



Australian Government

Department of Foreign Affairs and Trade



**DEPARTMENT OF
FOREIGN AFFAIRS
AND TRADE**

**Annual Report
2006 - 2007**

FRONT COVER IMAGES

Minister for Foreign Affairs, Mr Alexander Downer (left), and Minister of Foreign Affairs of Indonesia, Dr Hassan Wirajuda, signing the Australia–Indonesia Agreement on the Framework for Security Cooperation in Lombok, Indonesia on 13 November 2006.

Photo: Rasto, Indonesian Department of Foreign Affairs

Ms Jacqui Rabel (far left), a departmental officer attached to the Office of the Special Coordinator, and members of RAMSI undertaking community outreach in Solomon Islands, April 2007.

Photo courtesy of RAMSI

Minister for Trade, Mr Warren Truss (left), with Saudi Arabian Minister for Commerce and Industry, Dr Hashim bin Abdullah Yamani.



DEPARTMENT OF
FOREIGN AFFAIRS
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17 October 2007

The Hon Alexander Downer MP
Minister for Foreign Affairs

The Hon Warren Truss MP
Minister for Trade

Dear Ministers,

It is my pleasure to present to you the Annual Report of the Department of Foreign Affairs and Trade for the financial year 2006-07.

The report has been prepared pursuant to section 63 of the *Public Service Act 1999* and in accordance with the *Requirements for Annual Reports* as approved by the Joint Committee of Public Accounts and Audit on 13 June 2007. Subsection 63(1) of the *Public Service Act 1999* requires that, after the end of the financial year, the Secretary of a department must give a report to ministers on the department's activities for presentation to the Parliament.

The report has again been divided into two volumes. Volume 1 is the report of the Department of Foreign Affairs and Trade (DFAT) proper and Volume 2 is the report of AusAID (the Australian Agency for International Development). This division reflects the distinctive nature of the work of the two organisations and assists readers to locate more readily the information they seek.

In presenting the Annual Report, I take the opportunity to acknowledge the professionalism and dedication with which my colleagues in DFAT and AusAID have advanced the international interests of Australia and Australians over the past year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael L'Estrange'.

Michael L'Estrange

Contents (Volume 1)

Letter of transmittal	iii
Guide to the report	viii
Section 1: Overviews	1
Secretary's review	2
Key achievements	13
Departmental overview	15
Section 2: Performance reporting	25
Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	27
Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	30
Reporting against effectiveness indicators	30
North Asia	30
South-East Asia	45
Americas	54
Europe	61
South and West Asia, Middle East and Africa	71
Pacific	82
Bilateral, regional and multilateral trade negotiations	90
Trade development/policy coordination and APEC	106
International organisations, legal and environment	113
Security, nuclear, disarmament and non-proliferation	125
Reporting against quality and quantity indicators	134
Output 1.2: Secure government communications and security of overseas missions	138
Reporting against effectiveness indicators	138
Reporting against quality and quantity indicators	144
Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	147
Reporting against effectiveness indicators	147
Parliament in Australia	147
Services to attached agencies	150
Services to business	150
Services to state governments and other agencies overseas and in Australia	151
Reporting against quality and quantity indicators	154

Output 1.4: Services to diplomatic and consular representatives in Australia	156
Reporting against effectiveness indicators	156
Services to diplomatic and consular corps	156
Provision of protection advice through liaison with the Protective Security Coordination Centre	157
Reporting against quality and quantity indicators	161
Administered items for Outcome 1	163
Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas	167
Output 2.1: Consular and passport services	170
Reporting against effectiveness indicators	170
Consular services	170
Passport services	182
Reporting against quality and quantity indicators	189
Administered items for Outcome 2	194
Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	197
Output 3.1: Public information services and public diplomacy	200
Reporting against effectiveness indicators	200
Public information and media services on Australia's foreign and trade policy	200
Projecting a positive image of Australia internationally	206
Freedom of information and archival research and clearance	224
Reporting against quality and quantity indicators	229
Administered items for Outcome 3	233
Outcome 4: Efficient management of the Commonwealth overseas owned estate	237
Output 4.1: Property management	240
Reporting against effectiveness indicators	240
Reporting against quality and quantity indicators	242
Output 4.2: Contract management	244
Reporting against effectiveness indicators	244
Reporting against quality and quantity indicators	247
Section 3: Corporate management and accountability	251
Overview	252
Corporate governance	253
External scrutiny	260
Management of human resources	263
Management of financial resources	273

Section 4: Appendixes	279
1. Ministerial responsibilities	281
2. Staffing overview	283
3. Occupational health and safety	290
4. Freedom of information	293
5. Inquiries by parliamentary committees	303
6. Decisions by courts and administrative tribunals	311
7. Ecologically sustainable development and environmental performance	313
8. Purchaser–provider arrangements	316
9. Advertising and market research	319
10. Grants and contributions	321
11. Consultancy services	324
12. List of sponsors	328
13. Summary of the overseas network	334
Section 5: Financial statements	341
Independent auditor’s report	343
Statement by the Secretary and Chief Finance Officer	345
Financial statements	346
Notes to and forming part of the financial statements	358
Australia–Japan Foundation: Financial statements for the period 1 July 2006 to 30 November 2006	441
Section 6: Glossaries and indexes	491
Glossary of terms	492
Glossary of acronyms and abbreviations	494
Compliance index	499
Index	502
List of Tables	
Table 1 Financial and staffing resources summary	21
Table 2 Price of departmental outputs by outcome	22
Table 3 Reconciliation of outcomes against appropriation and revenue elements	23
Table 4 Financial and staffing resources summary for Outcome 1	29
Table 5 Australia’s trade in goods and services with North Asian economies	43
Table 6 Australia’s trade in goods and services with South-East Asia	51
Table 7 Australia’s trade in goods and services with the Americas	59
Table 8 Australia’s trade in goods and services with Europe	67
Table 9 Australia’s trade in goods and services with South Asia and the GCC	81
Table 10 Financial and staffing resources summary for Outcome 2	169
Table 11 Consular services provided to Australian travellers	181
Table 12 Financial and staffing resources summary for Outcome 3	199
Table 13 Requests processed under the <i>Freedom of Information Act 1982</i>	225
Table 14 Requests assessed under the <i>Archives Act 1983</i>	227

Table 15	Financial and staffing resources summary for Outcome 4	239
Table 16	Employees by classification, gender and location	283
Table 17	Ongoing and non-ongoing employees, full-time and part-time	284
Table 18	Employees by categories of employment	284
Table 19	Senior Executive Service by level and location	284
Table 20	Senior Executive Service by gender	285
Table 21	Senior Executive Service: gains and losses during the year	285
Table 22	Senior Executive Service: inter-agency mobility during the year	285
Table 23	Employees by location and gender	286
Table 24	Employees covered by the Collective Agreement and AWAs	287
Table 25	Performance bonus payments by level	289
Table 26	Occupational health and safety statistics	292
Table 27	Advertising and market research	319
Table 28	Discretionary grants programs	321
Table 29	Contributions to international organisations and peacekeeping operations	322
Table 30	Consultancy services contracts let during the year	325
Table 31	List of sponsors	328
Table 32	Embassies, high commissions, consulates and multilateral missions	334
Table 33	Consulates managed by Austrade	337
Table 34	Consulates headed by honorary consuls	337
Table 35	Places where Canada provides consular services to Australian citizens	339
Table 36	Places where Australia provides consular services to Canadian citizens	340

List of Figures

Figure 1	Senior executive structure	16
Figure 2	Location of staff	17
Figure 3	Portfolio outcomes structure	18
Figure 4	Outcomes and outputs framework	19
Figure 5	Australia's trade in goods and services with Japan	32
Figure 6	Australia's trade in goods and services with China	37
Figure 7	Australia's trade in goods and services with Taiwan	39
Figure 8	Australia's trade in goods and services with the Republic of Korea	41
Figure 9	Australia's trade in goods and services with ASEAN	53
Figure 10	Australia's trade in goods and services with the United States	56
Figure 11	Australia's trade in goods and services with the European Union	63
Figure 12	Australia's trade in goods and services with New Zealand	83
Figure 13	Direction of Australia's exports 2006	93
Figure 14	Travel documents issued	183

Guide to the report

This is the Secretary's report to the Minister for Foreign Affairs and the Minister for Trade on the performance of the Department of Foreign Affairs and Trade (Volume 1) and AusAID (Volume 2) during the financial year 2006–07. The report is prepared in accordance with the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports* of 13 June 2007, as approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit. Information and statistics unless otherwise indicated cover the financial year 2006–07, or relate to the situation as at 30 June 2007. All dollars are Australian unless otherwise specified.

Guide to Volume 1 *(see also glossary of terms, page 492)*

The report of the Department of Foreign Affairs and Trade (Volume 1) uses the same outcome–output structure as outlined in the *Portfolio Budget Statements 2006–07*.

We have included trade statistics covering services as well as goods. The latest goods and services trade statistics relate to calendar year 2006. They are not part of the department's performance reporting but are included as background information for the benefit of readers.

Section 1 contains:

- the Secretary's review for 2006–07
- key achievements
- the departmental overview, including:
 - role and functions
 - organisational structure
 - senior executive structure
 - portfolio structure
 - outcomes and outputs framework
 - resources summary.

Section 2 contains the department's outcome–output performance information reports. Performance is reported under the following headings:

- effectiveness (including administered items)
- quality and quantity measures for departmental outputs
- quality and quantity measures for administered items.

To enhance the flow of performance information in Section 2:

- effectiveness indicators are grouped at the beginning of reporting for each outcome
- reporting on the quality and quantity indicators for each output appears at the end of reporting on effectiveness of outputs
- indicators and reporting for administered items are set out at the end of reporting on quality and quantity for the relevant outcome
- reporting covers all indicators. Headings and subheadings within the text generally conform to the order of indicators appearing at the beginning of performance reporting.

Section 3 reports on enabling services that do not appear under the outcome structure. It includes reporting on corporate governance, external scrutiny and management of human and financial resources.

Section 4 includes appendixes providing useful additional information and reports required under specific legislation.

Section 5 contains the audited financial statements for 2006–07. The section also contains the financial statements of the Australia–Japan Foundation for the period 1 July 2006 to 30 November 2006 during which the foundation was a separate statutory authority established in the portfolio under the *Australia–Japan Foundation Act 1976*. The foundation was re-established as a bilateral foundation within the department on 1 December 2006 and continues to publish its own annual reports.

Section 6 contains glossaries of terms, acronyms and abbreviations and indexes.

Further information

Publications *Portfolio Budget Statements 2006–07* and *2007–08*
Portfolio Additional Estimates Statements 2006–07
Trade Statement 2007

Website www.dfat.gov.au

In Memory of Elizabeth O'Neill OAM



The crash on 7 March 2007 of a Garuda Airlines jet at Yogyakarta airport in Indonesia claimed 21 lives, including DFAT's Elizabeth O'Neill OAM, Counsellor (Public Affairs) from our Embassy in Jakarta. Three other Jakarta-based government employees also lost their lives in the accident, along with an Australian journalist. They were Allison Sudradjat, Minister-Counsellor (Development Assistance), Brice Steele, Minister-Counsellor (Police Liaison), Mark Scott (Australian Federal Police) and Morgan Mellish (Australian Financial Review). The five were travelling in connection with an official visit to Indonesia by Mr Downer and the Attorney-General, Mr Ruddock.

Elizabeth O'Neill was a respected and admired diplomat. She served with distinction in Indonesia and built bridges of understanding between the two countries. She rose to the often imposing challenges asked of her, responding magnificently and selflessly to the aftermath of both Bali bombings, the Jakarta Embassy bombing, the helicopter crash on the island of Nias and the Indian Ocean tsunami.

Liz's friends and colleagues within DFAT mourn her loss and feel deeply for the family she has left behind—particularly her husband Wayne, her baby Lucinda, her parents, her sister and her brothers. Liz was much loved in DFAT for her selflessness, her vivacity, her professionalism and her inspired commitment to getting the job done. DFAT is immensely proud of her contribution.

To honour Liz's memory and to carry forward her legacy, DFAT, in conjunction with the Australia–Indonesia Institute, will sponsor an annual award for two journalists—one Australian, one Indonesian—to be known as the Elizabeth O'Neill Journalism Award. The award will provide opportunities for Indonesian journalists to visit Australia, and Australian journalists to visit Indonesia, to help foster a stronger appreciation of contemporary issues facing each society. The inaugural recipients of the Award are Ms Joanna McCarthy, Journalist, ABC Radio Australia and Ms Meutya Hafid, News reporter and anchor, Metro TV, Indonesia.