our overseas posts.

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. Combined with our consular sharing agreements with Canada, our honorary consuls provide an invaluable service for Australian citizens travelling overseas (see Appendix 13).

Figure 2. Senior executive structure (as at 30 June 2003)



* Acting in the position.
 1. The Director-General of ASNO is a statutory officer responsible to the Minister for Foreign Affairs.

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 the Parliamentary Secretary for Foreign Affairs in the conduct of Australia's foreign and trade policy. Seven agencies make up the portfolio:

- Department of Foreign Affairs and Trade
- Australian Trade Commission (Austrade)
- Australian Agency for International Development (AusAID)
- Australian Centre for International Agricultural Research (ACIAR)
- Australian Secret Intelligence Service (ASIS)
- Export Finance and Insurance Corporation (EFIC)
- Australia-Japan Foundation (AJF). Unlike other bilateral foundations and councils, the AJF is a separate statutory authority that receives its own appropriations from consolidated revenue.

These agencies develop and promote domestic and international understanding of Australia's foreign and trade policy; support Australian business through market access and export advice and assistance; promote trade and investment; provide consular and passport services to Australians, in Australia and overseas; and provide sustainable development and relief assistance to the world's developing and least-developed countries. Figure 3 details the portfolio structure and each agency's outcomes.

Figure 3. Structure of portfolio outcomes—Foreign Affairs and Trade portfolio

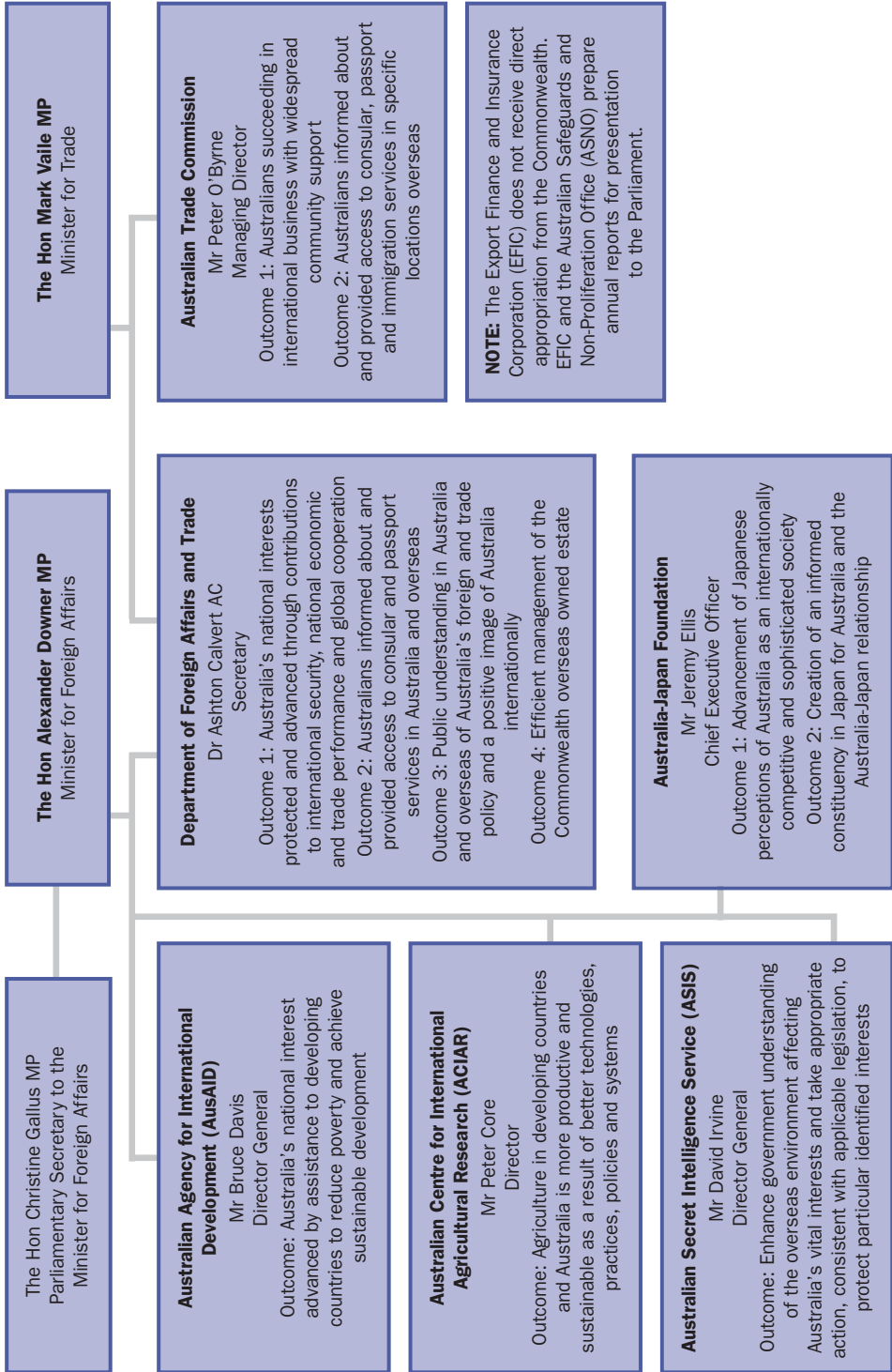
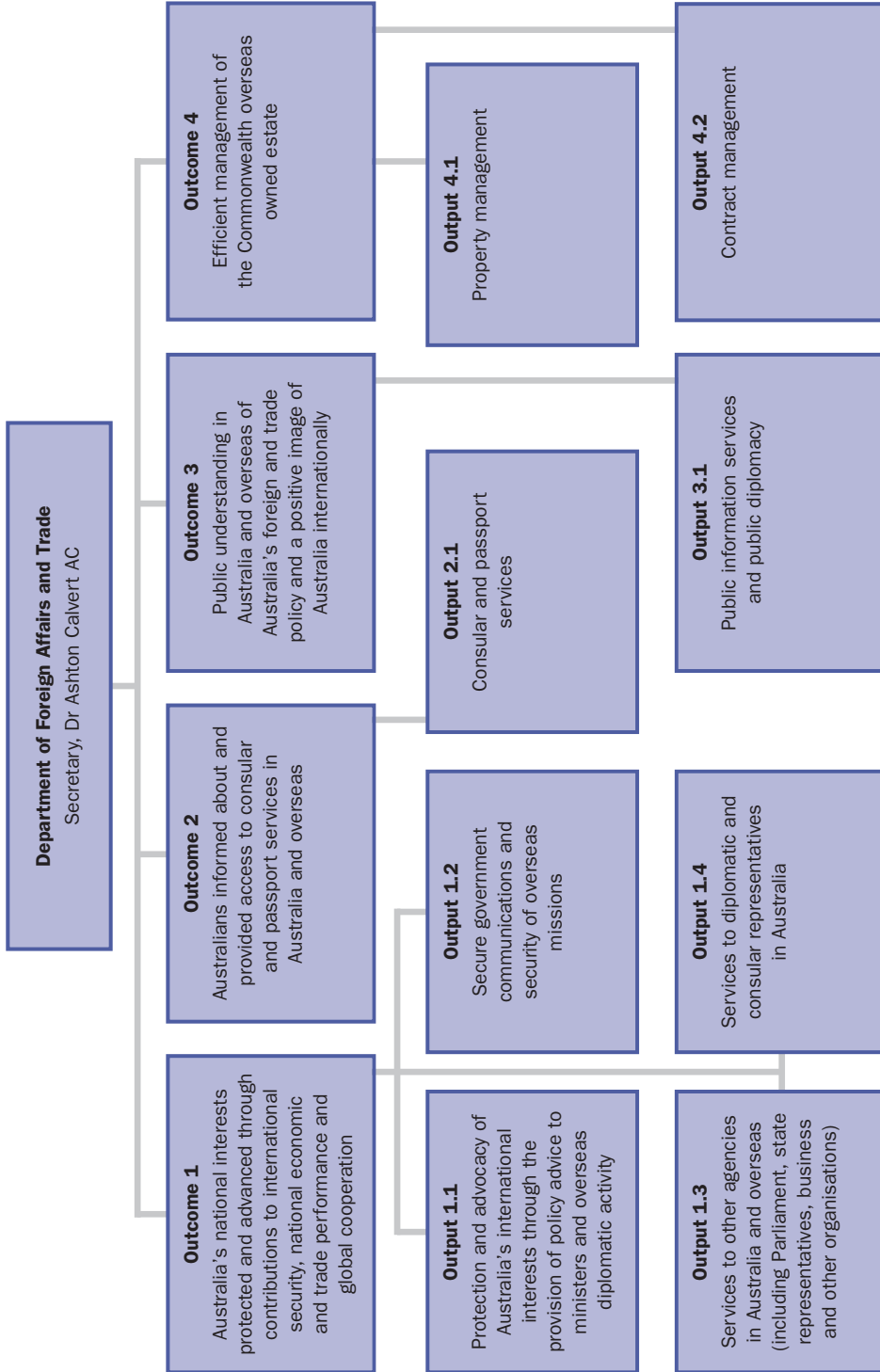


Figure 4. Outcomes and outputs framework 2002–03



RESOURCES SUMMARY

There have been no amendments to the Outcomes and Outputs Framework since the publication of the *Portfolio Budget Statements 2002–03*.

Table 1. Financial and staffing resources summary

	2001–2002 Actual (\$'000)	2002–2003 Budget and Additional Estimates (\$'000)	2002–2003 Actual (\$'000)
Administered items			
Administered expenses	342 460	208 003	309 186
Departmental outputs			
Revenue from government	685 918	686 585	686 602
Revenue from other sources	80 813	91 645	*122 768
Total price of departmental outputs	766 731	778 230	809 370
Total resourcing of outputs			
Administered expenses and total price of departmental outputs	1 109 191	986 233	1 118 556
	2001–2002 Actual	2002–2003 Budget and Additional Estimates	2002–2003 Actual
Average staffing level (number) **	3 320	3 167	3 229

* Includes revenue from sale of assets.

** Includes overseas locally engaged staff.

Table 2. Price of departmental outputs by outcome

		2001–2002	2002–2003
	Description	Actual (\$'000)	Actual (\$'000)
Outcome 1	Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	525 718	528 495
Outcome 2	Australians informed about and provided access to consular and passport services in Australia and overseas	137 381	137 034
Outcome 3	Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	64 941	64 667
Outcome 4	Efficient management of the Commonwealth overseas owned estate	38 691	79 174
Total price of departmental outputs		766 731	809 370

Table 3. Reconciliation of outcomes and appropriation and revenue elements

	Outcome 1 (\$'000)	Outcome 2 (\$'000)	Outcome 3 (\$'000)	Outcome 4 (\$'000)	Total (\$'000)
Total administered appropriation as per <i>Portfolio Budget Statements</i> 2002–03 including any adjustments from Additional Estimates	183 619	3 337	21 047	–	208 003
Administered expenses by outcome	166 610	1 140	21 136	–	188 886
Foreign exchange (unrealised)	112 284	8	–	–	112 292
EFIC administration costs funded by revenue offset	4 287	–	–	–	4 287
Movement on liability for the North American Pension Scheme	3 721	–	–	–	3 721
Total administered expenses as per the Financial Statements	286 902	1 148	21 136	–	309 186
Total departmental appropriation as per <i>Portfolio Budget Statements</i> 2002–03 including any adjustments from Additional Estimates	491 114	132 854	62 617	–	686 585
Revenues from government	491 126	132 857	62 618	–	686 602
Revenue from other sources	37 369	4 177	2 049	79 174	122 768
Total price of departmental outputs as per the Financial Statements	528 495	137 034	64 667	79 174	809 370



Minister for Trade, Mr Mark Vaile, and the United Arab Emirates Minister of Communications, HE Ahmed Humaid Al Tayer, signed a bilateral air services agreement in Dubai in September 2002.



Australian Ambassador to the United States of America, Michael Thawley, with Congressman Phil Crane, Chair, Trade Sub-committee, House Ways and Means Committee, and Congressman Cal Dooley, at the American Australian Free Trade Agreement Coalition reception in Washington in March 2003.



The Australian embassy in Berlin organised a Study in Australia Day in May 2003. From left: departmental staff members, Bruce Soar and Uma Jatkar, and Executive Officer, Australia Centre Berlin, Ms Heidi Plucknett.

2

SECTION 2

performance reporting

Outcome 1

Outcome 2

Outcome 3

Outcome 4



From left: Minister for Trade, Mr Mark Vaile, Minister for Foreign Affairs, Mr Alexander Downer, and European Commissioner for External Relations, Mr Chris Patten, addressed the media at a press conference following the 2003 Australia–European Commission Ministerial Consultations in Melbourne in April 2003. (Photo: Michael Silver)



Following the APEC Ministers Responsible for Trade meeting in Thailand, the Minister for Trade, Mr Mark Vaile, chaired a round table discussion with a select group of senior editors from various local newspapers in Bangkok in June 2003. Pictured from left: Editor-in-Chief, The Post Publishing, Mr Pichai Chuensuksawadi, Mr Vaile, and the Australian Ambassador to Thailand, Miles Kupa.



The Iraq Task Force. Departmental staff members from left: Zena Armstrong, Anthony Bubalo, Greg Ralph, Bill Paterson, Head ITF (standing), John Quinn, Heidi Venamore, Eugene Olim (standing), Michael Dean, Rohan Titus.