

OVERVIEWS

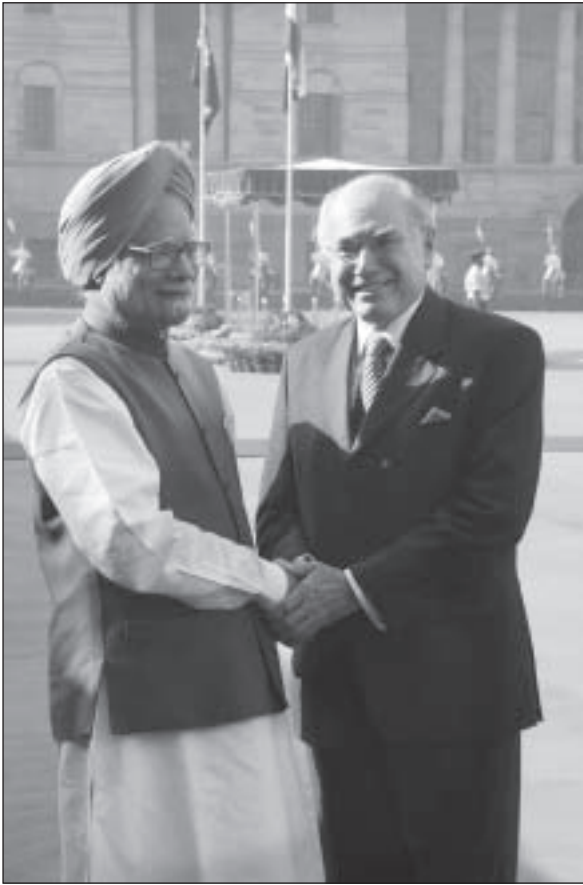


SECTION 1

Secretary's review

Key achievements

Departmental overview



LEFT: Prime Minister Mr John Howard with Indian Prime Minister Dr Manmohan Singh during Mr Howard's state visit to India in March 2006. Photo: Adarsh Minocha

BELOW: Minister for Foreign Affairs Mr Alexander Downer (seated right) and China's Foreign Minister Mr Li Zhaoxing (seated left) sign a bilateral agreement on nuclear cooperation in April 2006. The Premier of China Mr Wen Jiabao, Prime Minister Mr John Howard (both sitting) and Minister for Trade Mr Mark Vaile (standing third from right) look on. Photo: AUSPIC/ Michael Jones





*The Secretary, Mr Michael L'Estrange.
Photo: Michael Jensen*

The department advanced key bilateral relationships and regional partnerships underpinning Australia's security and economic prosperity.

SECRETARY'S REVIEW

The international year in review

In the face of a challenging international environment, the Department of Foreign Affairs and Trade continued to advance Australia's international interests in 2005–06. We worked effectively to strengthen Australia's place in the region and beyond, in a climate characterised by terrorist attacks affecting Australians overseas, the threat of proliferation of weapons of mass destruction, civil unrest in our neighbourhood and doubts about the future of global trade talks.

The department advanced key bilateral relationships and regional partnerships underpinning Australia's security and economic prosperity. We made significant contributions to the Australia–United States Ministerial consultations in Adelaide and the first joint Ministerial meeting in Washington on implementation of the Australia–US Free Trade Agreement, both of which further strengthened this critical alliance relationship. We supported the first ministerial-level meeting of the Trilateral Strategic Dialogue involving Australia, Japan and the United States. We strengthened the vital strategic and economic partnership with Japan. The department provided policy and logistical input to visits by the Prime Minister, Mr Howard, to key regional countries including China, Indonesia and India, giving further impetus to those relationships. The structure of regular high-level visits and dialogue with Indonesia ensured that our relationship remained firm and differences were managed within a productive framework. We coordinated whole of government responses to civil unrest in East Timor and Solomon Islands and continued to lead international initiatives aimed at providing for their long-term stability as well as promoting good governance and sustainable development in the South Pacific. We contributed to Australia's deeper institutional engagement in the region through participation in the first East Asia Summit and intensive efforts to strengthen APEC which Australia will host in 2007. The department helped shape and intensify Australia's work with international partners against terrorism. We ensured Australia remained at the forefront of efforts to advance the WTO Doha Round negotiations and continued to negotiate free trade agreements with China, Malaysia and ASEAN.

Although these activities provide only a snapshot of the department's outcomes in 2005–06, they highlight the breadth and complexity of our agenda. In managing this agenda effectively, we continued to cooperate effectively with other agencies to ensure strong whole of government results.

Advancing Australia's international interests

The department manages an overseas network of 87 posts, as well as offices in all Australian states and territories. These assets are pivotal to our ability to achieve the goals that the Government sets us. Through the policy, advocacy, public diplomacy and consular work of our overseas posts, the department advanced Australia's international interests by strengthening bilateral relations with key partners, promoting regional and

global cooperation, enhancing Australia's security, strengthening Australia's economic prosperity and projecting Australia and its values internationally.

In 2005–06 the department supported high-level visits to and/or from a number of key **bilateral** partners including the United States, Japan, China, Indonesia, India, New Zealand, the United Kingdom, Malaysia, Thailand, the Philippines, Papua New Guinea, Solomon Islands and East Timor. Supporting high-level visits is a vital part of the department's work in Australia and overseas, helping to strengthen cooperation on issues of interest and build support for Australia's regional and global objectives. They are also important opportunities for high-level consultations and the signing of bilateral agreements that build a framework for ongoing cooperation. Important bilateral agreements signed during the year included the Treaty on Certain Maritime Arrangements in the Timor Sea with East Timor, two treaty-level documents with China on nuclear transfer and cooperation, and trade frameworks with Indonesia and with India.

In our **region**, Australia's engagement with the countries of East Asia and our ability to influence development of regional architecture were strengthened by the Prime Minister's attendance at the inaugural East Asia Summit in Kuala Lumpur in December 2005. Working with other agencies, we also continued intensive preparations for Australia's hosting in 2007 of the Asia-Pacific Economic Cooperation (APEC) forum. The department is using this opportunity to strengthen APEC's ability to contribute to the region's security and prosperity and reinforce APEC as the pre-eminent regional forum.

The department continued to play a pivotal part in whole of government efforts to improve good governance and sustainable development in the South Pacific. We coordinated Australia's response to the civil unrest in Solomon Islands and continued to coordinate the whole of government contribution to the Regional Assistance Mission to Solomon Islands. We led the Government's response to the breakdown of law and order in East Timor which included the dispatch of Australian Defence Force and police personnel as part of an international stabilisation force and the evacuation of Australian nationals. In Papua New Guinea, the department continued to coordinate the Enhanced Cooperation Program under which Australian officials are working in PNG agencies to improve economic management and governance. We played a key role in finalising the Pacific Plan for Strengthening Regional Cooperation and Integration which promotes the pooling of regional resources.

Enhancing **Australia's security** remained a key priority for the department. We again led the Government's development and implementation of international counter-terrorism (CT) strategies, including through our coordination of a major cross-portfolio package of CT initiatives in the region involving expenditure of an additional \$92.6 million over the next four years. Reinforcing our focus on regional cooperation, we ensured successful follow-up to the 2004 Bali Regional Ministerial Meeting on Counter-Terrorism, worked with the Australian Federal Police and Indonesia to achieve additional international support for the Jakarta Centre for Law Enforcement Cooperation, inaugurated multi-agency CT consultations with the Philippines, institutionalised multi-agency CT cooperation with the United States and Japan and signed a CT memorandum of understanding with Afghanistan.

In Iraq and Afghanistan, we supported whole of government contributions to international reconstruction efforts and Australian Defence Force deployments with the aim of providing a secure and sustainable future for those countries.

Nuclear issues remained a major focus for the department. As a member of International Atomic Energy Agency's Board of Governors, we worked to maintain pressure on Iran to comply with its Nuclear Non-Proliferation Treaty obligations. We also contributed to international efforts to curb North Korea's nuclear and ballistic missile programs. To advance the Government's active arms control and counter-proliferation agenda, we undertook a practical targeted outreach program with regional countries to strengthen bilateral cooperation and build capacity to control illicit trade in weapons of mass destruction and their means of delivery.

In a major initiative, we successfully elevated to ministerial level the Trilateral Strategic Dialogue (TSD) involving Australia, Japan and the United States and organised the inaugural ministerial meeting of the TSD in Sydney in March 2006 which Mr Downer hosted. The meeting helped promote cooperative responses to common security challenges.

In working for **Australia's economic prosperity**, the department sought improved market access for Australian goods and services and the maintenance of the global rules-based trading system through our multi-faceted trade policy involving bilateral, regional and multilateral negotiations.

We were at the forefront of international efforts to achieve an ambitious, liberalising outcome in the World Trade Organization (WTO) Doha Round negotiations. The department worked intensively to help bridge the gaps among key WTO members, including through our support for Mr Vaile's involvement in the major WTO Ministerial Conference in Hong Kong in December 2005—which reached in-principle agreement to eliminate agricultural export subsidies by the end of 2013—and in meetings of the Group of Six (Australia, Brazil, the EU, India, Japan and the United States) involving key WTO members. The department used Australia's leadership of the Cairns Group of agricultural exporting countries to press the case for agricultural trade reform through the Doha Round. Regrettably, by the end of June 2006, the WTO's 149 members had not reached agreement and the negotiations were suspended in July. The department will continue intensive efforts to break the stalemate.

At the same time as working for an ambitious Doha outcome, we advanced Australia's other interests in the WTO. One example was the completion of bilateral WTO accession negotiations with Vietnam, Russia and Ukraine. This will improve market access for Australian companies when these countries join the WTO.

The department worked intensively on three free trade agreement (FTA) negotiations—with China, Malaysia and, together with New Zealand, with the countries of ASEAN. We are aiming for comprehensive and liberalising agreements, although the negotiations are complex and ongoing. However, the benefits are clear—our negotiating partners cover close to 19 per cent of Australia's total two-way trade in goods and services and FTAs with them will improve Australians' access to their markets. We also worked to implement

Australia's existing FTAs with the United States, Singapore, New Zealand and Thailand, which cover 24 per cent of Australia's two-way trade, to ensure that Australians are able to take advantage of improved opportunities to sell and buy in these markets. The department secured Japan's agreement to the terms of reference and an accelerated timeline for the joint FTA feasibility study, with a view to finalising the study towards the end of 2006.

In advancing our **global** interests, the department played a lead role in establishing the Asia-Pacific Partnership on Clean Development and Climate. Mr Downer hosted the Partnership's inaugural ministerial meeting in January 2006, bringing together key governments and business partners to address clean development, energy security and climate change. On UN issues, we made a strong contribution to the establishment of the new UN Human Rights Council and worked to make it a more efficient and credible body than its predecessor.

The department made a significant contribution to the Government's preparations for a possible influenza pandemic in Australia, our region and beyond. In the region, we have helped build preparedness and response capabilities through practical initiatives, including by hosting an APEC preparedness and response meeting in Brisbane in October 2005. We developed detailed pandemic contingency plans for relevant overseas posts.

To **project Australia and its values internationally**, in 2005–06 the department coordinated a comprehensive public diplomacy program in Australia and overseas to support our broader foreign and trade policy goals. For example, under the Muslim Cultural Exchange Program with Thailand, we hosted a series of visits to Australia by delegations of Muslim community leaders to help build mutual understanding of our cultures and societies. We coordinated Australia's involvement in the second Regional Interfaith Dialogue in the Philippines. In commemorating the strength and diversity of relations with Japan, the department provided support to the 2006 Australia–Japan Year of Exchange, a joint prime ministerial initiative to commemorate the 30th anniversary of the signing of the bilateral Basic Treaty of Friendship and Cooperation. The department also managed Australia's participation in the 2005 World Exposition in Aichi, Japan, which concluded in September 2005 and attracted record numbers of visitors to the Australian Pavilion. In January 2006 we promoted Australia to a targeted audience in the United States through Australia Week (*G'Day LA*), highlighting Australia as a natural partner for the United States in investment, trade, tourism and people-to-people exchanges and promoting business opportunities through the Australia–US Free Trade Agreement.

Each year our overseas posts manage hundreds of cultural programs that promote a positive image of Australia internationally. One high-profile and successful example in 2005–06 involved our facilitation of a contribution of Australian Indigenous artwork to the Musée du Quai Branly which opened in Paris in June 2006. The Australian contribution received extensive praise.

Consular and passport services

With more Australians than ever travelling and living overseas, providing high-quality **consular services** continued to be a major priority for the department. In 2005–06, we provided significant consular assistance to 17 505 Australians. Through our network of overseas offices and the consular sharing arrangement with Canada, the Government can now provide direct consular services to Australians across an extensive global network.

We revised the format and presentation of consular travel advisories—which covered 152 destinations—making them clearer and simpler to use. During 2005–06 we issued 499 travel advisory updates, often to alert Australians to possible terrorist or other security threats. The reach and exposure of the department’s *smartraveller* website continued to grow with a 48 per cent increase in use compared to the previous year.

The department’s consular response mechanisms again stood the test in dealing with major overseas emergencies, including terrorist attacks, civil unrest and natural disasters. We activated crisis contingency plans in response to the London bombings in July 2005, the Bali bombings in October 2005, civil unrest in Solomon Islands in April 2006 and East Timor in May 2006 and other incidents. We sent specialist consular teams twelve times to assist with consular crises overseas. The department developed contingency strategies to cover events attracting large numbers of Australians such as Anzac Day in Turkey, the Winter Olympics in Italy and the FIFA World Cup Finals in Germany.

The department continued to provide Australians with high-quality **passport services**. We rolled out the microchip-enabled ePassport in October 2005, incorporating the use of leading-edge facial recognition technology and ensuring that the Australian passport continued to be among the world’s most secure. Our implementation of new measures in the *Australian Passports Act 2005*, which came into effect on 1 July 2005, contributed to a 12.8 per cent reduction in the number of passports reported lost or stolen. The department reduced to 4.1 days the average time for passport issue, well within our advertised ten working days commitment.

Corporate governance—underpinning the department’s objectives

Strong and flexible **corporate management** underpins the department’s ability to carry out effectively the tasks that the Government sets us—such as delivering counter-terrorism capacity-building projects in the region, negotiating a bilateral FTA or providing consular assistance to Australians caught in overseas crises. The department’s flexible work structures, supported by centralised staffing arrangements, continued to allow us to respond promptly to changing priorities in a demanding international environment. Our well-honed crisis management procedures, including the rapid establishment of 24-hour crisis and call centres in Canberra, ensured effective responses to overseas emergencies. We implemented a restructure of the department’s divisions to align our resources more closely with government priorities and sharpen our focus on key policy, advocacy and service delivery functions.

The department improved its ability to maintain fast and transparent **communications** across our network of offices in Australia and overseas. The ability to transmit reliable and secure communications is critical to the department's capacity to meet its objectives. A review of our communications systems showed that our electronic messages were being transmitted faster and more consistently than ever before.

With the additional government funding allocated following the September 2004 bombing at the Australian embassy in Jakarta, the department monitored and improved **security** at Australia's overseas missions through a dedicated program to upgrade physical security and, in some cases, relocate to safer sites.

Outlook

In 2006–07 the department will continue to face a range of challenges in a complex global environment. We will work to ensure that our structures—for example, procedures for advising ministers, consular contingency planning, information technology platforms, relations with other agencies and the scope of our overseas representation—are appropriate to the task of advancing the international interests of Australia and Australians.

Identifying specific priority issues across an agenda as broad as the department's is a selective exercise—though some tasks do stand out. Our counter-terrorism and counter-proliferation activities will remain a vital priority. We will continue to strengthen our alliance with the United States, including through the Australia–United States Ministerial consultations, and inaugurate a similar arrangement with the United Kingdom, a key partner in counter-terrorism strategies. We will continue an intensive program to upgrade security at our overseas missions. Providing high-quality consular and passport services will remain a core priority. In 2006–07 we will construct a new consular crisis centre, strengthening our capacity to respond promptly and effectively to consular events. We will also enhance the quality and coverage of our consular network by creating new positions overseas. In our region, the department will intensify cooperative efforts to enhance good governance, economic growth and sustainable development in the South Pacific.

Preparing for the Government's hosting of APEC 2007 will continue to be a major priority, presenting logistical and policy challenges. We will contribute to the whole of government effort to support official and business visitors for APEC events and use our year as host to strengthen APEC's future agenda. We will continue to monitor and influence the emerging regional architecture including through participation in the East Asia Summit and close cooperation with regional partners.

Although prospects for the WTO Doha Round are uncertain, we will continue intensive efforts to break the stalemate and achieve a result that liberalises world trade. We will also work for the best outcomes for Australian business in our FTA negotiations and other initiatives to liberalise trade and investment flows.

Developing the potential of important regional relationships—including those with Japan, China, India, the Republic of Korea, Indonesia and other members of ASEAN—will be

critical to the advancement of Australia's interests. We will continue to work in various regional and international forums to improve regional contingency planning including in relation to the possibility of an avian influenza pandemic.

I am confident that the dedication of the department's staff, the effective application of our resources and highly productive coordination with other agencies will ensure that the department continues to deliver a high-quality performance in 2006–07.

Michael L'Estrange
Secretary

KEY ACHIEVEMENTS

The following outlines the department's key achievements against each of our four outcomes.

Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation

International security

- Intensified strategic engagement between Australia, Japan and the United States by supporting the hosting of the inaugural ministerial meeting of the Trilateral Strategic Dialogue in Sydney in March 2006
- Developed and gained approval for a cross-portfolio package of counter-terrorism measures in the Asia-Pacific costing \$92.6 million over four years
- Initiated an international campaign to prevent the transfer of Man-Portable Air Defence Systems to terrorist groups or other non-State actors
- Supported the negotiation and conclusion of a counter-terrorism memorandum of understanding with Afghanistan in December 2005
- Promoted strengthened regional export control measures by hosting the Asian Export Controls Policy Dialogue in Canberra in February 2006 as well as counter-proliferation seminars in Cambodia, the Philippines and the United Arab Emirates in April, May and June 2006 respectively
- Held inaugural counter-terrorism talks with the Philippines in June 2006
- Completed significant security-related construction at five overseas missions

Global issues

- Supported Australia's hosting of the first Ministerial Meeting of the Asia-Pacific Partnership on Clean Development and Climate in January 2006
- Hosted APEC Avian Influenza Preparedness and Response Meeting in Brisbane in October 2005
- Contributed to negotiations that created the new UN Human Rights Council

Regional and multilateral trade

- Completed bilateral WTO accession negotiations with Vietnam, Russia and Ukraine to deliver better market access for Australian companies
- Held major conferences in China including on services, manufacturing, intellectual property, resources and investment to advocate the benefits of a bilateral free trade agreement

- Supported negotiations that secured in-principle agreement at the Hong Kong WTO Ministerial Conference to eliminate agricultural export subsidies by the end of 2013
- Maintained Australia's influence in the Doha negotiations by supporting Australia's chairing of the Cairns Group of 18 agricultural exporting countries and participating in meetings of the Group of Six (United States, European Commission, Brazil, India, Japan and Australia)
- Secured APEC members' agreement to a new focus on economic reform and 'beyond-the-border' impediments to trade
- Secured repayment of Russia's US\$185 million debt to Australia

South and South-East Asia

- Supported the conclusion of a Trade and Investment Framework with Indonesia in September 2005
- Supported the negotiation and signing of six bilateral agreements or memorandums of understanding with India, including a Trade and Economic Framework in March 2006
- Coordinated the whole of government response to the crisis in East Timor in May 2006, including a military-assisted evacuation of 211 Australians and the establishment of an Australian-led international stabilisation force
- Negotiated and supported the signing with East Timor of the *Treaty on Certain Maritime Arrangements in the Timor Sea* in January 2006
- Supported the release of a package of bilateral measures with Indonesia in December 2005 to help prevent illegal fishing in Australia's northern waters
- Intensified reconstruction efforts in Afghanistan, including by supporting increased military deployments, further aid commitments of up to \$150 million over five years and the decision to establish an embassy in Kabul
- Supported Australia's participation in the inaugural East Asia Summit in December 2005 after Australia's accession to the ASEAN Treaty of Amity and Cooperation
- Supported inaugural Philippines–Australia Ministerial Meeting in August 2005
- Conducted a human rights dialogue with Vietnam in December 2005

North Asia

- Secured Japanese agreement to the terms of reference and an accelerated timeline for a joint free trade agreement feasibility study
- Joint Ministerial Statement issued by Australian and Japanese Foreign Ministers in March 2006 committing both countries to strengthen bilateral strategic dialogue, including an annual meeting of foreign ministers

- Held the fourth Australia–Japan Conference in Tokyo in June 2006 and received strong private sector endorsement for our bilateral free trade agreement objectives and for strengthening bilateral cooperation
- Supported the April 2006 visit to Australia by Chinese Premier Wen Jiabao, accompanied by senior Chinese ministers
- Supported the first High-level Economic Cooperation Dialogue with China’s National Development Reform Commission
- Supported the conclusion of the Treaty between Australia and China on *Mutual Legal Assistance in Criminal Matters* (with the Attorney-General’s Department)
- Supported the conclusion of treaty-level documents on nuclear transfer and cooperation with China
- Worked with other government agencies to conclude nine other non-treaty level arrangements with China, including on agriculture, education, science and coal mine safety

South Pacific, Middle East, Africa

- Coordinated Australia’s response to the civil unrest in Solomon Islands in April 2006 and continued to coordinate the whole of government contribution to the Regional Assistance Mission to Solomon Islands
- Coordinated Australia’s whole of government contribution to the Enhanced Cooperation Program with Papua New Guinea
- Led whole of government efforts to reinvigorate the Pacific tsunami warning system and to build participation by south-west Pacific countries
- Completed negotiations on new rules of origin under the Australia–New Zealand Closer Economic Relations Trade Agreement
- Negotiated a fourth memorandum of understanding on improved economic management and governance reforms with Nauru
- Developed a whole of government policy approach on greater engagement with Fiji
- Concluded a memorandum of understanding regulating the livestock export trade with Egypt and advanced negotiations with Oman, Qatar and Bahrain (with the Department of Agriculture, Fisheries and Forestry)
- Finalised the text of an Investment Protection and Promotion Agreement with Lebanon
- Established (with Austrade) a new consulate-general in Tripoli, Libya

Americas and Europe

- Supported the inaugural Joint Committee meeting of the Australia–United States Free Trade Agreement
- Supported the 20th anniversary meeting of the Australia–United States Ministerial consultations
- Secured amendments to the draft EU Registration Evaluation and Authorisation of Chemicals legislation to safeguard access for Australian minerals and metals to European markets
- Supported the conclusion of a joint ministerial communiqué with Poland to foster bilateral cooperation in environmental technologies, goods and services
- Contributed to closer strategic and military cooperation with NATO, including by assisting preparations for Australia’s troop deployment to NATO’s International Security Assistance Force in Afghanistan
- Strengthened the relationship with Turkey through regular strategic dialogues, achieved closer defence and political cooperation and improved consular services by opening a consulate in Çanakkale on the Gallipoli peninsula
- Secured ministerial agreement to establish a Joint Experts’ Group with Mexico to examine ways of expanding the bilateral economic relationship
- Reached agreement to establish a Bilateral Trade and Investment Commission with Brazil

Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas

- Provided assistance to 17 505 Australians in 170 countries and sent consular teams to assist with over 12 crises overseas
- Streamlined the travel advisory system to make travel advice simpler and clearer
- Issued 499 travel advisory updates for 152 destinations and issued 28 new travel bulletins about major world events and incidents
- Entry into force of the *Australian Passports Act 2005* on 1 July 2005
- Launched the microchip-enabled ePassport on 24 October 2005 and issued 822 781 ePassports
- 12.8 per cent reduction in passports lost or stolen compared to 2004–05
- 485 new passport fraud cases detected, a 61 per cent increase compared to 2004–05
- Launched pilot APEC Regional Movement Alert List program to enhance traveller and border security (with the Department of Immigration and Multicultural Affairs)

Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally

- Published the Minister for Trade's annual trade statement, *Trade 2006*, in March 2006
- Responded to over 10 600 requests for information from Australian and international media, arranged more than 130 background briefings for individual journalists and held 20 general media briefings
- Managed Australia's participation in Aichi World Expo in Japan with more than 3.5 million people visiting the Australian Pavilion
- Supported the staging of Australia Week (*G'Day LA*) in January 2006
- Released the major policy publication *Weapons of mass destruction: Australia's role in fighting proliferation* in October 2005
- Produced three new economic analytical reports—*More than oil: Economic developments in Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates*; *Education without borders, International trade in education*; and *Unlocking China's Services Sector*
- Began bilateral programs under the Australia–Thailand Institute and Australia–Malaysia Institute
- Supported a significant contribution of Australian Indigenous art to the new Musée du Quai Branly which opened in Paris in June 2006
- Average weekly access to the DFAT website rose to over 979 000 page-views per week
- Produced economic fact sheets covering more than 170 countries
- Concluded contractual arrangements for the new regional television service, Australia Network, with coverage in 41 countries in the Asia-Pacific region

Outcome 4: Efficient management of the Commonwealth overseas owned estate

- Completed construction of a new chancery building in Colombo; embassy repairs and security works on the chancery in Jakarta; new chancery fit-outs in Brunei and Kuwait; mid-life upgrade of the chancery staff apartments in Paris; refurbishment of the head of mission residence in Washington; and fit-out of the new head of mission residence in Accra
- Returned a dividend of \$76.973 million to the Government

DEPARTMENTAL OVERVIEW

Role and functions

The department is responsible for advancing the interests of Australia and Australians internationally. The department's staff in Canberra, in our state and territory offices and around the world work to achieve the department's four outcomes, outlined in our *Portfolio Budget Statements 2005–06* and presented in Figure 4 on page 20:

- 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 in a challenging international environment, the department deployed its staff and other resources in a targeted and flexible manner (see Section 3: Corporate management and accountability for more information).

Organisational structure

The Secretary, Mr Michael L'Estrange, and five deputy secretaries 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, consular and corporate issues. The Senior Executive shapes the values and culture of the department, promotes the highest professional standards of service to the Government and to Australia, and provides a fair and professionally rewarding working environment for staff.

The department's organisational structure is outlined in Figure 2. In Canberra, as at 30 June 2006, the department was made up of eleven divisions, as well as the Executive, Planning and Evaluation Branch, the Protocol Branch, the Global Issues Branch, the Overseas Property Office, the Australian Safeguards and Non-Proliferation Office and the Economic Analytical Unit. The department also has an Iraq Task Force, China Free Trade Agreement Task Force and Asia Trade Task Force.

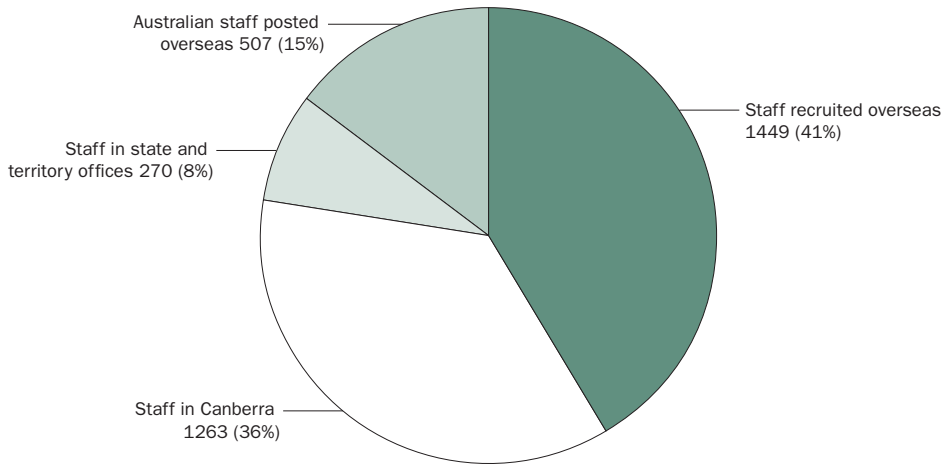
The department manages an overseas network of 87 embassies, high commissions, consulates-general and multilateral missions (for more information see Appendix 12: Summary of the overseas network). Each overseas post is attached to a parent division in Canberra. In addition to headquarters in Canberra, the department maintains offices in all Australian state and territory capital cities. These offices provide 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.



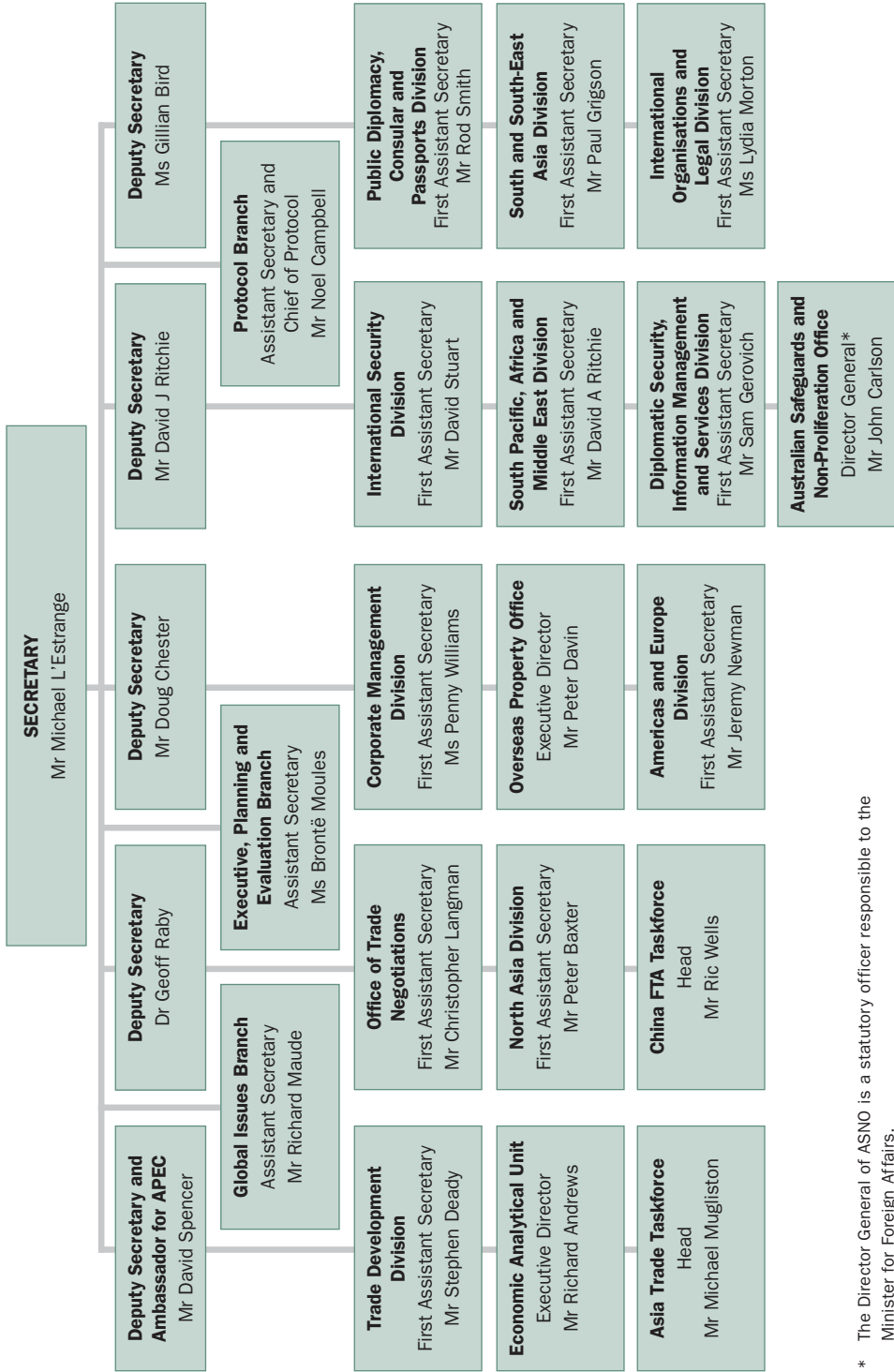
Senior Executive of the Department of Foreign Affairs and Trade (as at 30 June 2006). Front centre: Mr Michael L'Estrange, Secretary. From left: Deputy Secretaries Dr Geoff Raby (sitting); Mr David J Ritchie AO (standing); Mr David Spencer (standing); Mr Doug Chester (standing) and Ms Gillian Bird (sitting). Photo: Michael Jensen

FIGURE 1. LOCATION OF STAFF



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 (see Appendix 12 for more information).

FIGURE 2. SENIOR EXECUTIVE STRUCTURE (AS AT 30 JUNE 2006)



* The Director General of ASNO is a statutory officer responsible to the Minister for Foreign Affairs.

Structure of the foreign affairs and trade portfolio

In 2005–06 the foreign affairs and trade portfolio supported the Minister for Foreign Affairs, the Deputy Prime Minister and Minister for Trade, the Parliamentary Secretary to the Minister for Foreign Affairs and the Parliamentary Secretary to the Deputy Prime Minister and Minister for Trade 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).

Figure 3 outlines the portfolio structure and each agency's outcomes.

FIGURE 3. STRUCTURE OF PORTFOLIO OUTCOMES—FOREIGN AFFAIRS AND TRADE PORTFOLIO AS AT 30 JUNE 2006

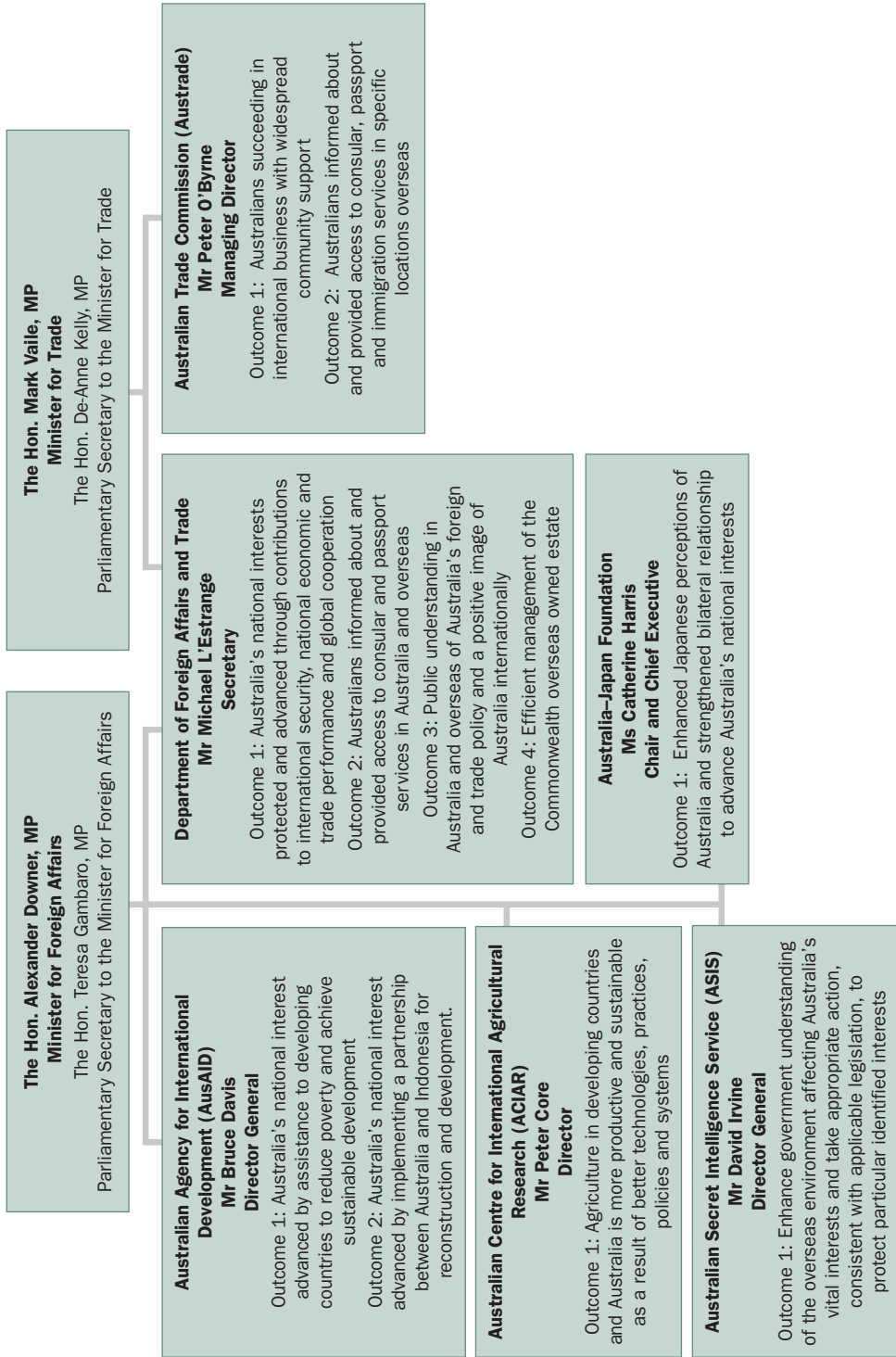
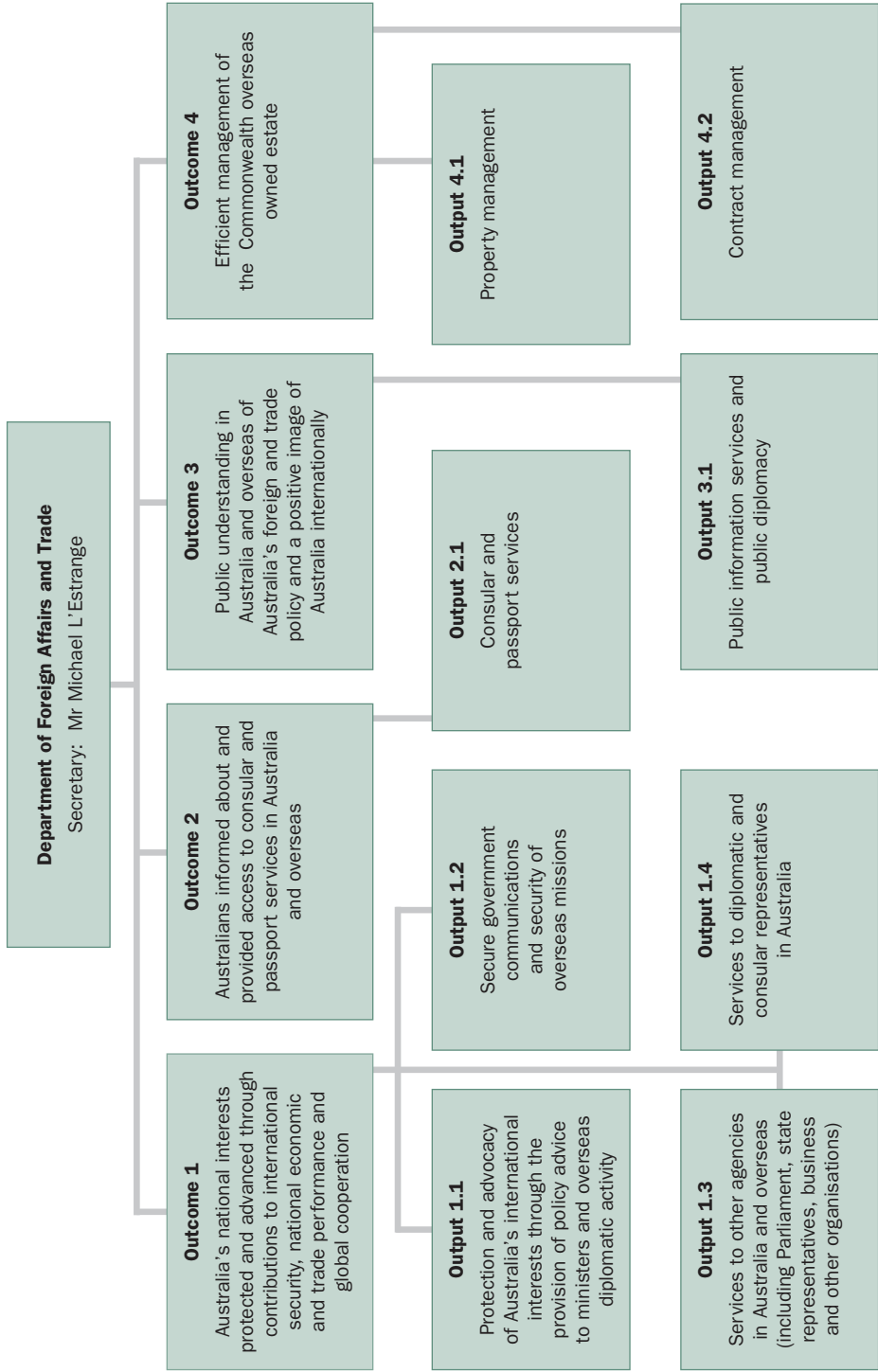


FIGURE 4. OUTCOMES AND OUTPUTS FRAMEWORK 2005-06



Resources summary

TABLE 1. FINANCIAL AND STAFFING RESOURCES SUMMARY

	2004–05 Actual (\$'000)	2005–06 Budget and Supplementary Additional Estimates (\$'000)	2005–06 Actual (\$'000)
Administered items			
Administered expenses	266 136	258 756	246 945
Departmental outputs			
Revenue from government (appropriation)*	703 624	734 901	733 965
Revenue from other sources**	118 506	89 705	98 244
Total price of departmental outputs	822 130	824 606	832 209
Total resourcing of outputs			
Administered expenses and total price of departmental outputs	1 088 266	1 083 362	1 079 154
Staffing resources			
	2004–05 Actual	2005–06 Budget and Supplementary Additional Estimates	2005–06 Actual
Average staffing level (number)***	3 165	3 199	3 231

* In 2005–06 the department received additional budget funding for:

- investing in Australia's security—biometrics for border control
- maintenance and upgrade of the consulate-general in Nauru
- maintenance of the Regional Assistance Mission to Solomon Islands
- improved security for Australian overseas missions
- hosting of APEC 2007
- negotiation of an Australia–China Free Trade Agreement
- Australia–Turkey bilateral relations and cooperation
- improving international outreach for aviation security
- October 2005 Bali bombing response
- Avian influenza—maintaining Australian government services overseas.

** 2004–2005 actual figure includes gross revenue from sale of assets. 2005–06 figures include net gains from the sale of assets.

*** Includes overseas locally engaged staff.

TABLE 2. PRICE OF DEPARTMENTAL OUTPUTS BY OUTCOME

		2004-05 Actual (\$'000)	2005-06 Actual (\$'000)
Outcome 1	Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	552 201	573 671
Outcome 2	Australians informed about and provided access to consular and passport services in Australia and overseas	150 224	156 702
Outcome 3	Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	50 842	52 999
Outcome 4	Efficient management of the Commonwealth overseas owned estate	68 863	48 837
Total price of departmental outputs		822 130	832 209

TABLE 3. RECONCILIATION OF OUTCOMES AGAINST APPROPRIATION AND REVENUE ELEMENTS

	Outcome 1 (\$'000)	Outcome 2 (\$'000)	Outcome 3 (\$'000)	Outcome 4 (\$'000)	Total (\$'000)
Total administered appropriations as per <i>Portfolio Budget Statements 2005–06</i> including any adjustments from Supplementary Additional Estimates	215 601	2 324	40 831	0	258 756
Administered expenses by outcome	195 800	1 784	40 489	0	238 073
Foreign exchange (unrealised)	0	0	0	0	0
EFIC administration costs funded by revenue offset	2 584	0	0	0	2 584
Pension schemes	6 288	0	0	0	6 288
Total administered expenses as per the Financial Statements	204 672	1 784	40 489	0	246 945
Total departmental appropriation as per <i>Portfolio Budget Statements 2005–06</i> including any adjustments from Supplementary Additional Estimates	511 276	172 733	50 892	0	734 901
Revenues from government	525 005	156 702	52 258	0	733 965
Revenue from other sources	48 666	0	741	48 837	98 244
Total price of departmental outputs as per the Financial Statements	573 671	156 702	52 999	48 837	832 209