



DEPARTMENT OF
FOREIGN AFFAIRS AND TRADE

ANNUAL REPORT
2007-2008



FRONT COVER IMAGES

Minister for Foreign Affairs, Mr Stephen Smith, in Tarin Kowt, Afghanistan, with Major General Mike Hindmarsh AO CSC, Commander of Australian Forces in the Middle East Area on 8 June 2008 during a visit to the Middle East.

Australian High Commissioner to Papua New Guinea, Mr Chris Moraitis (back row centre), and children with their certificates at the conclusion of a three-day basketball clinic at the Hohola basketball courts in Port Moresby on 9 April 2008. The clinic was supported by the Australian Sports Outreach Program.

Minister for Trade, Mr Simon Crean (right), with World Trade Organization Director-General, Mr Pascal Lamy, in Geneva on 28 January 2008.

Photo courtesy of World Trade Organization

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15 October 2008

The Hon Stephen Smith MP
Minister for Foreign Affairs

The Hon Simon Crean 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 2007-08.

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 18 June 2008. 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 (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
Departmental overview	12
Section 2: Performance reporting.....	21
Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	23
Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity....	26
Reporting against effectiveness indicators	26
North Asia.....	26
South-East Asia	38
Americas.....	49
Europe.....	57
South and West Asia, Middle East and Africa	68
Pacific.....	79
Bilateral, regional and multilateral trade negotiations.....	92
Trade development/policy coordination and APEC.....	108
International organisations, legal and environment	115
Security, nuclear, disarmament and non-proliferation	127
Reporting against quality and quantity indicators	137
Output 1.2: Secure government communications and security of overseas missions..	141
Reporting against effectiveness indicators	141
Reporting against quality and quantity indicators	147
Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	150
Reporting against effectiveness indicators	150
Parliament in Australia	150
Services to attached agencies	153
Services to business	153
Services to state governments and other agencies overseas and in Australia.....	154
Reporting against quality and quantity indicators	157

Output 1.4: Services to diplomatic and consular representatives in Australia	159
Reporting against effectiveness indicators	159
Services to diplomatic and consular corps	159
Provision of protection advice through liaison with the Protective Security Coordination Centre.....	159
Reporting against quality and quantity indicators	162
Administered items for Outcome 1	164
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	188
Administered items for Outcome 2	193
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	205
Freedom of information and archival research and clearance	225
Reporting against quality and quantity indicators	230
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	243
Output 4.2: Contract management	245
Reporting against effectiveness indicators	245
Reporting against quality and quantity indicators	247
Section 3: Corporate management and accountability.....	251
Overview	252
Corporate governance	252
External scrutiny.....	258
Management of human resources	260
Management of financial resources	270

Section 4: Appendixes.....275

1 Ministerial responsibilities.....	277
2 Staffing overview.....	280
3 Occupational health and safety	287
4 Freedom of information.....	290
5 Inquiries by parliamentary committees.....	300
6 Matters before courts and administrative tribunals.....	303
7 Ecologically sustainable development and environmental performance.....	306
8 Purchaser-provider arrangements.....	309
9 Advertising and market research	312
10 Grants and contributions.....	313
11 Consultancy services.....	316
12 List of sponsors	320
13 Summary of the overseas network	325

Section 5: Financial statements333

Independent auditor's report.....	335
Statement by the Secretary and Chief Finance Officer	337
Financial statements.....	338
Notes to and forming part of the financial statements.....	350

Section 6: Glossaries and indexes433

Glossary of terms.....	434
Glossary of acronyms and abbreviations.....	436
Compliance index	440
Index	443

List of Tables

Table 1 Financial and staffing resources summary.....	18
Table 2 Price of departmental outputs by outcome.....	19
Table 3 Reconciliation of outcomes against appropriation and revenue elements	19
Table 4 Financial and staffing resources summary for Outcome 1	25
Table 5 Australia's trade in goods and services with North Asian economies.....	36
Table 6 Australia's trade in goods and services with South-East Asia	38
Table 7 Australia's trade in goods and services with the Americas	56
Table 8 Australia's trade in goods and services with Europe	66
Table 9 Australia's trade in goods and services with South Asia and the GCC.....	77
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>	226
Table 14 Requests assessed under the <i>Archives Act 1983</i>	228
Table 15 Financial and staffing resources summary for Outcome 4	239
Table 16 Employees by classification, gender and location.....	280

Table 17	Ongoing and non-ongoing employees, full-time and part-time	281
Table 18	Employees by categories of employment	281
Table 19	Senior Executive Service by level and location	281
Table 20	Senior Executive Service by gender	282
Table 21	Senior Executive Service: gains and losses during the year	282
Table 22	Senior Executive Service: inter-agency mobility during the year	282
Table 23	Employees by location and gender	283
Table 24	Employees covered by the Collective Agreement and AWAs	284
Table 25	Performance bonus payments by level	286
Table 26	Occupational health and safety statistics	289
Table 27	Advertising and market research	312
Table 28	Discretionary grants programs	313
Table 29	Contributions to international organisations and peacekeeping operations	314
Table 30	Consultancy services contracts let during the year	318
Table 31	List of sponsors	320
Table 32	Embassies, high commissions, consulates and multilateral missions	325
Table 33	Consulates managed by Austrade	328
Table 34	Consulates headed by honorary consuls	328
Table 35	Places where Canada provides consular services to Australian citizens	330
Table 36	Places where Australia provides consular services to Canadian citizens	331

List of Figures

Figure 1	Location of staff	13
Figure 2	Senior executive structure	14
Figure 3	Portfolio outcomes structure	15
Figure 4	Outcomes and outputs framework	16
Figure 5	Australia's trade in goods and services with Japan	28
Figure 6	Australia's trade in goods and services with China	31
Figure 7	Australia's trade in goods and services with Taiwan	32
Figure 8	Australia's trade in goods and services with the Republic of Korea	34
Figure 9	Australia's trade in goods and services with ASEAN	47
Figure 10	Australia's trade in goods and services with the United States	51
Figure 11	Australia's trade in goods and services with the European Union	59
Figure 12	Australia's trade in goods and services with New Zealand	81
Figure 13	Direction of Australia's exports 2007	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 2007–08. The report is prepared in accordance with the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports* of 18 June 2008, 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 2007–08, or relate to the situation as at 30 June 2008. All dollars are Australian unless otherwise specified.

Guide to Volume 1 *(see also glossary of terms, page 434)*

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 2007–08*.

We have included trade statistics covering services as well as goods. The latest goods and services trade statistics relate to calendar year 2007. 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 2007–08
- 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 reporting. 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 sub-headings 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 2007–08.

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

Further information

Publications *Portfolio Budget Statements 2007–08 and 2008–09*
Portfolio Additional Estimates Statements 2007–08

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