

## Section 02

# Performance reporting



## Performance reporting

### Outcome 1:

#### Foreign policy, trade and international development

The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign, trade and international development policy priorities.

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### Outcome 2:

#### Consular and passport services

The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas.

Consular services	193
Passport services	202

### Outcome 3:

#### Security, ICT and overseas property

A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas property estate.

Security and ICT services	207
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# Program objectives

## Outcome 1

### Program 1.1

#### Foreign affairs and trade operations

- To protect and advance the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia's foreign, trade and economic, development and international security interests.
- To deliver accurate and timely policy advice to ministers and other key clients that addresses the challenges of an evolving international environment.
- To promote a whole-of-government approach in pursuit of Australia's interests abroad, including through leadership at overseas missions and coordination of the overseas diplomatic network.
- To ensure the security and protect the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia's obligations under the Vienna Conventions.
- To encourage the development of international policies and measures in relation to climate change through the pursuit of broad-based international climate action and agreement.

### Program 1.2

#### Payments to international organisations

- To advance Australia's foreign, trade and economic, development and international security interests through participation in international organisations.

### Program 1.3

#### Public information services and public diplomacy

- To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives and engagement with the Indian Ocean Asia Pacific region through the department's public diplomacy, cultural and media activities.

### Program 1.5

#### New Colombo Plan

- To foster closer people-to-people and institutional links between Australia and the Indian Ocean Asia Pacific by contributing to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region.

### Program 1.6

#### ODA PNG and Pacific

- To assist developing countries in the Pacific region by contributing to sustainable economic growth to reduce poverty and lift living standards.

### Program 1.7 & Program 1.8

#### ODA East Asia; ODA East Asia AIPRD

- To assist developing countries in the East Asia region by contributing to sustainable economic growth to reduce poverty and lift living standards.

### Program 1.9

#### ODA Africa, South and Central Asia, Middle East and other

- To assist developing countries in Africa, South and Central Asia, the Middle East and other regions by contributing to reducing poverty and lifting living standards through sustainable economic growth.

### Program 1.10

#### ODA emergency, humanitarian and refugee program

- To assist developing countries respond to emergencies and assist refugees.

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**Program 1.11****ODA multilateral replenishments**

- To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to multilateral organisations.

**Program 1.12****ODA UN Commonwealth and other international organisations**

- To assist developing countries reduce poverty and lift living standards through sustainable economic growth by providing contributions to UN, Commonwealth and other international organisations.

**Program 1.13****ODA NGO, volunteer and community programs**

- To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to NGO, volunteer and community programs.

**Program 1.14****Programs to promote Australia's international tourism interests**

- To administer programs that strengthen and stimulate growth in the tourism industry or support Australian businesses to become sustainable.

**ODA departmental**

- To support the implementation and management of Australia's international aid program.

**Outcome 2****Program 2.1****Consular services**

- To support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.

**Program 2.2****Passport services**

- To provide Australians access to secure international travel documentation through the delivery of high-quality passport services.

**Outcome 3****Program 3.1****Foreign affairs and trade security and IT**

- To ensure a secure Australian Government presence overseas by sustaining and improving security, and strengthening information and communications technology (ICT) capability at Australia's overseas missions.

**Program 3.2****Overseas property**

- To ensure a secure Australian Government presence overseas through the effective management of the Commonwealth's overseas owned estate and of the contracts for the leased estate.

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# Pacific

## Programs 1.1 and 1.6

○ Not Met    ◐ Partially Met    ● Met

> Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships	●	●
– enhanced engagement with Pacific island countries, including deepening our partnership with Papua New Guinea, supporting Fiji's return to democracy and supporting capacity building in Solomon Islands <sup>1</sup>	●	●
– continued close ties with New Zealand.	●	●
To assist developing countries in the Pacific region by contributing to sustainable economic growth to reduce poverty and lift living standards.	●	●
✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.	●	●

<sup>1</sup> Deliverable for 2013–14 did not include country-specific targets.

## Overview

Australia is the major donor and economic and security partner in the Pacific. Our role is critical to the region's stability, security and prosperity.

High-level visits to Papua New Guinea and the annual ministerial forum further deepened the relationship. The aid program promoted economic growth and human development. We established the Pacific Leadership and Governance Precinct to support Papua New Guinea in building its future leadership and institutional capabilities.

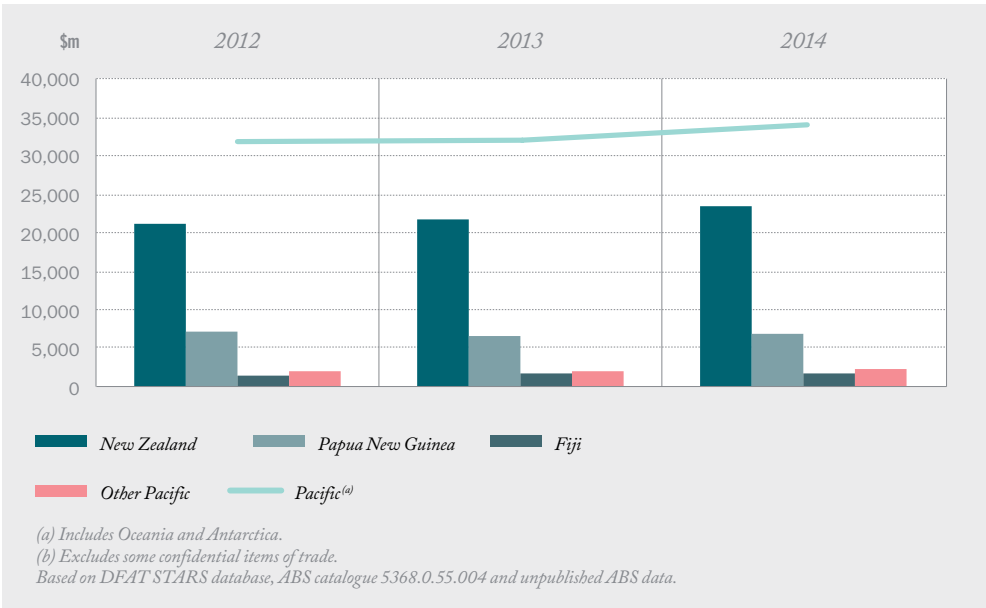
We helped reset the bilateral relationship with Fiji following a period of limited engagement after the 2006 coup. The department supported Fiji's successful election in September 2014.

The department led Australia's strong response to the devastation of Tropical Cyclone Pam in Vanuatu. We provided \$50 million for immediate relief and longer-term recovery.

We continued to support the Pacific Islands Forum (PIF) as the region's premier political organisation and were instrumental in securing agreement for a new *Framework for Pacific Regionalism*.

The department led Australia's efforts to encourage sustainable economic growth in the region. We helped achieve significant progress in Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations. We worked closely with other government agencies to increase the sectors eligible for the Seasonal Worker Program (SWP) and to ensure the scheme has strong development benefits.

Figure 4: Australia's trade in goods and services with the Pacific <sup>(a)(b)</sup>



We provided \$1.05 billion of development assistance to address the region's significant development challenges and enhance stability and prosperity. Working in partnership with Pacific governments, and regional and multilateral organisations, we focused on economic growth, encouraging greater private sector engagement, gender equality, education, health, governance and law and justice. The *Pacific Women Shaping Pacific Development Program* continues to improve the political, social and economic opportunities for women in the region.

The department provided more opportunities for participation in the New Colombo Plan and Australia Awards, expanding people-to-people links in the region. We continued to support Australian volunteers in the Pacific.

## New Zealand

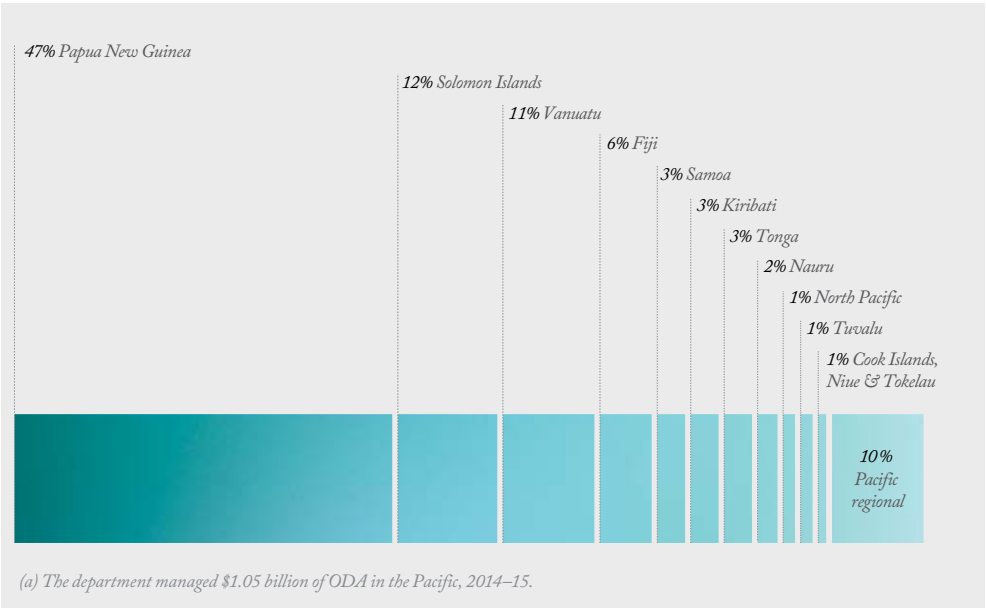
The department supported high-level visits, including two by the Prime Minister and others by portfolio ministers. These visits shaped our military partnership in Iraq and further developed the Single Economic Market agenda.

They promoted Australian commercial expertise in infrastructure projects in Auckland and Christchurch through a trade mission led by the Trade and Investment Minister. We supported the Australia New Zealand Leadership Forum 10th Annual Meeting in Auckland, held in conjunction with the Closer Economic Relations Leaders' Meeting, in February 2015. We facilitated New Zealand's successful participation in the G20 as a guest of Australia during our presidency in 2014.

Australia is the largest source of foreign investment in New Zealand and the department's strong economic diplomacy efforts are helping to attract greater New Zealand investment in Australia.

The department helped further strengthen already close defence and community links through facilitating joint commemorations to mark the 100th anniversary of the Anzac landings at Gallipoli. Together, our two Governors-General later attended the Anzac Day Dawn Service in Wellington and later the Last Post Service in Canberra, and our two Prime Ministers jointly led participation at Anzac Day ceremonies in Turkey.

Figure 5: Estimated department ODA to the Pacific<sup>(a)</sup>



## Papua New Guinea

The department supported high-level engagement with Papua New Guinea, including through visits by the Prime Minister, Foreign Minister and Trade and Investment Minister, which advanced key bilateral and regional priorities.

The 23rd Australia–PNG Ministerial Forum in December agreed on measures to strengthen the relationship, including deepened defence and security cooperation, continued joint work to combat people smuggling, and Australian assistance for PNG’s hosting of APEC in 2018. In May, Mr Robb headed an Australian business delegation to Papua New Guinea, building trade and investment links.

The department led Australian government support for successful elections in the Autonomous Region of Bougainville in May and June. We contributed to the international observer mission to the elections and supported the participation of current and former members of the Australian Parliament.



Second Secretary Port Moresby, Louise Starr (back right), and former parliamentary member of the observer mission, Chris Evans, observing as polling teams check material before voting starts, Autonomous Region of Bougainville, May 2015. [DFAT]

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The department forged people-to-people links, including through the PNG–Australia Network and Emerging Leaders' Dialogue, which strengthened our ties in business, development and youth.

We promoted the effective operation of the Torres Strait Treaty, including through leadership of multi-agency Treaty Awareness Visits across the Torres Strait and South Fly District of Papua New Guinea.

The department managed bilateral aid of \$450.6 million. Australian aid investments focused on governance, health, education, law and justice, women's empowerment, private sector development and transport infrastructure.

We supported the PNG Government to establish the Pacific Leadership and Governance Precinct. The Foreign Minister signed an MOU with her counterpart ministers on 15 December 2014, committing to deliver a comprehensive program of education and leadership training to build the capacity of PNG's public and private sector leaders. Since early 2015, over 500 public and private sector professionals have participated.

The department also drove agreement on a new Private Sector Development Partnership to support private sector-led economic growth, including in agriculture, financial inclusion and women's economic empowerment.

We improved essential infrastructure for economic growth and service delivery. In 2014, we funded the maintenance and rehabilitation of over 2125 kilometres of PNG's most economically important roads. Agreements were put in place for the next phase of the transport infrastructure program—a five-year, \$400 million investment that will support a safe, reliable transport system.

The department supported PNG's stability through investments in law and justice institutions. Our funding for 15 Family and Sexual Violence Units in police stations enabled 11,272 survivors of violence to access services in 2014. Training for 992 village court officials helped provide better standards of justice.

In December 2014, Ms Bishop announced support under the *Pacific Women Shaping Pacific Development Program* to enhance women's engagement in decision-making, leadership and peacebuilding; promote women's economic empowerment; and work to end violence against women and girls.

Our health program focused on strengthening maternal and child health, HIV, TB, and malaria outcomes. Australia's support to the TB response in Western Province has contributed to reducing the percentage of patients dying of drug-resistant TB from 25 per cent in 2011 to less than one per cent in 2015.



Minister for Foreign Affairs, Julie Bishop, reads to school children from the ACIAR's *Maria's Family* book, which addresses literacy and economic empowerment issues, Buk bilong Pikinini, Goroka, 18 December 2014. [DFAT]

The department worked with the PNG Government to preserve the Kokoda Track. Through the Kokoda Track Initiative, Australia improves livelihoods and the health and education prospects for communities living along the track.

## Fiji

Following a period of limited engagement after the 2006 coup, the department helped reset the bilateral relationship with Fiji, through deeper bilateral engagement with senior members of the government and the public service.

The department assisted Fiji's successful elections in September 2014 and transition to democracy by supporting and providing technical assistance to the Fijian Elections Office. We co-led the multinational observer mission and, following the elections, we managed the removal of all remaining sanctions against Fiji.

The Foreign Minister visited Suva in October 2014 and announced a new Institutional Partnerships Program (\$16 million over four years) to support economic governance, public sector reform and institutional strengthening. Under this program, the department has facilitated a twinning arrangement between the Australian and Victorian Parliaments and the Fijian Parliament.

In March 2015, we supported a visit to Fiji by Parliamentary Secretary Ciobo to strengthen political and business links. During the visit, Mr Ciobo signed an MOU to facilitate Fiji's SWP participation.

In June 2015, the department led inaugural Senior Officials' Talks with Fiji's Ministry of Foreign Affairs. The talks provided an opportunity to discuss global security challenges and regional issues, and strengthen the bilateral trade and investment relationship.

Australia remains Fiji's largest bilateral donor. The department managed a bilateral aid program of \$32.9 million. The program focused on improving access to quality education, strengthening primary health services, and building resilience and economic opportunities in disadvantaged communities. We expanded cooperation with Fiji's public sector to build public service capacity, improve good governance and facilitate economic growth.

Through the Market Development Facility, the department supported the private sector to innovate and expand business in ways that create jobs and incomes for the poor. Australia has leveraged almost \$2 million in private sector investment across the tourism and horticulture sectors and maintained 23 active private sector partnerships in 2014, generating \$840,000 in new business activity.

Health and education remained priorities. One hundred and ninety-seven classrooms were renovated through the Access to Quality Education Program, benefitting over 5000 students. In 2014, the department increased the number of trained midwives by 25 per cent through the Fiji Health Sector Support Program.

### *The Multinational Observer Group to Fiji's general elections*

Australia was invited by the Fijian Government to co-lead the Multinational Observer Group (MOG) to observe the Fiji elections in September 2014, alongside Indonesia and India. A departmental officer was Australia's co-leader and our staff participated in the mission's secretariat.

The secretariat coordinated 92 observers from 15 countries and organisations who visited

455 polling stations (31 per cent of all polling stations across the country).

The MOG found that the elections broadly represented the will of the Fijian voters and that the conditions were in place for Fijians to exercise their right to vote freely. The successful elections marked a crucial step in Fiji's return to democracy. The department continues to provide support to the Fijian Elections Office.





## STAFF PROFILE

**MELISSA MITCHELL**

POLICY OFFICER, SOLOMON ISLANDS SECTION, CANBERRA



As a policy officer in the Solomon Islands Section, I provide policy advice, analyses and briefs on Australia's bilateral relationship with Solomon Islands, with a focus on our development assistance. I support the development of strategy and program designs, and work with government, business and civil society. Australia's aid program to Solomon Islands is our third largest, covering health, education, justice, governance and economic growth.

In October 2014, as part of the Special Visits Program, I accompanied a young future leader of Solomon Islands, Kristina Sogavare, to meet with Australian federal and state parliamentarians and civil society organisations. The visit will help foster people-to-people links, promote knowledge sharing and support opportunities for Australian engagement in Solomon Islands.

## Solomon Islands

The relationship with Solomon Islands was enhanced through high-level political engagement and visits and cooperation on regional issues. The department managed \$120.5 million of development assistance in Solomon Islands, focused on supporting stability, enabling economic growth and enhancing human development.

Together with regional partners, we supported the Regional Assistance Mission to Solomon Islands (RAMSI) in maintaining stability. The department helped RAMSI prepare the drawdown and eventual transfer of its remaining policing responsibilities to the Solomon Islands Police Force (RSIPF).

We worked closely with Solomon Islands authorities to help deliver national elections in October 2014, which resulted in the smooth transition of power to a new government. RAMSI provided close support to RSIPF's lead role in ensuring a secure and peaceful election process.

In the lead-up to the elections, the department provided \$4 million to the UN Development Program to assist the Solomon Islands Electoral Commission develop a new voter registration system, civic education and electoral system reform. Advisory support was provided through

a twinning arrangement with the Australian Electoral Commission and eight Australian Civilian Corps experts. (See also p. 183.) We supported 22 Australian observers, including three parliamentarians, who deployed across the country as part of the multilateral observer mission.

In February 2015, Mr Ciobo visited Honiara to give early impetus to relations with the new Solomon Islands Government of Prime Minister Sogavare. Mr Ciobo launched two development initiatives: the jointly-funded National Cocoa Testing Laboratory that allows farmers to certify the quality of beans and maximise export earnings, and the new postnatal ward at Honiara's National Referral Hospital.

## Vanuatu

In March 2015, Vanuatu experienced severe damage and loss of life from the impact of Tropical Cyclone Pam. The department led a whole-of-government response that included humanitarian assistance, consular services and disaster response, and coordinated closely with the Vanuatu Government, regional partners and other donors. (See pp. 28, 178–80 and 196.)



*Opening postnatal ward, National Referral Hospital, Honiara, February 2015. (L. to R.): Counsellor, Kirsten Hawke; Deputy High Commissioner, Dave Peebles; Assistant Secretary Pacific Division, Mat Kimberley; High Commissioner, Andrew Byrne; CEO National Referral Hospital, Dr Roger Maraka; Parliamentary Secretary, Steven Ciobo; Solomon Island Minister for Health, Dr Tautai Agikimua Kaitu'u; Parliamentary Secretary Adviser, Alistair Mitchell; Minister Counsellor, Susan Connell; First Secretary, Dave Kelly; and Under Secretary for Health Improvement, Dr Chris Becha. [DFAT]*

Australia was the largest international contributor to the disaster response with a \$50 million response package, including a \$35 million package of longer-term support focused on economic recovery, repairing and rebuilding critical public infrastructure, restoring health and education facilities, and supporting gender and disability inclusion. (See also p. 180.)

The department supported the Foreign Minister's visit to Port Vila one week after the disaster. Ms Bishop met with the Vanuatu Prime Minister and Foreign Minister to discuss Australia's commitment to addressing Vanuatu's immediate needs and supporting its recovery.



*Australian aid being offloaded, Port Vila, April 2015. [Department of Defence/Hamish Paterson]*

### *Tropical Cyclone Pam and the role of post*

In Vanuatu, the high commission in Port Vila led the Australian Government's response to Tropical Cyclone Pam, which caused damages and losses estimated at VT48.6 billion (equivalent to 64 per cent of GDP).

The post used its strong local networks to assess immediate needs and deliver urgent humanitarian, medical, and search and rescue assistance, and consular services. An Australian Medical Assistance Team treated 1341 patients at Vanuatu Central Hospital; establishing two temporary wards to provide

paediatric and wound treatment. Medical assistance was provided on five islands and 26 aero-medical evacuations undertaken. The high commission also coordinated repairs by Australian urban search and rescue personnel to the hospital, 27 schools, five health clinics, 13 road and infrastructure sites and six government structures.

Post staff also assisted consular officers in locating Australian nationals and facilitating their return to Australia.

As well as the cyclone-related assistance, the department managed a bilateral aid program of \$41.5 million, focused on economic governance, infrastructure, health, education and law and justice.

In August 2014, the department hosted a Special Visits Program for then Vanuatu Foreign Minister Sato Kilman to deepen dialogue on key bilateral issues such as the SWP, regional security engagement, Vanuatu's participation in the New Colombo Plan and development objectives. In 2014–15, 497 ni-Vanuatu participated in the SWP.

We helped the Vanuatu Government improve basic education outcomes and essential health services. Aid programs supported delivery of literacy and numeracy kits to all 460 Vanuatu Year One classrooms and trained 1923 teachers to use them. In 2014, the department facilitated technical and vocational skills training to support agricultural and tourism industry development. In health, we helped Vanuatu lift the measles immunisation coverage rate from 53 per cent in 2013 to 91 per cent by end 2014, and improved the collection and use of health information data.

The department also worked with Vanuatu to build safer communities and maintain security. During the year, we assisted 4685 women and girl survivors of violence to access support services. The aid program trained 932 police and law and justice officials on effective law enforcement approaches.

The Australian National Audit Office (ANAO) completed a performance audit of the aid program in Vanuatu. The audit found the program was effective and met Australian and Vanuatu government priorities. The department agreed to the ANAO's two recommendations on documenting risk and monitoring and evaluation planning.

## Tonga

The department supported Tonga's November 2014 national elections. Through a joint program with the Australian Electoral Commission, we helped Tonga's Electoral Commission update the electoral roll, plan for and manage the election. We also supported a nation-wide civic and voter education program ahead of the election and initiatives to encourage women to become more active in politics.

The department facilitated the visits of the Foreign Minister and the President of the Senate to Tonga in April 2015. The visits established productive links with the new Tongan Government and highlighted our strong development, defence and policing partnerships.

Bilateral development assistance to Tonga managed by the department was \$16.3 million, supporting a range of Tongan economic and financial management reforms. These efforts helped stabilise Tonga's debt and fiscal position.





*Second Secretary Nuku'alofa, Kathleen Bombell (second right), with Tongan Minister of Health, the Honourable Saia Piukala (centre), at the opening of the DFAT-funded upgrading of the Ha'afēva Health Centre, outer islands of the Ha'apai group, June 2015. Also pictured: Dr. Toakase Fakakovikaetau, Tonga Health Sector Support Program (left); MP Veivosa Taka People's Representative, Ha'apai No. 13 (second left) and Dr Amanake Fakakovikaetau, Chief Dental Officer, Ministry of Health (right). [DFAT]*

The department worked to strengthen economic growth in Tonga, with a focus on private sector development and labour mobility through a range of initiatives. These included the SWP, the Tertiary and Vocational Education and Training Program, scholarships programs, vanilla industry pilot projects, road maintenance projects and the Pacific Horticultural and Agricultural Market Access Program.

We helped Tonga's Ministry of Health improve community health services and implement preventative health measures.

## Samoa

The department supported the attendance of the Foreign Minister and then Parliamentary Secretary Mason at the UN Small Island Developing States Conference in Samoa, in September 2014. Their participation strengthened the bilateral relationship and advanced Australia's regional and sustainable development priorities.

The department managed a bilateral program of \$22.6 million in development assistance. Improving health services was a major priority; two district hospitals were rebuilt.

## Gender equality in the Pacific

Samoa is a leader among Pacific countries in promoting gender equality and an important partner for Australia in its work through the *Pacific Women Shaping Pacific Development* initiative.

In March 2015, the department finalised a Gender Country Plan for Samoa. This five-year program has an estimated budget of \$4.4 million and aims to increase

women's economic empowerment, increase participation of women in public life and decision-making, and reduce the incidence of gender-based violence.

In June 2015, the Ambassador for Women and Girls visited Samoa to maintain momentum of our efforts to improve gender equity and increase the prosperity and security of women and children.

Through the Pacific Horticultural and Agricultural Market Access Program, the department continued efforts to increase Samoan exports to Australia. This included work on fumigation systems to enable exporting of fruits, vegetables and matting, and processing techniques to allow products such as breadfruit and frozen taro to be exported to Australia.

To advance our goal of strengthening governance, including the functioning of Samoa's Parliament, we cooperated closely on the development of a value-for-money design for a new Parliament House.



*The Satupa'itea Women's Committee display produce in their combined vegetable garden, DFAT-funded Civil Society Support Program, Samoa, July 2014. [DFAT]*

## Kiribati

The department supported Ms Bishop's visit to Kiribati in March, during which she launched Kiribati's participation in the New Colombo Plan. Ms Bishop also highlighted Australian assistance for roads, school and health facilities.

In bilateral security partnership discussions in October 2014, we reaffirmed our commitment to Kiribati's maritime security, including through continued support for fisheries officer training and strengthening surveillance and monitoring capacity.

Australia is the largest donor to Kiribati with the department managing \$20.2 million in bilateral aid in 2014–15. Our programs helped Kiribati strengthen the quality of teaching and learning in primary schools. We also assisted the Kiribati Institute of Technology to offer internationally recognised qualifications for over 130 certificate-level students.

The department worked closely with Kiribati and other development partners to increase revenue levels through the introduction of a Value Added Tax in July 2014 and stronger public financial management.

We continued to work with Kiribati and regional organisations to build resilience and manage the impact of climate change, including by improving coastal protection and the management of fresh water supplies. In March 2015, the department supported Kiribati's recovery from the damage caused by Tropical Cyclone Pam by providing tools to support clean-up and rebuilding activities.

## Nauru

The department engaged closely with the Nauru Government to pursue shared interests and strengthen the country's economy and capabilities. Our support for a visit to Nauru by the Minister for Immigration and Border Protection in February 2015 reaffirmed our mutual commitment to the regional immigration processing partnership and refugee resettlement programs.

The department managed bilateral assistance of approximately \$21.1 million. We led planning for the redevelopment of Nauru's hospital precinct and improvements to health services. The department also helped increase the number of teaching staff with certificate-, diploma- or degree-level qualifications through support for a teacher training program.

We supported the Government of Nauru's efforts to address gender-based violence by providing an adviser to work with the Nauru Police Force Domestic Violence Unit.

## Tuvalu

Australia is Tuvalu's largest aid donor, with the department managing a bilateral program estimated at \$6.6 million in 2014–15. Program funding assisted Tuvalu to strengthen early grade literacy and reform school management. It also included budget support to the Government of Tuvalu to promote important economic and public sector reforms in areas such as revenue collection, budgeting and financial management.

We supported Tuvalu to recover from Tropical Cyclone Pam, working with the Red Cross to provide water and medical supplies.

## Cook Islands

In April 2015, Ms Bishop made the first visit by an Australian Foreign Minister to the Cook Islands, where she launched the New Colombo Plan. In June Australia supported Cook Islands' membership of the International Labour Organisation.

The department managed bilateral aid of approximately \$1.9 million, including under a delegated cooperation agreement with New Zealand. Our aid focused on improving water and sanitation, disaster risk management, the promotion of education, and gender equality and disability inclusive development. Our funding also helped upgrade 230 residential septic systems in the Muri lagoon area and to develop a water quality management plan for the lagoon.

## Niue

High Commissioner to New Zealand, Michael Potts, became Australia's first diplomatic representative to be formally accredited to Niue when he visited in August 2014. Assistance to Niue, delivered under a delegated cooperation agreement with New Zealand, totalled approximately \$1.4 million. Education and waste management were priorities. Funding was also provided for the design and construction of a new primary school for up to 230 students.

## Tokelau

The department is finalising a delegated cooperation agreement with New Zealand to deliver development assistance to Tokelau on early childhood education. This will replace contributions to the Tokelau International Trust Fund.

## North Pacific

In July–August 2014, the department assisted Palau host the 45th annual PIF Forum meeting, including participation by the Deputy Prime Minister, Warren Truss, and then Parliamentary Secretary, Senator Mason.

We supported clearance of unexploded ordnances from World War II in Palau and improved water supply and sanitation in the Republic of the Marshall Islands (RMI). We helped the Federated States of Micronesia (FSM) implement economic and budgetary reforms to promote greater economic self-reliance.

In April 2015, the department provided humanitarian supplies on the islands of Yap and Chuuk in FSM following the devastation of Typhoon Maysak.

The department supported efforts to combat violence against women in RMI. This included technical assistance towards establishing a domestic violence counselling centre.

## French Collectivities

In November 2014, as part of French President Hollande's visit to Australia, the department supported integration of the French Territories into Pacific regional institutions. We announced a new emphasis on Australian scholarships to students from French Polynesia, Wallis and Futuna and New Caledonia to develop future leaders, particularly indigenous leaders.

The department supported several bilateral and regional trade activities to promote investment opportunities for Australian companies in New Caledonia, including the 11th Australia–New Caledonia Business Forum, held for the first time in Noumea.

We successfully managed a steep increase in consular workload brought about by the increase in the number of Australians visiting New Caledonia this year on cruise ships. Almost 400,000 Australians visited New Caledonia in 2014–15, up from approximately 260,000 in 2013–14.

## Regional engagement

The department supported the Deputy Prime Minister at the PIF Leaders' Meeting in Palau, in July 2014, which agreed a new *Framework for Pacific Regionalism*. The framework will inject new dynamism into regional integration through strengthening cooperation on the economic, environmental and development challenges facing our region.

The department supported the Foreign Minister's consultations with regional leaders and counterparts on ways to strengthen the PIF. We coordinated closely with the PIF Secretariat and the Secretariat of the Pacific Community through biannual high-level consultations. Our understanding of regional priorities and activities helped focus Australia's significant financial investment in these regional organisations.

Significant progress was made in PACER Plus negotiations. Fiji formally joined the negotiations from September 2014 and hosted a negotiating round in December. In May 2015, parties broadly endorsed roadmaps for exchange of initial offers on market access for goods, services and investment by September 2015. We continued stakeholder consultations on PACER Plus with Australian businesses and participated in a non-state actors dialogue in Nadi, involving interested civil society organisations and businesses. (See also p. 93.)

The department continued to support the Office of the Chief Trade Adviser based in Port Vila to provide independent advice and assist Pacific Island country governments in the PACER Plus negotiations and to contribute to the cost of negotiating meetings (along with New Zealand). We also continued to support Pacific Island governments to conduct independent trade research to inform their negotiating position.

In response to the Ebola outbreak in West Africa, the department contributed to contingency plans, training and equipment for Pacific Island countries in preparation for a potential regional outbreak. We collaborated with donors to improve immunisation rates and supported the countries to strengthen interventions addressing non-communicable diseases.

Domestic violence against women remains a major problem in the region. Through the *Pacific Women Shaping Pacific Development Program*, the department helped support over 10,000 survivors of violence through regional programs. The Ambassador for Women and Girls hosted two dialogues in the Pacific: the Pacific Women Policy Makers' Dialogue in Tonga, in July 2014, to identify strategies to improve women policy makers' leadership; and a dialogue in Fiji, in November 2014, to identify ways the business community can address violence against women.

The department continued to focus on improving tertiary education through our partnership with the University of the South Pacific. We assisted a further 1560 Pacific Islanders (35 per cent women) to graduate from the Australia–Pacific Technical College in 2014 with qualifications in areas of labour market demand. We supported Pacific governments to develop data to inform education policy through research into the financing of technical and vocational education and training in seven countries.

The department formed a new partnership with ANZ to draw on their networks and engagement in the Pacific to promote economic opportunity, skills development and boost regional economies. We continued to work closely with our other corporate partners, Westpac and Carnival Australia.

The SWP delivered significant employment opportunities and remittances across the region. Over the past year we worked with the Department of Employment to help participating countries improve the operation of the scheme, and increase their participation.

The department provided over \$11 million to support regional fisheries management agencies, underpinning direct revenues to the Pacific region of around \$350 million. Our initiative also funded the development of a new strategy to scale-up inshore fisheries management essential for food security and livelihoods in Pacific Island countries.

In the 2015 round of the New Colombo Plan, around 270 Australian undergraduates are being supported to study in nine Pacific countries. This includes four scholarship recipients studying and undertaking internships in Fiji, Kiribati and Vanuatu. (See also pp. 157–62.) Australia Awards continued to attract substantial applications from across the Pacific, with over 1200 long-term and short-term scholarships awarded in 2014–15. (See also pp. 147–8.)

**Table 1: Australia's trade in goods and services with the Pacific** <sup>(a)(b)(c)</sup>

	Exports	Exports		Imports	Imports	
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
New Zealand	11,125	12,109	3.3	10,620	11,347	2.5
Papua New Guinea	3,039	2,741	-3.0	3,478	4,063	-1.8
Fiji	434	486	2.7	1,156	1,196	3.1
Other Pacific	1,175	1,208	4.1	918	979	0.8
<b>Total Pacific</b>	<b>15,774</b>	<b>16,544</b>	<b>1.4</b>	<b>16,171</b>	<b>17,585</b>	<b>1.4</b>

(a) Includes Oceania and Antarctica.

(b) Goods data on a recorded trade basis, services data on a balance of payments basis.

(c) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article (<http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx>).

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Seed Pacific—aid innovation

In March 2015, the Foreign Minister announced *Seed Pacific*, a new initiative to develop, test and scale shared value business models that show clear potential to generate commercial returns, while also having a significant development impact.

*Seed Pacific* will begin in early 2016 with a series of creative forums to bring businesses together with Pacific governments, regional organisations, academia and civil society to identify opportunities for productive collaboration. *Seed Pacific*'s \$20 million competitive fund will target new and experimental ideas with the potential to deliver greater development impact than existing approaches. The most successful will be taken to scale—either by the businesses or linked to

external sources of financing such as impact investment.

*Seed Pacific* will complement traditional development assistance. Some experiments will not deliver intended results. We will look to identify these early and extract and share lessons learned. Rigorous monitoring and evaluation will enable iterative and adaptive approaches to be taken to maximise the potential for success.



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## Outlook

The department will continue to strengthen the bilateral relationship, including trade and investment ties, with Papua New Guinea. We will assist the PNG Government to progress the redevelopment of the Lae ANGAU Hospital and new Pacific Leadership and Governance Precinct in Port Moresby. The department will step up efforts to coordinate Australia's support for PNG's hosting of APEC in 2018.

We will broaden and deepen engagement with Fiji, building on the significant progress of 2014–15.

In the Solomon Islands, we will continue to support the drawdown of RAMSI in an orderly and stable manner.

The department will support the Government of Vanuatu prepare for the 2016 general elections and will provide further support to Vanuatu and other affected countries in the region in the wake of Tropical Cyclone Pam.

In response to the need, following Tropical Cyclone Pam, for better coordination in disaster management and broader efforts to improve regional cooperation, the department will support the Foreign Minister to convene a Foreign Ministers' Meeting on Disaster Management in July 2015 under the auspices of the PIF.

We will continue efforts to strengthen economic links in the region by encouraging greater uptake of opportunities presented by the SWP and through activities that support private sector development.

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# North Asia

Programs 1.1, 1.7 and 1.10

○ Not Met   ◐ Partially Met   ● Met

➤ Deliverables	2013-14	2014-15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships, including high-level political and economic engagement with Japan, China and the Republic of Korea.	●	●
An enhanced environment for security and development, including through:		
– effective whole-of-government efforts to promote international stability and development. <sup>1</sup>		●
To assist developing countries in the East Asia region by contributing to sustainable economic growth to reduce poverty and lift living standards.	●	●
To assist developing countries respond to emergencies and assist refugees.	●	●
✓ Key Performance Indicators	2013-14	2014-15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.	●	●

<sup>1</sup> New deliverable for 2014-15.

## Overview

Australia strengthened its ties with North Asia throughout the year. This region is of strategic significance to Australia given the size and dynamism of its economies, the political and military weight of its major players, and the presence of disputes which can be a source of friction.

We pursued political engagement at the highest levels, including bilateral visits to Australia by Japan's Prime Minister, Shinzō Abe and China's President, Xi Jinping. The leaders of China, Japan and Korea also attended the G20 Summit in Brisbane. The Foreign Minister and the Trade and

Investment Minister promoted Australia's interests through regular exchanges with their North Asian counterparts.

A prominent achievement of the year was progress made in our economic relationships. The free trade agreements (FTAs) with Korea and Japan, negotiated in 2013-14, were ratified and entered into force in December and January respectively. Exporters in Australia, Korea and Japan began to benefit from lower barriers, and investors similarly started to take advantage of improved access. After nine and a half years of negotiations, the FTA with China, Australia's largest trading partner, was concluded at a ceremony during President Xi's visit.

North Asia continued its dominant position in Australia's trade statistics: it accounted for two-thirds of Australia's goods exports and nearly a quarter of our services exports, making it home to three of our top four two-way trading partners. It is a growing source of foreign direct investment.

We were active in support of a stable strategic environment in the region, through direct bilateral engagement, participation in regional forums, and consultations with the United States. Our main preoccupations were Japan's evolving security posture, which Australia welcomes; the larger regional presence being exerted by China; and the threat posed by North Korea's nuclear and rocket programs and proliferation activities. Australia strengthened its political statements on South China Sea issues, prompted by the reclamation activities of China and other claimants.

## Japan

The department supported the successful visit to Australia by Prime Minister Abe in July 2014, during which leaders strengthened the economic and defence relationship by signing the Japan–Australia Economic Partnership Agreement (JAEPA) and the Agreement Concerning the Transfer of Defence Equipment and Technology. We also provided support for a separate visit by Prime Minister Abe in November 2014 for the G20 Summit, and for a trilateral leaders' meeting (Australia–Japan–United States) in the margins of the G20 Summit at which the leaders discussed deepening the trilateral partnership. (See also p. 105.)

The department assisted portfolio ministers in further strengthening bilateral ties with Japan. The Foreign Minister visited Japan, 22–23 May 2015, for talks on bilateral and regional issues and defence ties with Prime Minister Abe and Foreign Minister Kishida, and to attend the 7th Pacific Islands Leaders Meeting (PALM 7) to discuss the challenges facing our region. Ms Bishop maintained her engagement with senior Japanese leaders including Foreign Minister Kishida throughout the year, to advance cooperation on regional security, defence and economic issues.

The Trade and Investment Minister engaged in advocacy and public consultations for JAEPA, including through involvement in a national series of FTA information seminars. Following entry into force on 15 January 2015, JAEPA delivered an additional tariff cut on 1 April 2015, securing



*Deputy Secretary Jan Adams PSM (left) and Japanese Ambassador to Australia, Mr Yoshitaka Akimoto, exchange notes to mark the completion of JAEPA domestic processes, Canberra, 16 December 2014. [AUSPIC/David Foote]*

further preferential access for Australian exporters to the large Japanese market. (See also p. 90.) Parliamentary Secretary Ciobo visited Japan, 20–22 April 2015, to promote economic opportunities arising from JAEPA, including opportunities for increased investment from Japan into Australia.

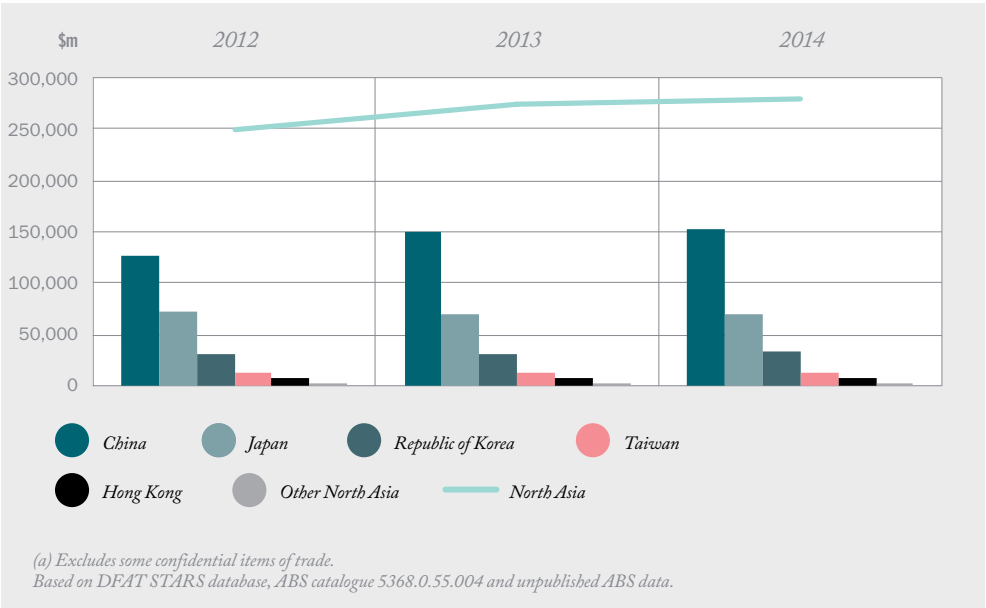
Australia and Japan continued to develop bilateral security cooperation. The Agreement concerning the Transfer of Defence Equipment and Technology, signed by both prime ministers on 8 July 2014, allows for greater bilateral defence science, technology and materiel cooperation as well as identifying potential areas of research for mutual benefit. Mr Abbott and Mr Abe also tasked officials to begin negotiations on an agreement to improve administrative, policy and legal procedures to facilitate joint operations and exercises. The department is taking this forward together with the Department of Defence through the Australia–Japan Foreign Affairs and Defence '2+2' mechanism. We hosted the inaugural Australia–Japan Cyber Policy Dialogue on 13 February 2015 to deepen cooperation with Japan on cyber related issues. (See also p. 130.)

The department also progressed the development of a joint strategy of cooperation with Japan on Pacific issues (as announced by leaders during Prime Minister Abe's July visit).

The department continued to engage with Japan across a broad range of areas of shared interest. We worked together with Japan on taking forward the Trans-Pacific Partnership and Regional



Figure 6: Australia's trade in goods and services with North Asia<sup>(a)</sup>



Comprehensive Economic Partnership (RCEP) negotiations. (See also p. 93.) Our shared regional and global interests also allow for an effective collaborative partnership in many international forums including APEC, East Asia Summit (EAS), World Trade Organization (WTO), G20 and United Nations.

## China

We achieved substantive outcomes in the relationship with China during the year, including a significant strengthening of economic ties and political linkages at the national and subnational levels. President Xi Jinping's State Visit in November 2014, alongside his participation in the G20 Summit, built on the success of Prime Minister Abbott's two visits to China in 2014. The Chinese President addressed the Australian Parliament and with the Prime Minister announced the conclusion of negotiations of the China–Australia Free Trade Agreement (ChAFTA). The agreement was signed on 17 June 2015 by Mr Robb and the Chinese Minister of Commerce, Gao Hucheng, in Canberra. (See p. 91.) ChAFTA promises to transform the bilateral economic relationship and adds another dimension to our comprehensive strategic partnership with China.

The inaugural meeting of the Australia–China State/Provincial Leaders Forum was convened in the margins of President Xi's visit. This brought together key regional leaders from Australia and China and reaffirmed the commitment in both countries, at all levels of government, to deepening existing strong bilateral ties.

The department facilitated a busy agenda of high-level exchanges in both directions to progress issues of bilateral importance and strengthen economic ties. The Foreign Minister co-hosted the annual Foreign and Strategic Dialogue in Sydney, in September 2014, with Chinese Foreign Minister Wang Yi. In November, both portfolio ministers and the Prime Minister visited Beijing for APEC meetings. Ms Bishop also travelled to Chengdu to open the Australian Consulate-General and promote Australian business interests in western China. In March–April 2015, the Governor-General conducted a State Visit to China at the invitation of President Xi Jinping. Visits to Australia from China included Guangdong Party Secretary and member of the Politburo of the Chinese Communist Party, Hu Chunhua, in May 2015, as a Guest of the Australian Government.



## STAFF PROFILE

## LACHLAN CREWS

COUNSELLOR (ECONOMIC), BEIJING



As Counsellor (Economic), I head a team working across a range of trade and investment policy issues with Australia's largest trading partner.

The embassy's economic section analyses and reports on developments in bilateral trade, assists and advises Australian companies in China, looks at climate change and the environmental challenges confronting Beijing, and seeks to understand the implications for Australia of China's economic reform process. We also maintain links with Chinese investors in Australia.

A large part of my role is engaging with other agencies at post to prosecute Australia's economic diplomacy agenda in China. Issues my team has worked on recently include evaluating the impact of Chinese regulations on Australian exporters (with Austrade), analysing China's stock market (with Treasury), and pushing for kangaroo meat market access (with the Agriculture Department).

The most important outcome in the bilateral relationship over the last year has been the conclusion of the Australia–China Free Trade Agreement. The embassy has engaged closely with Australian and Chinese businesses to help them understand what the FTA means for them. I have travelled to many of China's provinces, working with our Consulates-General to deliver seminars on the FTA's main outcomes.

We continued to work closely with China in key regional and multilateral bodies, including the EAS, the G20, the ASEAN Regional Forum and the UN Security Council. The department also continued to play an important role in negotiations on regional and multilateral trade agreements involving China, including the RCEP, and in the WTO.

The bilateral economic relationship continued to expand. China remains Australia's largest trading partner, with two-way trade reaching around \$150 billion in 2014 (almost one quarter of our total trade and an annual increase of 21 per cent). China is our largest source of overseas students (121,318 students in 2014) and second-largest source of visitors (839,400 in 2014, an increase of 18.4 per cent).

The first Australia–China High-Level Dialogue (HLD) was held in Beijing in December 2014. The HLD brings together leaders from across the bilateral political, economic and cultural agenda to identify new opportunities in the relationship and speak constructively about the challenges facing both countries. Delegates discussed ways to strengthen bilateral, economic and trade relations, regional cooperation and people-to-people linkages.

Under the Australia–China development cooperation partnership, good progress was made towards advancing trilateral cooperation projects with China, such as the joint anti-malaria project in Papua New Guinea. The department also approved the continuation of a project which is strengthening the health system in the Tibetan Autonomous Region through improving human resource management and technical and clinical practice. We continued to support cooperation programs focused on human rights.

Our China posts continued to advocate Australia's strong, stable investment environment and opportunities with key Chinese investors. Chinese investment in Australia, traditionally concentrated in the resources and energy sectors, is now diversifying into infrastructure and agriculture. Chinese inward direct investment has increased by more than eight times since 2008 (to \$30 billion 2014), but it remains small relative to US, EU and Japanese direct investment. Australian direct investment in China increased by 6 per cent in 2014 and is concentrated in manufacturing and financial services. Two-way investment should continue to grow following entry into force of ChAFTA.

**Table 2: Australia's trade in goods and services with North Asia** <sup>(a)(b)</sup>

	Exports	Exports		Imports	Imports	
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
China	101,709	98,273	10.0	49,295	54,256	7.2
Japan	49,529	50,359	1.6	21,421	19,968	6.2
Republic of Korea	21,276	22,053	-1.4	10,770	12,447	-0.3
Taiwan	8,072	7,946	-3.9	4,307	4,758	16.2
Hong Kong, China	4,501	4,872	-6.4	3,623	3,715	6.2
Other <sup>(c)</sup>	191	156	-1.8	50	70	9.3
<b>Total North Asia</b>	<b>185,279</b>	<b>183,659</b>	<b>3.7</b>	<b>89,465</b>	<b>95,213</b>	<b>6.3</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

(c) Other comprises Democratic People's Republic of Korea, Macau and Mongolia.

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Hong Kong

Hong Kong is Australia's leading business base in East Asia and our sixth-largest source of foreign investment. The department harnessed the support of this business community to promote Australia as an attractive investment destination, including by supporting Mr Robb's visit to Hong Kong in March 2015 to meet prominent investors. We also facilitated a follow-up investment visit by Mr Ciobo in April 2015. In 2014, at \$77.29 billion, investment into Australia from Hong Kong has risen 20.9 per cent. Exports from Australia to Hong Kong grew by 8.2 per cent, with steady growth in education and tourism services.

Hong Kong continued to be a popular New Colombo Plan (NCP) destination, particularly for scholarships. Approximately 200 Australian undergraduates are studying there under the pilot phase and 2015 round. To support this interest, the department expanded its NCP engagement with Hong Kong's private sector, calling on businesses and members of the Australian Chamber of Commerce to further increase their uptake of NCP interns.

## Taiwan

Taiwan was Australia's 10th largest merchandise export market in 2014, worth \$7.95 billion. The department engaged with industry bodies in Taiwan to promote Australia's credentials as a reliable supplier of minerals and energy, and encouraged greater Taiwanese investor interest in Australian resource projects. Beyond traditional sectors for investment, such as electronics and resources, we also engaged with investors to promote new investments in emerging sectors, including food and beverage industries and banking. Investment in Australia from Taiwan totalled \$6.47 billion.

Academic and tertiary education exchange was given priority throughout the year, with the department supporting expanded opportunities for NCP scholars to study in Taiwan. We promoted cultural relations through raising awareness of Australian Indigenous art, including through substantial support to the *Yirrawa Kuju: Canning Stock Route* exhibition in Taipei. The exhibit ran for seven weeks, and attracted more than 26,500 visitors.

## Republic of Korea

The department led negotiations that resulted in the entry into force of the Korea–Australia Free Trade Agreement (KAFTA) on 12 December. KAFTA now underpins efforts to strengthen and diversify our important economic relationship with the Republic of Korea. The Republic of Korea is Australia's fourth-largest trading partner, after China, Japan and the United States, and our third-largest export destination. People flows are strong with the Republic of Korea representing Australia's fourth-largest international student source and our eighth-largest inbound tourism market.

Investment flows are low compared to Australia's other leading trading partners. We supported Mr Robb's visit to Seoul in October 2014 to attract investment and promote KAFTA. Our work with Korean investors helped lift the stock of ROK investment in Australia which increased by 24 per cent to \$22.9 billion in 2014, year-on-year. The department's economic diplomacy initiatives, such as the Korea–Australia Services Sector Promotion Forum in October 2014 and the Best Practice Deregulation Workshop in March 2015, enhanced Australia's reputation as a credible and constructive partner on economic and regulatory reform. (See also pp. 89–90.)

The Secretary visited the Republic of Korea in April 2015 to explore ways to strengthen the bilateral relationship, particularly security issues in advance of the second '2+2' talks between our defence and foreign ministers, planned for Sydney in September 2015. Australia is the only other country besides the United States to hold '2+2' talks with the Republic of Korea.



*Minister for Trade and Investment, Andrew Robb AO (centre), with Shell officials, visiting the Prelude FLNG platform construction site, Geoje Island, Republic of Korea, 5 October 2014. [DFAT]*

Ms Bishop visited Seoul in May 2015 for the fifth meeting of the foreign ministers of MIKTA—Mexico, Indonesia, Republic of Korea, Turkey and Australia—and for bilateral talks, including meetings with President Park Geun-hye, Foreign Minister Yun Byung-se and Defense Minister Han Min-koo.

## Democratic People's Republic of Korea (North Korea)

The department worked, including on the UN Security Council, to respond to North Korean threats to use nuclear weapons, provocations—such as firing over 100 rockets without providing a warning to ships and aircraft—and proliferation activities. We urged North Korea, directly and at international meetings, to abandon its nuclear weapons and missile programs and comply with its international commitments. We fully implemented UN sanctions and intensified our work with regional partners for their implementation worldwide. We also comprehensively reviewed and updated Australia's autonomous sanctions.

We supported international efforts to address the dire human rights situation and played an important role in placing it on the UN Security Council's agenda for the first time. As a result, the council was able to consider the ground-breaking report of the UN Commission of Inquiry, led by former Australian High Court Judge Michael Kirby, into human rights abuses in North Korea. The report raised grave concerns about the perpetration of crimes against humanity.

The department provided a further \$3 million in humanitarian assistance through the World Food Programme to help address acute malnutrition in children and their mothers.

## Mongolia

Australia's announcement on 12 May 2015 of its intention to upgrade representation in Mongolia to full embassy status is a major step forward in our important bilateral commercial, investment and development relationships. Investment, including from Australia, is reducing poverty and lifting living standards in Mongolia and we have argued for a more transparent and predictable business environment.

The agreement to a mine development and financing plan for the stalled second stage of the massive Oyu Tolgoi development is a welcome response to our persistent advocacy.

Australia is one of the largest grant donors to Mongolia. The department managed \$16.6 million in development assistance in 2014–15, up from \$15.3 million in 2013–14. There are strong people-to-people links between both countries, mainly as a result of the long-standing Australia Awards postgraduate scholarship program which has educated over 400 Mongolians since 2003. During 2014–15, 31 volunteers undertook placements and the Australia–Mongolia Extractives Program successfully commenced with a program to deliver vocational training in Dalanzadgad in Mongolia's resource-rich South Gobi region.

## Outlook

The coming year, which includes the 70th anniversary of the ending of World War II, will likely demonstrate the continuing prominence of traditional security challenges in North Asia, including historical grievances, territorial issues and proliferation concerns. The elections in Taiwan in early 2016 will draw attention to unresolved differences across the Taiwan Strait. Australia will seek to promote stronger bilateral relationships with our partners in North Asia and better management of relations between them, including through bilateral dialogue, high-level visits and semi-official forums.

We will seek to deepen our security links with North Asia, including by encouraging shared participation in defence exercises, sustained advocacy and consultations, and through disaster response activities.

We expect to hold '2+2' meetings of our foreign and defence ministers with Japan and Korea, as well as the second ministerial-level Foreign and Strategic Dialogue with China. We will encourage an improved political atmosphere between the major players in North Asia and better management of tensions in regard to maritime territorial disputes, particularly in the South China Sea. We will work with the region bilaterally and at multilateral forums to press North Korea to cease its weapons development and proliferation activities and comply with its international commitments.

We will promote stronger economic engagement with the region, taking into account structural changes in the Chinese economy and the passing of the resources boom. A key priority will be ensuring timely ratification and implementation of ChAFTA. It will also be important to maintain successful implementation of the FTAs with Japan and the Republic of Korea. These agreements represent an historic opportunity to boost economic engagement with North Asia, and the department will work closely with Austrade to maximise their take-up by Australian business. We will continue to promote increased investment from North Asia into Australia.

The new embassy in Ulaanbaatar will assist in expanding our bilateral relationship with Mongolia.

# Southeast Asia

## Program 1.1, 1.7, 1.8 and 1.10

○ Not Met    ◐ Partially Met    ● Met

➤ <i>Deliverables</i>	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships, including high-level political and economic engagement with Indonesia and other countries of Southeast Asia	●	●
– contribution to enhanced regional architecture through the East Asia Summit (EAS) and dialogue with the Association of Southeast Asian Nations (ASEAN).	●	●
An enhanced environment for security and development, including through:		
– effective whole-of-government efforts to promote international stability and development <sup>1</sup>		●
– participation in counter-terrorism programs and activities, including in Southeast Asia.	●	●
To assist developing countries in the East Asia region by contributing to sustainable economic growth to reduce poverty and lift living standards.	●	●
To assist developing countries respond to emergencies and assist refugees.	●	●
✓ <i>Key Performance Indicators</i>	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.	●	●

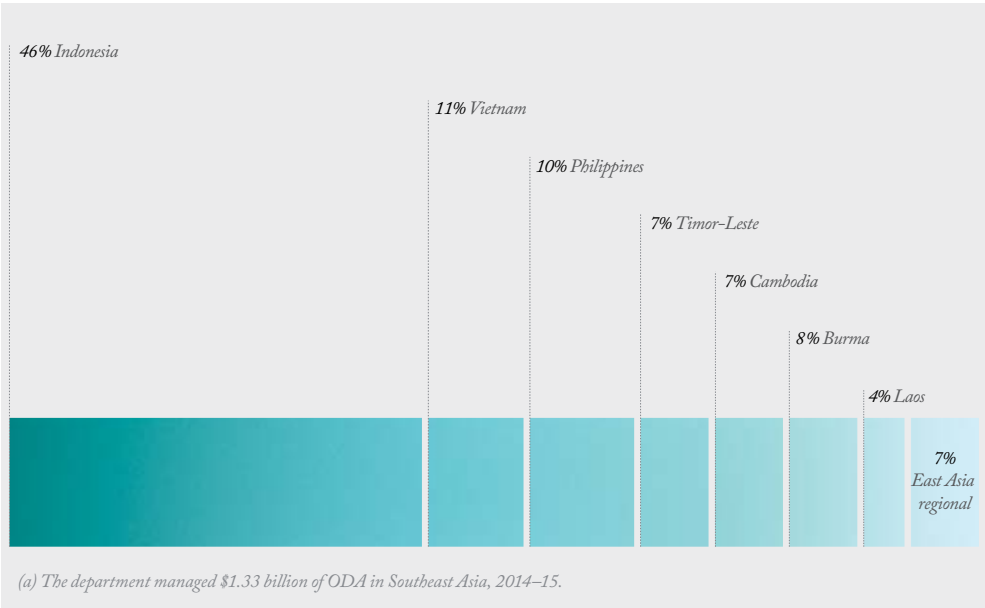
<sup>1</sup> New deliverable for 2014–15.

## Overview

Australia's economic and security interests remain inextricably linked with the countries of Southeast Asia. With a population of 620 million and a combined GDP of around US\$2.5 trillion, the region remains an increasingly important partner for Australian trade and investment. In 2014, total trade with ASEAN countries amounted to over \$100 billion, more than with Japan, the European Union or the United States.

The pursuit of regional economic integration has been a key aspiration of Southeast Asian nations over the past decade. The department worked to ensure Australian businesses are well positioned to take advantage of opportunities created by regional supply chains. Our economic diplomacy efforts were exemplified in the department's facilitation of the Trade and Investment Minister's visits to Indonesia, Singapore, Burma and the Philippines and by the successful visit to Australia of a Vietnamese business delegation, led by Prime Minister Nguyen Tan Dung.

Figure 7: Estimated department ODA to Southeast Asia<sup>(a)</sup>



Australia’s development assistance supported efforts to improve economic governance in countries such as Indonesia, the Philippines and Cambodia.

We introduced new mechanisms to deepen relations with countries in the region. The department coordinated whole-of-government efforts to establish the new Comprehensive Strategic Partnership with Singapore, and we bolstered the growing relationship with Vietnam through the Declaration on Enhancing the Australia–Vietnam Comprehensive Partnership.

The department managed \$1332.5 million in bilateral and regional aid across Southeast Asia to provide targeted and, on occasion, innovative assistance to support development in the region. We supported people-to-people links through initiatives such as the staging of the Australia–Malaysia Young Diplomats’ Roundtable. We also supported gender equality and empowerment of women in the region, for example, through the visit to Burma by the Ambassador for Women and Girls.

Australia maintained positive engagement with ASEAN countries on shared challenges such as countering violent extremism and security issues, including maritime and human security. Our work in strengthening regional institutions, such as the ASEAN Regional Forum and the East Asia

Summit (EAS), supported the promotion of human rights, democratic principles, the rule of law and international security.

## Indonesia

The department faced a number of challenges in managing extensive government, economic and people-to-people relationships with Indonesia.

The Foreign Minister visited Bali in August 2014 to sign the ‘Joint Understanding on a Code of Conduct’, strengthening cooperation between intelligence agencies after a difficult period. We also supported the Prime Minister’s visit to Indonesia in October 2014 to attend the inauguration of Indonesian President Joko Widodo. In November 2014, President Widodo, Foreign Minister Retno Marsudi and Finance Minister Bambang Brodjonegoro attended the G20 Summit in Brisbane, during which we facilitated a bilateral meeting between foreign ministers.

We engaged early with President Widodo’s administration to initiate relationships with new ministers and officials in key economic portfolios that support our mutual economic, trade and investment interests. This included a meeting between the Trade and Investment Minister with



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his counterpart, Trade Minister Rachmat Gobel, in November 2014. We engaged with Australian business to raise awareness of the opportunities presented by Indonesia's large economy and demographic trends, and the new administration's ambitious economic agenda.

The Indonesian general and presidential elections in 2014 affected the pace of Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA) negotiations, which are still in the preparatory phase. The department also worked with other government agencies to support Australian exporters and advocate greater certainty around Indonesia's import policies and practices, particularly for live cattle, beef and horticultural products. In May 2015, the Foreign Minister announced a new post in Makassar, South Sulawesi, to advance trade and investment opportunities for Australia.

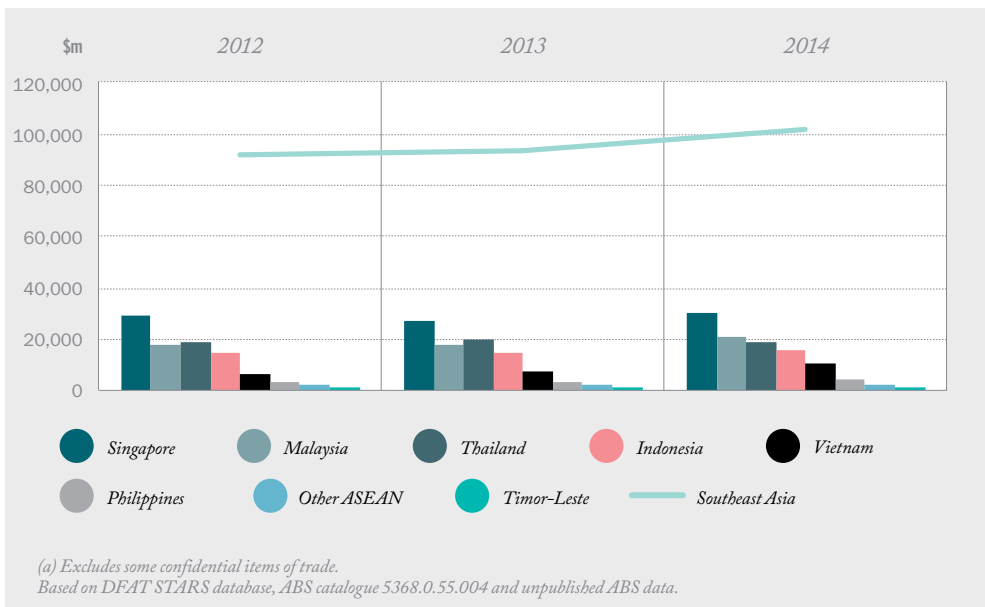
The department, working with legal teams, family members and foreign partners, led an exhaustive whole-of-government effort to secure clemency for Andrew Chan and Myuran Sukumaran. We made many high-level representations on behalf of the two men. These efforts were ultimately unsuccessful. We also provided effective consular assistance to the Chan and Sukumaran families. Following the executions, the Australian Government registered our deep disappointment

by withdrawing our ambassador from Indonesia for consultations, and announcing a suspension in ministerial contact.

We managed \$551.9 million in bilateral aid, with regional and global programs bringing our total assistance to an estimated \$605.2 million. Through the Partnership for Food Security in the Red Meat and Cattle Sector, we trained 50 future leaders in animal husbandry, meat processing and agricultural policy to strengthen relationships and enhance long-term trade and investment opportunities in this sector. Our aid for trade activities delivered important outcomes to boost economic activity. This work included advice to support financial sector stability, improved macro-economic policy and counter-terrorism financing systems.

We helped Indonesia address infrastructure bottlenecks, such as delays and high costs to freight, and have positively influenced roads policy and planning. Through the Provincial Road Improvement and Maintenance Program, we continued to use performance incentives to promote good governance and better maintenance of provincial roads. We also supported the delivery of essential services for poor Indonesians—for example, since 2012 we have helped deliver piped water to 222,000 houses and sanitation connections to 38,000.

Figure 8: Australia's trade in goods and services with Southeast Asia <sup>(a)</sup>







*Minister for Agriculture, Barnaby Joyce (right), and Chairman, Indonesian Investment Coordinating Board, Mahendra Siregar, sign the Partnership for Food Security in the Red Meat and Cattle Sector Terms of Reference, Brisbane, 7 August 2014. [DFAT]*

The human development component of our assistance to Indonesia included helping the Indonesian Government to achieve its goal of increasing students' access to quality education in their first nine years of schooling. We have now supported the construction of more than 3000 classrooms, creating more than 112,000 new school places since 2010.

We supported the rollout to most of the country of an Early Warning Alert and Response System for emerging infectious diseases such as bird flu and the Ebola virus, and continued the development of a mobile phone-based national disease reporting system for animals. In Nusa Tenggara Province, we have contributed to a 40 per cent reduction in maternal deaths since 2009 and, in the Papua provinces, we have helped test more than 100,000 people for HIV since the end of 2012.

Our Empowering Indonesian Women for Poverty Reduction program brought together more than 250 Indonesian parliamentarians and women's

organisations to develop joint strategies to improve women's living and working conditions. This program recognises the vital role gender equality plays in boosting economic productivity.

We strengthened Indonesia's rural development sector, working with smallholder farmers to adopt innovative practices. We worked with Indonesian agencies to build understanding of good market practices and to influence national and sub-national policy in agriculture.

Indonesia was the New Colombo Plan's most popular destination with more than 1100 Australian students supported under the pilot phase and 2015 rounds. The Australia-Indonesia Institute also continued to deepen ties between communities in both countries through programs such as the BRIDGE Indonesia language program and grants to improve mutual understanding and cultural awareness. (See also p. 149.)

## Australia–Indonesia Partnership for Reconstruction and Development

The \$1 billion Australia–Indonesia Partnership for Reconstruction and Development (AIPRD) was established in response to the 2004 Indian Ocean tsunami to assist Indonesia rebuild social and economic infrastructure across the country. In 2014–15, one program remained under AIPRD—the Eastern Indonesia National Roads Improvement Project (EINRIP) which supports the construction of 395 kilometres of high-quality roads in Eastern Indonesia.

EINRIP saw significant improvements to completed roads, such as the first phase of the Tohpati–Kusumba road, which have had a positive economic impact. Surveys reported significant benefits being generated by the new roads, including greatly reduced time and cost of travel. Travel by local residents has increased and, as a result, new small businesses are being established, creating business and employment opportunities. In 2015, EINRIP was recognised by the International Road Federation for excellence and innovation through a Global Road Achievement Award.



*AIPRD–EINRIP road, Tohpati–Kusumba Phase 1, Bali. [DFAT]*

## *Information communication technologies (ICTs) for development*

The department is using ICTs to improve governance, health and education, utilising Indonesia's embrace of mobile phones and social media.

During the reporting period our aid helped establish a comprehensive elections database and funded work with The Asia Foundation and volunteer developers to create 10 mobile

phone applications. These applications enabled citizens to access information about political candidates, enrolment and polling stations for the Presidential Elections in 2014. They were downloaded more than 350,000 times and resulted in more than 10 million 'hits' or individual requests for election data.

## Thailand

Thailand is our ninth-largest trading partner and bilateral trade and investment have both grown considerably over the 10 years since the signing of the Thailand–Australia Free Trade Agreement (TAFTA). We have strong people-to-people links, with more than 25,000 Thai student enrolments in Australia in 2014, and more than 800,000 Australian tourists visiting Thailand. Australia engages closely with Thailand on interests including regional architecture, defence, law enforcement, counter-terrorism, and combatting people smuggling and human trafficking.

Dealings with Thailand were complicated by the Thai military coup in May 2014. The department has worked to ensure Australian responses were measured and appropriate. We engaged with the Thai interim government as the best way of ensuring that our national interests in the bilateral relationship were protected, as well as to encourage a return to democracy and the protection of human rights.

Ms Bishop's visit to Bangkok in May 2015 was the centrepiece of this strategy. The visit included discussions with the Thai Prime Minister and

other political leaders covering Australia's support for Thailand's return to democracy and the importance of protecting human rights and fundamental freedoms. The department facilitated complementary activities, including cooperation on electoral system reform between the Australian and Thai electoral commissions and a visit by the Australian Human Rights Commission.

The department supported a comprehensive economic diplomacy agenda with Thailand. We worked closely with other government agencies and with industry in negotiations with Thailand for TAFTA to be updated to create greater bilateral market opportunities in services and investment, and to secure better access for Australian agricultural products to the Thai market.

Over 160 Australian students are studying in Thailand under the New Colombo Plan in 2015. The department continued to provide a high standard of consular assistance to visiting Australians, including those involved in commercial surrogacy. We also supported commemorative activities in Thailand to mark the Centenary of Anzac, including events at Hellfire Pass and Kanchanaburi War Cemetery.

**Table 3: Australia's trade in goods and services with Southeast Asia** <sup>(a)(b)</sup>

	Exports			Imports		
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
Singapore	9,228	12,091	5.8	18,166	18,131	-0.5
Malaysia	7,254	7,965	9.5	10,935	12,679	7.8
Thailand	5,720	6,110	-6.4	13,869	12,877	6.5
Indonesia	6,384	6,922	2.4	8,316	8,742	1.6
Vietnam	3,143	4,254	13.3	4,679	5,796	17.7
Philippines	1,922	2,333	3.7	1,472	1,826	26.7
Other ASEAN <sup>(c)</sup>	417	471	12.5	1,316	1,458	-3.2
<b>Total ASEAN</b>	<b>34,069</b>	<b>40,147</b>	<b>4.1</b>	<b>58,753</b>	<b>61,508</b>	<b>4.7</b>
Timor-Leste	53	81	5.2	132	137	2.0
<b>Total Southeast Asia</b>	<b>34,118</b>	<b>40,227</b>	<b>4.1</b>	<b>58,885</b>	<b>61,645</b>	<b>4.7</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

(c) Other ASEAN comprises Brunei, Burma, Cambodia and Laos.

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Malaysia

The department facilitated frequent high-level visits, including the Prime Minister's visit to Kuala Lumpur in September 2014, which reinforced the strength of the bilateral relationship. We supported visits by the Deputy Prime Minister and Malaysian Transport Minister to progress cooperation in the search for MH370 and on investigations into the downing of flight MH17. (See also pp. 115 and 201.)

We worked with Malaysia on countering terrorism and violent extremism, effectively advancing security and stability in the region. We played a key role in the negotiation of a bilateral MOU on transnational crime, signed in December 2014.

With Malaysia chairing ASEAN and the EAS in 2015, the department continued to engage closely to advance Australia's regional interests, including on strengthening the EAS in its 10th year, and to support our high-level delegations for regional meetings.

Mr Robb co-chaired the 17th meeting of the Joint Trade Committee with the Malaysian Minister of International Trade and Industry in Melbourne in August 2014. Ministers agreed a work agenda to promote the benefits of the Malaysia–Australia Free Trade Agreement (MAFTA) to small and medium enterprises and increase two-way investment. In May 2015, officers from our high commission in Kuala Lumpur conducted a trade and investment roadshow in Australian capitals promoting economic opportunities in Malaysia.

### *Fourth Australia–Malaysia Young Diplomats' Roundtable*

The department hosted the 4th Australia–Malaysia Young Diplomats' Roundtable in Canberra, 24–26 May. The biennial roundtables enhance mutual understanding between the two countries and build strong working relationships between our respective agencies.

Over two days, the 14 participants from both countries explored a range of issues, including counter-terrorism, regional architecture,

the UN Security Council, trade liberalisation and multiculturalism. The delegation also met ANU academics and security analysts from the Australian Strategic Policy Institute, and called on the Parliamentary Secretary.

The roundtable delegates presented a suite of proposals to further advance the Australia–Malaysia relationship to both governments.

The delegates also built strong relationships to strengthen this key bilateral and trade relationship.



DFAT officers, Marcus Lumb (centre), and Nancy Yang (right), with their Malaysian counterpart, Raja Suresh Raja Kandan, 4th Australia–Malaysia Young Diplomats' Roundtable, ANU, Canberra, 25 May 2015. [DFAT]



We hosted several Malaysian opinion makers and political figures under the department's Special Visitors' Program. We also organised visits and exchanges to bring emerging Australian and Malaysian leaders together with the support of the Australia–Malaysia Institute.

## Singapore

On 29 June 2015, the Prime Ministers of Australia and Singapore signed a Joint Declaration to forge a Comprehensive Strategic Partnership to transform the bilateral relationship. The Prime Ministers committed to a 10-year roadmap of practical initiatives covering economic, foreign affairs and security, defence, and people-to-people issues. The declaration and roadmap were prepared through whole-of-government negotiations led by the department. The Prime Ministers also announced a Closer Economic Relationship (CER) and agreed parameters for a Review of the Singapore–Australia Free Trade Agreement (SAFTA) to begin in 2015. The CER sets out an agenda for deepened economic integration. The Trade and Investment Minister has been tasked with taking the roadmap forward.

The department negotiated a MOU on Cooperation to Combat Terrorism and a Partnership Arrangement on International Development with Singapore. We also worked across government to encourage the conclusion of a series of bilateral

MOUs in the areas of arts and culture, standards harmonisation and civil service exchanges.

Our high commission in Singapore organised frequent high-level visits, including by ministers and state and territory governments. In March 2015, the high commission facilitated the Prime Minister's attendance at the funeral of Singapore's founding Prime Minister, Mr Lee Kuan Yew.

The department delivered a series of public diplomacy initiatives in the first half of 2015 to mark Singapore's 50th anniversary and the 50th anniversary of bilateral diplomatic relations. These included the loan of four koalas to Singapore Zoo and the '50 Bridges' arts and community engagement program. Ms Bishop launched these initiatives, supported by significant Australian corporate sponsorship, during her visit to Singapore in May. (See also p. 144.)

## The Philippines

The department provided support for the Trade and Investment Minister's attendance at the APEC Ministers Responsible for Trade Meeting in the Philippines, in May 2015. Mr Robb was accompanied by an 11-member business delegation, highlighting Australia's infrastructure expertise and the opportunities for Australian and Filipino companies, including through Public Private Partnerships (PPPs).



*Ambassador to the Philippines, Bill Tweddell (second left), with Minister for Trade and Investment, Andrew Robb AO (centre), Philippines Secretary to the Cabinet, Jose Rene Almendras (right), and Austrade Senior Trade and Investment Commissioner, Anthony Weymouth (far left), PPP discussions, Manila, 21 May 2015. [DFAT]*

In September 2014, the Senior Officials' Strategic Dialogue brought Australian and Philippine defence and foreign affairs counterparts together in Manila to discuss shared strategic bilateral and regional issues.

The department supported high-level visits from Philippine officials through the Special Visits Program, including Dr Arsenio Balisacan, Secretary for Socioeconomic Planning, who visited Canberra in January 2015 for discussions on public sector reform, competition policy and economic development.

The department managed \$120.4 million in bilateral aid, with regional and global programs bringing our total assistance to an estimated \$138.5 million. The focus of this aid was on areas where assistance can catalyse reform, improve government capacity and take advantage of the Philippines' own resources. We provided critical support to national government implementation of PPPs for priority infrastructure projects, promoting increased private sector participation through better and more transparent procedures.

We maintained our support to the Philippine Government to improve its public financial management systems, in order to increase the efficiency, accountability and transparency of its public expenditure. We also improved the governance capacity of local governments, particularly in road maintenance and revenue collection.

We worked with the Philippine Government and business organisations to support education reforms and provide additional classrooms for overcrowded schools. Programs improved teacher training and the school curriculum. In Mindanao—the Philippines' poorest region—our aid ameliorated the effects of conflict by building more capable and responsive state institutions and expanding economic opportunities for conflict-affected communities. Across the country, we worked with the government and local communities to increase national and local government disaster preparedness.

## Vietnam

The bilateral trade relationship with Vietnam grew by 28.5 per cent in 2014 and the country's rapid economic growth is reshaping our traditional aid relationship into a stronger economic partnership. Our focus now is on addressing barriers to Vietnam's development by improving economic efficiency.

We managed \$116.9 million in bilateral aid, with regional and global programs bringing our total assistance to an estimated \$150.6 million.

Our people-to-people links are enhanced by the presence in Australia of over 220,000 Australians of Vietnamese origin, and by the fact that Vietnam is Australia's third-largest source of overseas students. Increasingly, Vietnam and Australia are working together on issues such as regional security, defence, policing, immigration and combatting transnational crime.

We worked to raise the profile of the relationship and deliver substantive policy outcomes through a visit by Vietnam's Prime Minister, Nguyen Tan Dung, in March 2015, accompanied by a large, senior delegation of ministers and business representatives. Outcomes included the signing of a Declaration on Enhancing the Australia–Viet Nam Comprehensive Partnership and the conclusion of bilateral MOUs on unexploded ordnance removal, peacekeeping, a new working holiday maker visa arrangement and preventing human trafficking.

We organised the 3rd annual '2+2' Australia–Vietnam Strategic Dialogue, to engage Vietnam on regional security issues, and the 11th round of the annual Australia–Vietnam Human Rights Dialogue to address specific human rights concerns and offer practical ideas to enhance human rights standards.

The department worked actively with other government agencies to address disruptions to Australian horticultural exports owing to quarantine concerns, and to ensure Vietnamese compliance with the Exporter Supply Chain Assurance Scheme that protects the welfare of live cattle traded overseas. Vietnam was Australia's third-largest market for live cattle in 2014.

Our economic partnership was enhanced by aid for infrastructure projects, human resources development and institutional strengthening. The Cao Lanh Bridge project remains on schedule for completion by 2017, and will create significant economic efficiencies in the Long Xuyen City region through improved transport efficiency. Other key results in 2014–15 included training nearly 2000 people in trade policy, providing 185 Australia Awards scholarships (62 per cent to women) and helping 64,500 people access clean water. The Economic Diplomacy Fund, launched by our embassy in Hanoi, supported departmental projects promoting private sector linkages in the

water sector, AFP-led women in police leadership training, and Austrade projects on food safety awareness and aviation safety.

## Burma

The department led Australia's efforts to support Burma's peaceful transition to democracy and to ensure Australia is well placed to capitalise on the opportunities for deeper political and economic cooperation. Total Australian development assistance to Burma was \$99.1 million.

We encouraged Burma to ensure its elections in November 2015 are credible and inclusive and provided support for increased voter registration and training for election officials.

The department is supporting efforts by the Burmese government to end armed ethnic conflict. Our aid supported ceasefire monitoring and promoted informed negotiations between the government and ethnic minority groups.

Conditions in Burma's Rakhine State have resulted in large numbers of Muslim Rohingya fleeing, often with the assistance of people smugglers, creating a serious issue in the region. The department led Australia's advocacy to persuade the Burmese

government to address the problem within Burma, including through granting citizenship to the Rohingya. Australia also provided \$5 million in humanitarian assistance for displaced people in Rakhine State as well as longer-term development assistance to increase economic opportunities.

Our aid worked to improve the investment climate through better governance, education, and health outcomes. We supported Australian business delegations and the expatriate business community in-country to help Australian business benefit from new opportunities.

Our increased engagement has required new forums for bilateral discussion. In 2015, the department held the first Foreign Ministry Consultations at senior officials level in Nay Pyi Taw covering a range of political, security and human rights issues. The department led the 2nd High-Level Consultations on Development Cooperation to develop a shared understanding of development priorities.

The department assisted Burma with its chairmanship of ASEAN in 2014 by seconding officials to Burmese ministries. We also supported Burma's participation in G20 meetings and visits by Prime Minister Abbott for the EAS Summit and President Thein Sein for the G20 Summit.

### *Women's empowerment in Burma*

As part of the department's advocacy on gender equality and the empowerment of women and girls, the Ambassador for Women and Girls, Natasha Stott Despoja, travelled to Burma in February 2015.

The ambassador met representatives of the Burmese government, opposition, and civil society, including women community leaders, to discuss Burma's reform agenda, development challenges, and the importance of women's participation in decision-making and leadership.

Ms Stott Despoja promoted Australia's commitment to ending violence against women. She visited an aid project funded by the department on the outskirts of Rangoon that helps migrant women at risk of exploitation and violence. The project provides training, support

and safe spaces for vulnerable women who have moved from rural areas to cities in search of work to support their families.



*Ambassador for Women and Girls, Natasha Stott Despoja (right), meets with aid project recipient, Tin Tin Win, at her tailoring business, Rangoon, February 2015. [DFAT]*

## Timor-Leste

The department engaged early and developed good working relationships with senior members of Timor-Leste's newly-established government. We facilitated productive ministerial meetings with senior leaders through the provision of advice on the change of leadership and new policy directions.

The department led whole-of-government engagement with Timor-Leste on legal disputes and management of oil and gas resources in the Timor Sea. Timor-Leste has now discontinued International Court of Justice proceedings. The department ensured the disputes did not detract from other elements of the relationship.

We worked with Austrade to advise Australian businesses on investing in Timor-Leste, including through an infrastructure 'webinar'. We helped improve economic integration between eastern Indonesia, Timor-Leste and northern Australia, including attending a trilateral cooperation meeting between officials in Kupang, Indonesia, in June 2015. We also commissioned a study to shape more effective economic integration. We assisted visits by ministers from the Northern Territory to Dili, which focused on developing business links in the construction industry. We supported Timor-Leste's participation in the Australian Seasonal Worker Program.

Australia remains Timor-Leste's largest development partner. The department managed total assistance of an estimated \$96.2 million, helping improve service delivery in health, education, and water and sanitation. For example, our assistance enabled the return to service of Timor-Leste's full ambulance fleet which allowed critical emergency care to reach rural areas more effectively, including for pregnant women.

The aid program supported rural roads and skills training, enhancing economic opportunity and our support for agriculture helped over 56,000 farming households grow better crops. Through the Market Development Facility in Timor-Leste, we supported private sector development by partnering directly with local businesses to make markets work better.

The department also helped the Timorese Government better manage its public finances and civil service. For example, the development and rollout of a Human Resource Manual for all Timorese public servants has strengthened the civil service performance management framework.

We promoted gender equality by encouraging deeper engagement of women in the nation's development, including by engaging women in village infrastructure projects.

## Cambodia

Australia's relationship with Cambodia expanded with the signing of a bilateral MOU on refugee resettlement in September 2014, on which the department led negotiations. We supported high-level visits to Cambodia by Australia's current and former Ministers for Immigration and Border Protection, and to Australia by Cambodia's Deputy Prime Minister and Interior Minister, Sar Kheng. These exchanges strengthened Australia's cooperation with Cambodia on common security challenges and created opportunities for further expansion of the relationship, including in combatting people smuggling, narcotics trafficking and child sex tourism, and cooperation on counter-terrorism and maritime security.

The department supported Australian business opportunities in Cambodia, including by facilitating negotiations on animal health protocols that will assist future live cattle exports.

Despite strong recent economic growth, Cambodia faces major development challenges. Our aid program is helping to address these challenges. The department managed total aid to Cambodia of an estimated \$90.5 million and, in September 2014, Australia committed to supplement existing aid to Cambodia by \$40 million over a four-year period. In 2014–15, our aid supported upgrading and maintaining the rural roads network, and rebuilding key transport infrastructure damaged by the 2011 floods. We undertook extensive design work on a major new program to address Cambodia's infrastructure challenges.

Our funding through the Cambodia Agricultural Value Chain Program has given Cambodian farmers better access to modern farming techniques, lifting their productivity and the quality of their crops. Irrigation schemes enabled an estimated additional 2809 hectares of land to be irrigated and 2767 families to grow more than one rice crop per year. Funding also enabled the release of 6.6 square kilometres of land in three provinces that had previously been contaminated by landmines and unexploded ordnance for farming and other activities, directly benefiting some 13,000 people living in affected areas.



Aid programs enabled health centres and hospitals to provide better quality care, and supported 2.6 million poor people to access free essential health care. They have a strong focus on promoting gender equality and better outcomes for women and were highlighted in the Ambassador for Women and Girls' meetings with senior Cambodian interlocutors when she visited Cambodia in February 2015.

Australia remains committed to assisting the United Nations to bring to justice the perpetrators of atrocities that took place in Cambodia in the 1970s. Contributions through the aid budget have made Australia the third-largest contributor to the Khmer Rouge Trials.

## Brunei Darussalam

Australia remains a leading education destination for Bruneian students studying abroad (second only to the United Kingdom) with around 350 currently studying in Australia and around

10,000 Brunei–Australia alumni. Our education ties were strengthened with the arrival of Australia's first New Colombo Plan Scholar in January 2015 at the Universiti Brunei Darussalam.

In June 2015, the department hosted a series of events to commemorate the 70th Anniversary of the Borneo (Oboe) campaigns, Australia's last major campaigns of World War II. We welcomed a group of eight campaign veterans and held a commemorative service at the site of the Brunei landing. The veterans helped launch a joint multimedia exhibition with the Universiti Brunei Darussalam. The exhibition showcased the stories of local elders who lived through the war and Australia's role in liberating Borneo.

The department also continued to monitor, and make representation on, the implementation of Brunei Darussalam's Shariah penal code in the context of international human rights norms and to inform Australians living in and travelling to Brunei Darussalam of the importance of complying with local laws.



*High Commissioner to Brunei Darussalam, Todd Mercer (right), Minister for Veterans' Affairs, Senator Michael Ronaldson (left), Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State, Brian Winchcombe (second left), Brunei Deputy Minister of Defence (third right), and Commander of Royal Brunei Armed Forces (second right), with Australian veterans, Murara Beach, 10 June 2015. [DFAT]*

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## Laos

Despite high levels of economic growth in recent decades, Laos continues to face a number of development challenges. Australia is a major bilateral donor providing total assistance in 2014–15 of an estimated \$55.9 million.

During her visit to Laos in July 2014, Ms Bishop launched a basic education aid program to build classrooms, train teachers and improve school access for children with disabilities. We continued to support vital human resources development in education by providing technical assistance, in-Australia awards, and in-country scholarships.

We promoted rural growth and poverty reduction by establishing new village banks and micro-finance institutions, building or rehabilitating roads, clearing unexploded ordnance, and providing water supply and sanitation facilities.

The aid program advanced women's economic empowerment by improving productivity and working conditions in the garments industry and helping female entrepreneurs expand their businesses. We also addressed gender equity through our basic education program by supporting girls' participation in school.

The department continued to promote trade and investment in close cooperation with the private sector, including assisting Australian investors and holding regional roadshows to promote business opportunities. Through the aid program, we also provided support to Laos to strengthen engagement in regional integration and meet its WTO accession commitments.

The department supported Laos' participation in the 4th Australia–Laos Human Rights Dialogue (HRD) in March 2015 and hosted a study tour involving Australian human rights bodies. The HRD and study tour enabled the department to discuss future cooperation and raise specific issues and cases of concern. The HRD gave rise to a follow-up visit to Laos by the Australian Race Discrimination Commissioner, funded and arranged by the department.

In promoting people-to-people links, we assisted with visits to Laos by the Speaker of the House of Representatives and two Australian parliamentary delegations on education, vaccination and ASEAN issues, and supported study visits to Australia by Lao officials.

## East Asia Summit, ASEAN and regional engagement (East Asia regional programs)

Australia's bilateral engagement with the countries of Southeast Asia is strengthened by our engagement with ASEAN, the region's premier representative grouping. A strong and cohesive ASEAN has fostered cooperation and encouraged norms of behaviour that have laid the foundation for peace and prosperity in the region.

The department worked with regional partners to build the political-security agenda of the EAS to advance mutual interests in a stable strategic environment. During the 9th EAS, the department worked to ensure that leaders addressed high-priority issues of concern, such as tensions in the South China Sea, the threat of foreign fighters and Ebola. We convinced leaders to endorse the Australian-initiated EAS Statement on Rapid Disaster Response and the goal of eliminating malaria in the Asia–Pacific region by 2030.

We supported whole-of-government efforts to foster habits of cooperation on disaster response and maritime issues in the region. In April 2015, Australia co-chaired the ASEAN Regional Forum workshop on the development of a more strategic approach to disaster response exercises. The department and the Australian Maritime Safety Authority hosted an Expanded ASEAN Maritime Forum Workshop in May 2015 to improve EAS participants' readiness to respond to transboundary maritime pollution incidents.

In 2014, we commemorated the 40th anniversary of Australia–ASEAN diplomatic relations. The department supported a leaders-level Commemorative Summit in Burma in November 2014, where leaders agreed to elevate Australia–ASEAN relations from a Comprehensive Partnership to a Strategic Partnership. This milestone cemented our relationship in the top tier of ASEAN's external partners, with a commitment to regular leaders-level summits.

In August 2014, Ms Bishop and ASEAN foreign ministers agreed on a new Plan of Action to further strengthen economic, political-security and socio-cultural cooperation with ASEAN. The department co-chaired with the Philippines the ASEAN–

Australia Forum in March 2015, which discussed topical issues on regional peace and security and deepened political-security cooperation under the Strategic Partnership. We worked closely with Austrade to explore opportunities for Australian business to capitalise on the region's economic dynamism and the expected declaration of the ASEAN Economic Community (AEC) by the end of 2015. This included supporting the Australian Institute of Company Directors' annual conference in Kuala Lumpur, which showcased ASEAN's economic integration plans.

In addition to our bilateral aid programs, the department invested a further \$66.5 million in Southeast Asia through our regional aid program, helping to build regional capabilities and strengthen regional institutions.

The department contributed to preparations for the declaration of the AEC at the end of 2015. For example, we built the capacity of the ASEAN Secretariat, supporting it to implement numerous activities around the liberalisation of goods, services and investment. We used the Economic Cooperation Support Program to help developing ASEAN countries implement and access the benefits of the ASEAN–Australia–New Zealand Free Trade Agreement.

The regional program also focused on helping countries of the Mekong region bridge the gap with other more advanced ASEAN economies in areas such as health security, trade facilitation, private sector development, and management of water resources. We supported regional human security through flagship initiatives to combat trafficking in persons and encourage safe labour migration.

## New Colombo Plan

Around 2300 New Colombo Plan (NCP) mobility students and scholarship recipients are undertaking study and internships in Southeast Asia during the pilot phase and 2015 round. Singapore and Indonesia, which were pilot locations in 2014, have now been joined by Brunei Darussalam, Burma, Cambodia, Laos, Malaysia, the Philippines, Thailand, Vietnam and Timor-Leste as host locations in 2015. The NCP has been warmly received across Southeast Asia by governments, universities, businesses and alumni groups.

## Outlook

Our engagement with regional partners is essential to help manage strategic challenges. We will maintain our focus on strengthening the EAS as an institution, in its 10th anniversary year, to help it become more responsive in addressing strategic challenges, with a particular emphasis on countering violent extremism and maritime security. We will continue to provide support to Malaysia in its chairing of ASEAN and the EAS, and support Laos to prepare for its ASEAN chairmanship in 2016. We will also establish the new Australia–ASEAN Council as an effective new institution.

There will be on-going challenges in Australia's relationships with Southeast Asia as the region undergoes change, adapting to shifts in global weight and power. We will work to maintain strong diplomatic networks within the region, positioning Australia well to ensure that our strategic interests are protected and advanced.

We will focus our economic diplomacy on advancing Australia's trade and investment interests in countries such as Indonesia, Malaysia, Singapore and Vietnam, including through enhancements to existing bilateral and regional FTAs. We will elevate bilateral relations with the Philippines and seek to build greater ballast and resilience in the relationship with Indonesia.

Australia remains committed to promoting stability and prosperity within the region, and the department will work hard to support countries such as Thailand, Burma and Timor-Leste through political and economic transitions.

The department will negotiate new Aid Investment Plans for development-partner countries which take account of Australia's aid policy and partner government priorities—ensuring our investments promote gender equality and greater engagement by the private sector. We will shift from a traditional donor-recipient model to investments which leverage partner countries' resources and domestic capacity to improve development outcomes.

# South and West Asia

## Programs 1.1 and 1.9

○ Not Met   ◐ Partially Met   ● Met

> Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships, including high-level political and economic engagement with India	●	●
– sustained engagement with South Asia to meet shared challenges and to promote global and regional stability, security and prosperity <sup>1</sup>		●
– contribution to enhanced regional architecture through the Indian Ocean Rim Association (IORA). <sup>1</sup>		●
An enhanced environment for security and development, including through:		
– effective whole-of-government efforts to promote international stability and development, including in Afghanistan <sup>2</sup>	●	●
– participation in counter-terrorism programs and activities, including in South Asia.	●	●
To assist developing countries in South and Central Asia by contributing to reducing poverty and lifting living standards through sustainable economic growth.	●	●
✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.	●	●

<sup>1</sup> New deliverable for 2014–15.

<sup>2</sup> Deliverable in 2013–14 referred to performance only in relation to Afghanistan.

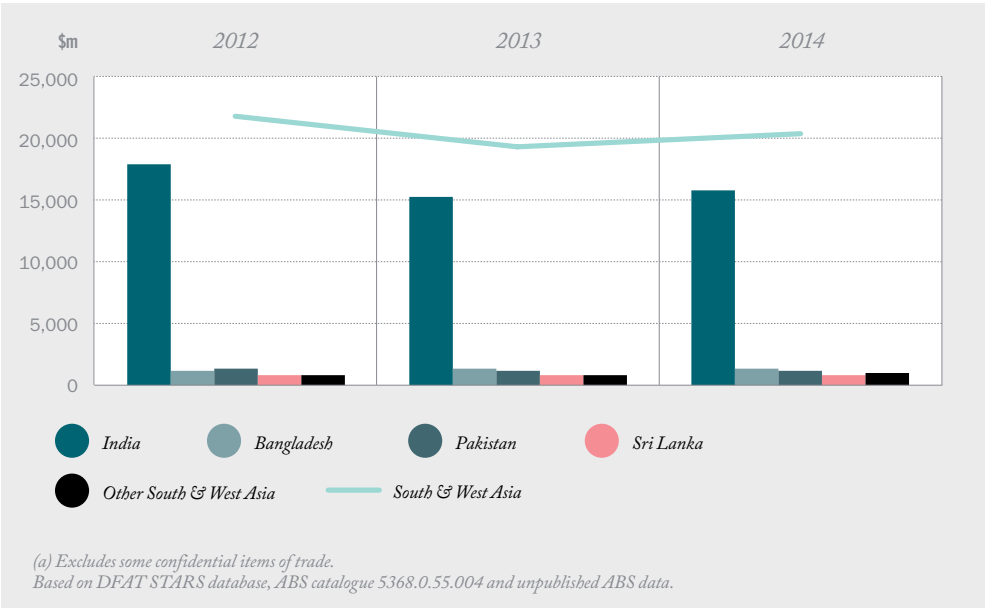
## Overview

High-level visits to India, Afghanistan and Pakistan provided opportunities to advance Australia's security, economic and trade interests. The department maintained a high-quality and increasingly innovative aid program across South and West Asia focused on economic growth and governance, empowering women and girls, education, infrastructure, resource security and health.

We helped deliver a range of initiatives to further strengthen our strategic, economic, institutional and people-to-people links with India during a year in which the bilateral partnership reached new heights—underlined by historic two-way prime ministerial visits and other high-level contact, including by our portfolio ministers.

We continued to encourage stability in the region, leading Australia's whole-of-government efforts to advance security, growth and development in Afghanistan in a very challenging operating environment. The Foreign Minister's visit to

Figure 9: Australia's trade in goods and services with South and West Asia <sup>(a)</sup>



Pakistan was the first by an Australian foreign minister since 2009 and, with the department's support, served to reinforce bilateral security and development cooperation.

The department moved quickly after elections in Sri Lanka to confirm the strength of an increasingly broad-based relationship. We responded quickly and effectively to the earthquakes in Nepal. As chair of the Indian Ocean Rim Association (IORA), we continued to promote regional economic cooperation and women's empowerment.

Under the New Colombo Plan (NCP), more than 500 Australian undergraduates are now studying in India, Sri Lanka, Nepal, Bhutan, Bangladesh and Maldives across a diverse range of disciplines.

## India

The department worked to expand Australia's strategic partnership with India, including through visits by Prime Minister Tony Abbott to India in September 2014 and Prime Minister Narendra Modi to Australia in November 2014. The two leaders reinvigorated negotiations toward a Comprehensive Economic Cooperation Agreement (CECA), agreeing to pursue an early conclusion of an agreement. They endorsed

a new bilateral Framework for Security Cooperation and witnessed the signing of a civil Nuclear Cooperation Agreement.

The department supported a visit by Ms Bishop to India in April 2015 to co-chair the 10th round of the Foreign Ministers' Framework Dialogue with her Indian counterpart. Ministers advanced the ambitious agenda agreed during both prime ministerial visits, particularly on security cooperation under the new framework.

We provided support for the Trade and Investment Minister's talks in India in January, April and June 2015, to advocate conclusion of a mutually beneficial CECA. (Mr Robb also visited in September 2014 as part of the Prime Minister's delegation.) The January visit was built around *Australia Business Week in India*, which included the largest ever Australian business delegation to India, with 450 Australian companies represented. In June 2015, we also supported a visit to Hyderabad and Mumbai by Parliamentary Secretary Ciobo, which included a business delegation focused on infrastructure, health and financial services. In managing these visits, we worked closely with Austrade, the lead agency in arranging the business delegations.



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## STAFF PROFILE

**ANNA GARRETSON**

SECOND SECRETARY, NEW DELHI



As Second Secretary (Economic) at the Australian High Commission in New Delhi, I'm working to advance Australia's economic relationship with India, the largest democracy in the world and one of its fastest growing large economies. My responsibilities include environmental issues and resources and energy.

This has been a particularly busy year on the environmental side. I've supported engagement with India on Australia's efforts to preserve the Great Barrier Reef. The visit to Delhi in March by the Minister for the Environment, Greg Hunt, was a fulfilling highlight of this work. I'm also reporting on Indian developments on climate change in the lead-up to the 2015 United Nations Climate Change Conference (COP21), which aims to achieve a new, post-2020 climate agreement. As a major emerging economy, India has an important role to play in the negotiations.

Resources and energy is an important part of the bilateral relationship and trade is set to grow as India's economy expands—facilitated also by the Comprehensive Economic Cooperation Agreement, which India and Australia aim to conclude this year. I'm involved in promoting Australia not only as a reliable supplier of minerals and energy, but also as a source of expertise that can help India develop its own significant mineral endowment. Another aspect of my work on resources is supporting Australian companies to progress their mining investments in India.

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*Minister for Trade and Investment, Andrew Robb AO (left), meeting with Prime Minister of India, Narendra Modi, Vibrant Gujarat 2015 Summit, Ahmedabad, 10 January 2015. [DFAT]*



We worked with Australian states with a presence in India and other Australian agencies to intensify engagement with Indian state governments, especially in high-growth states. We helped establish state-to-state contact between New South Wales and Maharashtra and Gujarat.

We also revitalised the Australia–India CEO Forum. The first meeting took place in Delhi during Mr Robb's June visit. The forum focused on resources and energy, financial services, infrastructure including logistics, education and agribusiness.

We used the new Framework for Security Cooperation to work with the Department of Defence and other agencies to advance Australia's security interests with India. We deepened cooperation on counter-terrorism, agreed to start new bilateral cyber policy consultations and increased collaboration on transnational crime issues, including people smuggling.

In July 2014, the Secretary held annual talks with his Indian counterpart to further key trade and investment initiatives, and cooperation on defence and security. In June 2015, he also participated in an inaugural trilateral dialogue with India and

Japan. The trilateral dialogue will strengthen these key relationships in addressing issues of common strategic interest in the Indo–Pacific region and through cooperation in areas such as regional connectivity and infrastructure development.

We hosted a visit for six Indian editors and journalists in May 2015 to build appreciation of the Australian economy, economic reform and avenues for growing Australia's economic relationship with India. We also facilitated visits by two Indian parliamentary delegations, in August 2014 and May 2015.

The department helped build closer people-to-people links through strong promotion of cultural and education matters. The Prime Minister launched the NCP in India in September 2014. India is a favoured destination for Australian NCP students doing short courses and internships.

With the Department of Industry and Science, we committed to provide combined funding of \$20 million over four years from 2015–16 for collaboration under the Australia–India Strategic Research Fund. The fund has supported projects in areas such as agricultural research, biomedical devices and implants, nanotechnology and vaccines.

**Table 4: Australia's trade in goods and services with South and West Asia** <sup>(a)/(b)</sup>

	Exports			Imports		
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
India	11,446	11,385	-14.5	3,859	4,493	13.6
Bangladesh	788	787	0.7	525	638	29.2
Pakistan	825	944	5.9	264	280	6.0
Sri Lanka	439	503	-0.6	333	328	8.6
Other South & West Asia <sup>(c)</sup>	638	784	4.2	169	164	5
<b>Total South &amp; West Asia</b>	<b>14,137</b>	<b>14,404</b>	<b>-11.8</b>	<b>5,150</b>	<b>5,903</b>	<b>13.9</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

(c) Other South & West Asia comprises Afghanistan, Bhutan, Kazakhstan, Kyrgyzstan, Maldives, Nepal, Tajikistan, Turkmenistan and Uzbekistan.

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Afghanistan

Afghanistan continued to be an extremely challenging operating environment. Through our presence, and support for the NATO-led Resolute Support mission, the department continued to reinforce Australia's strategic alliance objectives and help prevent Afghanistan from once again becoming a safe haven for international terrorists. We worked closely with NATO, the Afghan Government and other Australian agencies during the transition to the Resolute Support mission, which came into effect on 1 January 2015. We also strengthened bilateral ties, including by supporting political and economic reform through our development program.

Following elections in Afghanistan and the formation of the Afghan National Unity Government in October 2014, we facilitated a visit to Kabul by the Governor-General. We supported Ms Bishop's visit to Kabul for Australia Day 2015, reaffirming Australia's support for Afghanistan's stability and growth. We hosted a visit to Australia by three eminent female Afghan parliamentarians in May 2015 to promote gender equality, women's empowerment and parliamentary democracy.

As Chair of the UN Security Council's 1988 Sanctions Committee until December 2014, we enabled the council to prosecute the Taliban sanctions regime. The department took the lead

on the December 2014 Security Council resolution welcoming the Resolute Support mission.

The department provided bilateral aid of \$130.9 million to Afghanistan, and total ODA of an estimated \$134 million. We worked to deliver programs on economic growth and governance, empowering women and girls, education, infrastructure, and health. We provided essential and life-saving services to female survivors of violence and their children, supported 3698 additional children (2595 girls) to enrol in schools and provided more than 500,000 children with vaccinations.

We provided US\$20 million to the Afghan National Defence and Security Forces to support the development of the Afghan National Police and the Ministry of Interior Affairs.

Our agriculture assistance program supported research and innovative practices for small farmers, and expanded access to markets for families, with a particular focus on women's economic empowerment. We delivered humanitarian services to vulnerable communities, including food to 215,000 beneficiaries living in regional and remote areas over winter. We also funded construction, rehabilitation and maintenance of 135 kilometres of rural roads in Uruzgan province. Our public financial management training activities reached over 900 civil servants, resulting in direct improvements to government service delivery.



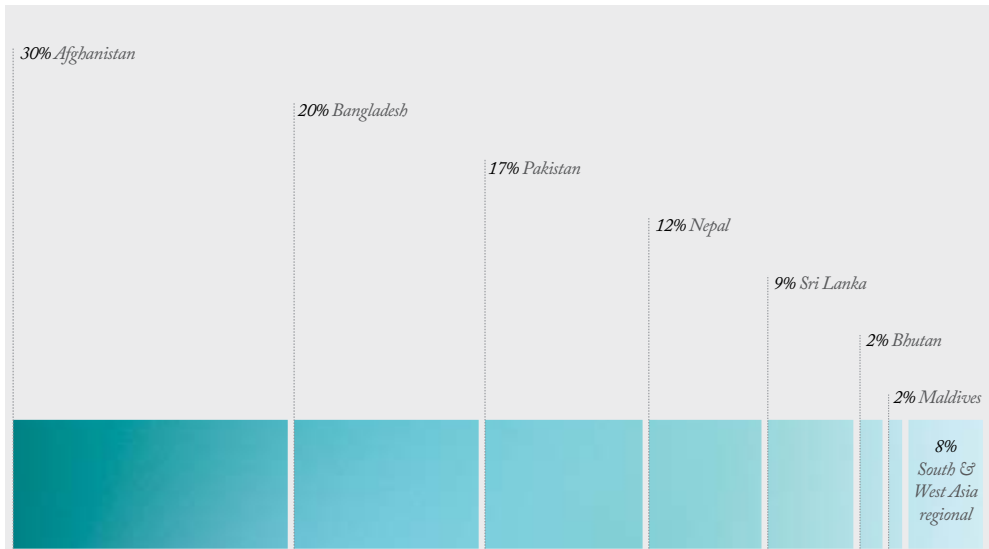
*Ambassador to Afghanistan, Matt Anderson (left), escorts Minister for Foreign Affairs, Julie Bishop (centre), with then Deputy Commander, Joint Task Force 636, Colonel Susan Coyle CSC, on arrival, Kabul, January 2015. [DFAT]*

Addressing violence against women in Afghanistan

To address the very high levels of violence against women and girls in Afghanistan—around 87 per cent of Afghan women have suffered violence—Australia began a four-year \$22.7 million Elimination of Violence Against Women (EVAW) program in Afghanistan in 2013. The program supports national efforts to improve provision of shelter services, including legal aid and counselling; increase access to justice for survivors of violence through training and support for implementation of EVAW legislation; and prevent violence, through changing community attitudes and advocating the protection and advancement of women's rights.

In 2014–15, the EVAW Program funded 10 Women's Protection Centres, providing shelter and support services to 1180 women and their children; established a violence against women hotline that received over 2000 calls in its first three months; continued training and support across 10 provinces for 1260 police and key justice sector officials on implementation of the EVAW legislation; and delivered education and awareness activities on the EVAW law, women's rights through an Islamic framework and violence prevention to 2320 community members.

Figure 10: Estimated department ODA to South and West Asia<sup>(a)</sup>



(a) The department managed \$441.7 million of ODA in South & West Asia, 2014–15.

## Pakistan

The department hosted Pakistan–Australia bilateral political consultations in March 2015 and supported a 1.5 Track dialogue (academics and officials) in Islamabad in February 2015. With other agencies, we continued our defence, counter-terrorism, irregular migration, transnational crime and nuclear non-proliferation engagement with Pakistan.

During her visit to Pakistan in May 2015, Ms Bishop announced a \$24 million aid package, including an aid for trade program to strengthen Pakistan's trade-related institutions and policies and promote trade at key border posts. The department helped increase Australia's trade with Pakistan by facilitating greater market access for Australian dairy products.

The department managed aid to Pakistan totalling \$75.9 million. Through the aid program, we shared Australian scientific expertise in agriculture and water management to improve Pakistan's agricultural productivity and contribute to economic growth.

The Australia Awards program (120 long-term and 49 short-term scholars) remained a key investment in strengthening people-to-people links with Pakistan. The department also supported an additional 118,000 children to enrol in basic education and trained 4000 teachers. Our programs have supported improvements in maternal and child health and women survivors of domestic violence to access critical support services.

### *Mahjabeen – Australia Awards Scholar*

Mahjabeen works for an international development organisation in the conflict-affected areas of Khyber Pakhtunkhwa (KP) and the Federally Administered Tribal Areas in Pakistan. In a patriarchal culture, she is often the only woman in the room. In 2005, Mahjabeen was awarded an Australia Awards Scholarship at Newcastle University to undertake a Masters of Social Change and Development.

Since her return, Mahjabeen has worked in earthquake and flood-affected areas of Pakistan where she has contributed to new development projects and to the formulation of an agricultural policy for KP which aims to ensure food security, create rural jobs and strengthen the farming base of the province.



## Sri Lanka, Bangladesh, Nepal, Maldives and Bhutan

The department continued its strong cooperation with **Sri Lanka** to counter people smuggling, build an enhanced economic partnership, support the new Sri Lankan Government's good governance agenda and provide practical support for reconciliation.

We helped Austrade and the Export Finance and Insurance Corporation use Australia's agricultural expertise to develop Sri Lankan domestic dairy capacity. As a result, Australia is a preferred country of origin for importation of dairy cattle.

Following Sri Lanka's presidential elections in January 2015, we engaged early with the new government on its democratic reform agenda, including through renewing our offer to support reconciliation efforts. Our support to the Ministry of Resettlement assisted development of a Resettlement Action Plan for internally displaced persons.

In close collaboration with his department, we facilitated the May 2015 visit by the Minister for Immigration and Border Protection. The visit reaffirmed our mutual commitment

to counter people smuggling and combat other transnational crimes.

The department's trade and economic diplomacy efforts were complemented by the aid program to Sri Lanka (\$40.6 million). This aid improved teaching in over 4500 schools, built over 600 kilometres of road in the north and east and expanded economic opportunities for thousands of men and women displaced during the civil conflict. We also supported gender empowerment by increasing the incomes of over 3600 women and enabling women to gain better access to education, legal services and finance for new enterprises.

The NCP began in Sri Lanka in 2015 with the placement of more than 50 students. We endowed a further 35 scholarships for masters-level study for emerging leaders through the Australia Awards program.

Continued political unrest in **Bangladesh** between government and opposition parties over the election process resulted in transport blockades and violence. We responded by advocating de-escalation and respect for democracy, the rule of law and human rights. Working with other agencies, we strengthened ties in areas such as maritime security, counter-terrorism, people smuggling and human trafficking.



*High Commissioner to Sri Lanka, Robyn Mudie (back, third left), with Second Secretary Nicholas Burnett (back, second left) and Counsellor Charlotte Blundell (back, fourth left), meet with local fishing communities, Mannar Province, April 2015.*

[DFAT]



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Our economic diplomacy helped boost two-way trade with Bangladesh to around \$1.4 billion, an 8 per cent increase over the previous year. We backed Australian universities' cultivation of the Bangladesh market, advised Australian fashion retailers on the opportunities and risks in Bangladesh's garment sector, and promoted Australia's food and agriculture competitiveness. We helped business to build connections in the resources extraction, power generation and skills development sectors.

We managed a quality aid program (\$89.5 million) which assisted Bangladesh to pursue reforms in teacher training, curriculum development and student assessment. It enabled 306,674 children to enrol in school and helped train over 13,738 teachers.

In partnership with foreign governments and NGOs, we also supported low-income women and their families with regular cash transfers, income producing assets, enterprise training and health care. This support helped increase the income levels of 118,026 poor Bangladeshis.

The department supported the former Parliamentary Secretary, Dr Brett Mason's, attendance as an observer at the 18th summit meeting of the South Asian Association for Regional Cooperation in Kathmandu, in November 2014.

We provided \$52.2 million in aid to **Nepal** for ongoing aid programs and recovery efforts, including humanitarian assistance of more than \$11 million following the earthquakes in April and May 2015. (See pp. 179 and 181.) Our aid program focused on micro-enterprise development, job creation and improving access to quality education.



## STAFF PROFILE

**KUMUDH GURUNG**

CONSULAR OFFICER, KATHMANDU



During my 20 years working as an LES consular officer in the Australian Embassy in Kathmandu, no two days have been the same in providing consular support to Australians. I might be assisting a sick Australian in hospital in Kathmandu one day and helping someone who is a victim of assault the next.

In the last 12 months, I faced two of the biggest challenges of my career. I assisted in the Australian Government response to the Annapurna snowstorms, where hundreds of Australian trekkers were feared stranded on and around the Annapurna circuit. I also assisted in the response to the earthquakes which killed more than 8000 people and injured more than 23,000.

During this very difficult time, I helped with arrangements to pick up groups of stranded Australian trekkers, assisted grieving relatives and helped injured Australians access medical care. We provided some essential services in the grounds of the embassy and helped Australians leave Nepal. I am happy that I am able to draw on my experience and contacts to ensure the highest standard of consular service to Australians in need.

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### *Nepal earthquakes*

The earthquakes of April and May 2015 in Nepal and aftershocks killed more than 8000 people and destroyed more than 500,000 homes. Some 7000 schools were damaged or destroyed. However, as a result of a joint Australian and Asian Development Bank school safety program to retrofit schools against earthquakes and other disasters, 160 public school buildings in the Kathmandu Valley withstood the earthquake. The schools survived without a crack and

acted as shelters for local communities after the quake.

Australian assistance also supported training for more than 800 masons and engineers in earthquake-resistant construction and earthquake education programs for more than 50,000 teachers and students.

Rebuilding safer and better schools is a key focus of our recovery package for Nepal, including work with Nepalese authorities on national strategies for improved building standards.



*Crisis Response Team leader, Anita Dwyer (right), and First Secretary Nepal embassy, Sarah Boddington (centre), talking with Plan International volunteer, during a visit to a DFAT-funded safe space for children to play in a Kathmandu Valley village devastated by the earthquake, Nepal, May 2015. [DFAT/Kamakshi Yakthumba]*

The department continued to raise with the **Maldives** Government, and in international forums, Australia's concern at the serious decline over the past year in human rights and democracy in the Maldives. We also engaged with relevant Maldivian counterparts on transnational crime issues and the threat posed by foreign fighters.

Our aid program to Maldives (\$6.2 million) focused on improving education and governance and strengthening people-to-people links. Australian volunteers helped education institutions to reform teacher training, update the school curriculum and develop new vocational training courses. We also provided 33 scholarships enabling a further cohort of Maldivians to study at Australian universities.

Development cooperation remained central to Australia's relationship with **Bhutan**. In 2014–15, our total aid was \$9.2 million. We supported people-to-people links, including through the provision of 52 long-term and 49 short-term Australia Awards for Bhutanese students to study in Australia. Additional support was provided to Bhutan's Royal Institute of Management to assist doctoral studies for faculty members to upgrade their teaching qualifications. The department facilitated visits to Australia by Bhutan's Queen Mother, a delegation from the Parliament of Bhutan and the Bhutanese Minister for Labour and Human Resources.

In addition to the above bilateral programs, the department managed \$24.5 million in development assistance across the **South Asia region** to promote economic connectivity through trade facilitation and infrastructure connectivity, and cross-border cooperation on water, food and energy security.

The high cost of trading within South Asia adversely affects business and limits the region's growth potential. To address this challenge, we established a partnership with the World Bank to progress trade connectivity reforms in the north-east of the region to particularly

benefit women traders. In line with our economic diplomacy objectives, we also contributed to efforts to close the region's infrastructure gap by facilitating development of infrastructure in the transport and energy sectors—including the 'Eastern Dedicated Freight Corridor' linking Punjab to West Bengal.

Over the last year, the department worked to increase food, energy and water security in South Asia. With CSIRO, we helped develop Pakistan's National Water Plan and build the capacity of national and state river and water management agencies. This included visits to Australia by officials from Nepal, India, Pakistan and China to learn from our experience in managing water resources and foster cross-border collaboration. Our support to the International Centre for Integrated Mountain Development and its work on landslide and flood risk assessment provided crucial data in response and recovery efforts following the Nepal earthquakes.

Through the Australian Centre for International Agricultural Research, we worked to increase rice and wheat crop productivity in rural villages across north-west Bangladesh, the eastern Terai area of Nepal, and the Indian states of Bihar and West Bengal.



#### STAFF PROFILE

**JESS MCGUIRK**

INNOVATIONXCHANGE, GRADUATE TRAINEE, CANBERRA



I am currently working in the innovationXchange, which was set up to support innovation across the Australian aid program by driving new and exciting technologies, ideas and partnerships. The innovationXchange will identify, trial and, where successful, scale up innovative approaches to development. One project I am working on is the Blue Economy. By identifying and supporting scientific and technological innovations, we aim to unleash the economic potential of our Indian Ocean neighbours' ocean resources in an efficient, equitable and sustainable way.

I also participated in the inaugural innovationXchange Ideas Challenge held in June. Almost 400 ideas were submitted, with the top 10 ideas being presented at a 'TEDx-style' Challenge final to about 700 staff and an expert judging panel, including the Foreign Minister and the Secretary. My idea to create a DFAT Social Media Hub called 'The Stream' was one of the finalists. The Stream combines all DFAT existing social media accounts, including official departmental, ministers', posts' and heads of missions' accounts across all platforms, including Facebook, Twitter, and YouTube, into one easy-to-access website. Although The Stream wasn't one of the two winning ideas, it is still be implemented—The Stream Dream will be a reality!

## Indian Ocean Rim Association

During the second half of Australia's period as Chair (2013–2015), we continued efforts to invigorate IORA as the premier vehicle for cooperation between countries in the Indian Ocean region.

At the annual ministerial meeting in Perth in October 2014, chaired by Ms Bishop, member states signed an economic declaration which acknowledged the role of the blue economy as a driver of growth in the region. We initiated a business stream in parallel to the ministerial meeting, including an event to promote economic empowerment of women. We also established an IORA Economic Diplomacy Fund to help sharpen IORA's economic focus. Initiatives funded included development of sustainable aquaculture technologies and building sustainable whale and dolphin watching tourism in IORA member states.



*Deputy Secretary, Erwen McDonald, as senior Australian official, addressing the opening reception, IORA Council of Ministers' Meeting, Perth, October 2014. [DFAT]*

## Central Asia

The department continued to build Australia's trade and investment links with Central Asia—**Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan** and **Uzbekistan**. We paid particular attention to relations with Kazakhstan, hosting senior officials' talks in June 2015 and facilitating the opening of the Kazakhstan Consulate in Sydney. We supported the visit to Australia of the Foreign Policy Adviser to the

President of Kazakhstan. The visit allowed us to highlight Australian technical expertise in water management and the agriculture and mining sectors. We also facilitated the visit of the President of Kazakhstan's Bolashak Scholarship Program to strengthen links between education institutions.

## Outlook

The department will continue to strengthen Australia's relations with South and West Asia through high-level visits, intensified economic diplomacy, and initiatives under our aid program, including support for economic growth and resilience and gender equality. We will work to foster closer business, education and other people-to-people links, including through the NCP.

We will intensify engagement with India through consolidated and expanded senior-level dialogue arrangements and practical cooperation under the Framework for Security Cooperation. We will foster new opportunities for trade and investment with the conclusion of a high quality CECA and related economic cooperation initiatives, and increase people-to-people links through culture, arts and tourism activities and the work of the Australia–India Council.

Afghanistan will remain an extremely challenging operating environment. We will continue to lead whole-of-government efforts, working closely with the Department of Defence to draw down Australia's military contribution to the Resolute Support Mission. We will engage closely with the new Sri Lankan Government in support of our commercial and people smuggling interests, and to help post-conflict reconciliation efforts where appropriate. We will look to enhance trade, investment and energy ties and security engagement with Bangladesh and Pakistan.

In IORA, the department will work to ensure the smooth handover of the chair to Indonesia and support a continued regional focus on maritime safety and security, sustainable economic growth and institutional reform. We will continue to drive initiatives in IORA on women's empowerment.

We will focus on the recovery and reconstruction effort in Nepal. In consultation with partner governments, we will finalise Aid Investment Plans for Afghanistan, Pakistan, Bangladesh, Sri Lanka and Nepal, and support cross-border connectivity and sustainable development over the South Asia region.

# Middle East and Africa

## Programs 1.1, 1.9 and 1.10

○ Not Met   ◐ Partially Met   ● Met

➤ Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships	●	●
– sustained engagement with the Middle East and Africa to meet shared challenges and to promote global and regional stability, security and prosperity.	●	●
An enhanced environment for security and development, including through:		
– effective whole-of-government efforts to promote international stability and development <sup>1</sup>		●
– participation in counter-terrorism programs and activities, including in the Middle East and eastern and West Africa. <sup>2</sup>	●	●
To assist developing countries in Africa and the Middle East by contributing to reducing poverty and lifting living standards through sustainable economic growth.	●	●
To assist developing countries respond to emergencies and assist refugees.	●	●
✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.	●	●

<sup>1</sup> New deliverable for 2014–15.

<sup>2</sup> Deliverable in 2013–14 did not refer to counter-terrorism programs in West Africa.

## Overview

Most of the Middle East and North Africa remains beset by security challenges. The advance of the terrorist group Daesh in Iraq and Syria poses a significant threat to regional and international security. Conflict in Syria, Libya and Yemen also had broader regional security and humanitarian implications.

In 2014, the department established an Iraq Taskforce which has helped develop Australia's policy response to the Daesh threat and facilitated

Australia's military contribution to the global coalition to counter Daesh. The department provided \$65 million in humanitarian assistance to respond to the conflicts in Iraq and Syria, as well as Gaza.

The department managed \$332.1 million in development assistance to Africa and the Middle East in 2014–15. Of this, \$222.9 million supported assistance in Sub-Saharan Africa. Aid investments boosted agricultural productivity and markets, improved the management of the extractives sector and its revenues, and built the skills and knowledge of African men and women

to contribute to Africa's development. Women's empowerment and social inclusion were central to our work.

We actively supported P5+1 (China, France, Germany, Russia, United Kingdom and United States) efforts to negotiate a settlement of the Iran nuclear issue. The department organised the Foreign Minister's visit to Iran, the first by an Australian foreign minister in 12 years, to advance a range of important bilateral and international interests.

Australia's trade and investment relationship with the Gulf Cooperation Council (GCC) continued to expand. The department pursued opportunities to expand commercial ties, including through advocacy of resumption of GCC–Australia free trade agreement negotiations.

African economies continued to perform steadily overall. We supported commercial opportunities for Australia in extractives, infrastructure, agribusiness and education. However, peace and security challenges in parts of Africa continue to undermine stability and good governance.

## Middle East and North Africa

The department focused on Australia's efforts to address the threat from Daesh, including participation in the global counter-Daesh coalition. The department worked with the Government of **Iraq** to facilitate the deployment of Australian Defence Force personnel as part of coalition efforts to provide advice, assistance and training to the Iraqi Security Forces. We also worked closely with the Department of Defence to support high-level discussions on coalition efforts and strategy in Iraq. This included visits to Iraq by the Prime Minister, the Foreign and Defence Ministers and senior officials, and participation in international coalition meetings.

The humanitarian situation in Iraq deteriorated significantly over 2014–15 as a consequence of Daesh's advance. The department has provided a total of \$30 million in humanitarian assistance for Iraq since June 2014, through UN agencies and an Australian NGO, to deliver food, medical assistance, shelter and protection.

We continued to help meet the humanitarian needs of people affected by the crisis in **Syria**, now in its fifth year. We provided \$25 million

which helped deliver food, medical assistance, shelter and protection. Australia has now provided \$155.8 million in humanitarian assistance in response to the crisis since 2011. The department's Office of Development Effectiveness conducted an independent evaluation in 2014, which found that Australia's humanitarian response had been relevant and appropriate.

During Australia's term on the UN Security Council (UNSC), the department played a leading role in pressing for greater humanitarian access in Syria. Our mission in New York co-authored two resolutions (2165 and 2191) to enable UN agencies to deliver cross-border humanitarian assistance into Syria. The department continues to work with Australia's diplomatic partners to encourage a political solution to the Syrian conflict.

The department also worked in the Security Council to support international efforts to promote political dialogue in **Libya** and **Yemen**. We encouraged **Egypt** to demonstrate respect for human rights, protect minority groups and adopt an inclusive approach to governance.

**Iran's** nuclear program remains a significant issue on the international security agenda. The department offered strong support to the negotiations between the P5+1 and Iran towards a comprehensive agreement to resolve international concerns. We urged Iran to engage constructively in the negotiations, including by complying with relevant UNSC resolutions and cooperating fully with the International Atomic Energy Agency. Australia worked as chair of the Iran Sanctions Committee during its UNSC term. The department facilitated Ms Bishop's visit to Iran in April 2015, during which she secured agreement to start a dialogue on consular issues, including on combating the shared problem of people smuggling, and discussed Iraq and other regional security issues.

The department sought to expand the bilateral relationship with **Israel**, including through increased engagement with business and Australia-linked community groups, and advocacy of Australian commercial interests. We led the crisis management response during the Israel–Gaza conflict in July and August 2014, including supporting Australians seeking an assisted departure from the Gaza Strip. The department actively contributed to Middle East consultations in the Security Council and encouraged Israel and the Palestinian Authority to exercise restraint and take up meaningful



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negotiations toward a two-state solution. The Palestinian Authority Foreign Minister, Riad al-Malki, visited Australia in April 2015. We responded to humanitarian needs in Gaza with \$20.7 million in emergency, early recovery and reconstruction assistance.

The department managed total Australian aid to the **Palestinian Territories** of \$69.2 million. This aid helped to build the capacity of Palestinian institutions and individuals to take on the responsibilities of a future Palestinian state, maintained health and education services and kept disadvantaged Palestinians out of poverty through social protection and small business opportunities.

The aid enabled at least 15,000 Palestinian children to attend school, with girls making up half of all enrolments. Our civil society program helped poor farmers respond to market demand and generate nearly \$14 million of additional agricultural produce. Successful campaigns for women's inheritance rights and ability to register in the Chamber of Commerce contributed to improved conditions for women's economic participation. Through UNICEF, we improved water and sanitation facilities in over 200 schools in poor areas.

The department undertook a comprehensive program of advocacy with the Gulf Cooperation Council (GCC) members to restart FTA negotiations. We worked with Austrade to convene the inaugural Australia–GCC Trade and Investment Forum in Melbourne, in October 2014, to highlight the potential for greater commercial linkages. A key element was the visit to the Gulf by

the Trade and Investment Minister, in April 2015, for discussions with his counterparts to build support for the FTA. He also participated in the trade and investment promotional event *Australia Unlimited Middle East and North Africa*. The department, in cooperation with Austrade, supported an accompanying Australian business delegation. Mr Robb's visit was part of a broader program of high-level visits to the Gulf States facilitated by the department, including by the Governor-General, Prime Minister, Foreign Minister and Treasurer.

The department welcomed the **UAE** Foreign Minister as a Guest of Government in February 2015 to advance regional security, trade and investment. We worked with Austrade to facilitate the visit by the Moroccan Minister for Housing and Urban Planning to explore opportunities for greater cooperation in the green building sector.

We continued efforts to boost Australia's attractiveness as a destination for GCC students, including through outreach to alumni of Australian universities and through the Trade and Investment Minister's visit to the region and participation at the annual International Exhibition and Conference on Higher Education in Riyadh.

Cultural, commercial and tourism links with the Middle East are growing rapidly, underpinned by the 154 return flights between Australia and the Gulf each week. The Council for Australian–Arab Relations (CAAR) launched three flagship programs that focus on people-to-people links. The department worked with the Department of Immigration and Border Protection to conclude an MOU with Israel for work and holiday visa arrangements in October 2014.

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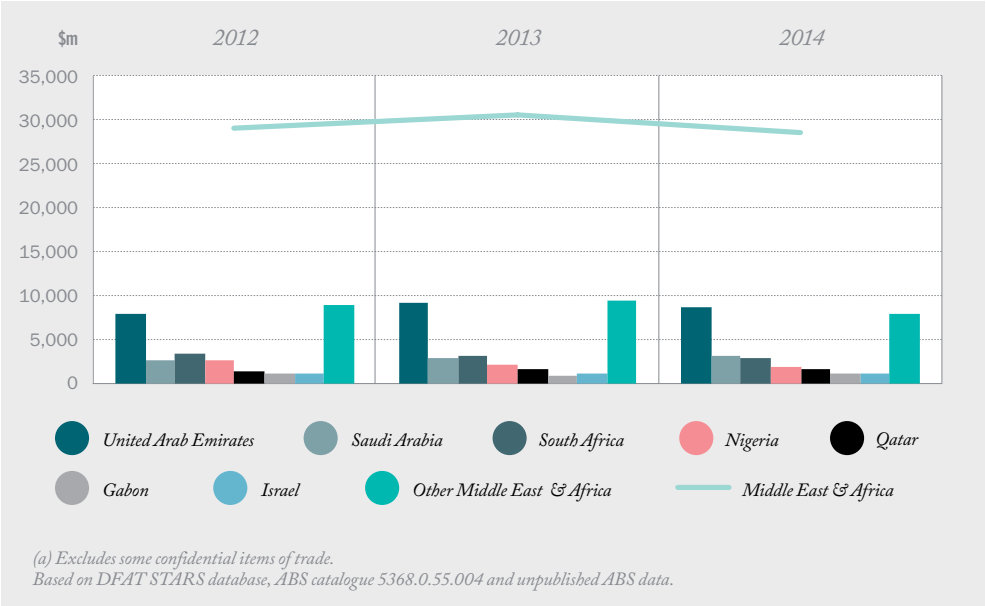
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*Minister for Trade and Investment, Andrew Robb AO (left), addresses members of the UAE–Australia Alumni network, Dubai, April 2015. [DFAT]*



Figure 11: Australia's trade in goods and services with the Middle East and Africa <sup>(a)</sup>



## Sub-Saharan Africa

The department's engagement in Sub-Saharan Africa focused on strengthening relationships with key bilateral partners and Indian Ocean rim states through support for high-level visits and representation at two African Union summits in January and June 2015.

The department supported the Foreign Minister's visit to South Africa, Mauritius and Madagascar in September 2014, to promote Australia's engagement with the Indian Ocean region on economic, trade and maritime issues. Ms Bishop met with prominent business leaders in South Africa on the B20 business forum agenda of driving growth and employment opportunities. The visit also advanced Australia's regional security interests in combatting piracy and galvanising support for regional cooperation through the Indian Ocean Rim Association (IORA). Our posts supported the Australian parliamentary delegation visit to Zimbabwe, South Africa and Seychelles in August 2014.

Australia hosted President Jacob Zuma of South Africa; the South African Minister of International Relations and Cooperation,

Ms Maite Nkoana-Mashabane; President Aziz of Mauritania, Chair of the African Union; and President Macky Sall of Senegal, Chair of NEPAD—the New Partnership for Africa's Development—for the G20 Leaders' Summit in Brisbane. Australia and South Africa worked closely together in 2014 and 2015 as co-chairs of the G20 Development Working Group.

The department promoted trade and investment partnerships at the Africa Down Under (ADU) mining conference in Perth in September 2014. Together with Austrade, we helped secure the attendance at the conference of 16 African ministers. ADU remains a focal point in Australia–Africa relations, strengthening business networks and people-to-people links in the extractives sector. We also promoted Australian extractive industry businesses and investment at the Mining Indaba conference in Cape Town.

Australia's total two-way trade in goods and services with Africa of approximately \$10 billion in 2014 is indicative of the potential of African economies, as is the 10 per cent growth in investment in Australia from South Africa in 2014. Our extractives programs strengthened mining governance, mining codes and resource revenue taxation, through knowledge exchange, capacity building and skills gap training.

**Table 5: Australia's trade in goods and services with the Middle East and Africa** <sup>(a)(b)</sup>

	Exports	Exports		Imports	Imports	
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
United Arab Emirates	3,164	3,654	12.4	6,084	4,982	-5.3
Saudi Arabia	2,546	2,607	13.2	304	464	-3.0
South Africa	1,765	1,600	-8.5	1,397	1,421	1.7
Nigeria	227	288	62.3	1,882	1,626	-9.9
Qatar	580	607	8.0	993	951	14.9
Gabon	4	9	28.4	978	1,131	5.3
Israel	285	268	-5.7	798	833	4.3
Other Middle East & Africa	6,064	5,608	4.8	3,488	2,424	-7.7
<b>Total Middle East &amp; Africa</b>	<b>14,635</b>	<b>14,642</b>	<b>6.3</b>	<b>15,924</b>	<b>13,831</b>	<b>-3.5</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.



*Australia–Africa Partnerships Facility, Mining and Gender Study Tour, Kriel Mine, South Africa, March 2015.*  
[DFAT]

In partnership with the Australian Industry Skills Council, the department began work to support Mozambique and Zambia's efforts to improve skills development in the mining, oil and gas sectors. We supported a 'women in mining' study tour that included a gender forum co-hosted by the South African Ministry of Mineral Resources.

The department was an active contributor to UNSC debates on South Sudan, Central African Republic, Somalia, Mali, Liberia, Sudan and the Democratic Republic of the Congo. We led debates on the global response to the Ebola crisis and co-sponsored a resolution that led to the creation of the UN Mission for Ebola Emergency Response (UNMEER), the first UN peacekeeping operation designed to focus on a disease outbreak. Australia also co-sponsored a landmark UNSC resolution which authorised states to interdict ships off the coast of Somalia suspected of carrying illicit weapons or charcoal—a major source of income for al-Shabaab.

In 2014–15, Australia contributed \$79.8 million in humanitarian funding to crises in Africa. (See also pp. 168 and 182.) This support included \$35.25 million for the Ebola response; \$9 million for Somalia through the Common Humanitarian

Fund and International Committee of the Red Cross (ICRC); \$3 million for Democratic Republic of Congo through the ICRC for emergency medical care, food, water and support for victims of sexual violence;

\$2 million for Central African Republic through the ICRC for emergency medical care, food, water and essential household items for people affected by the conflict; and \$6.5 million to other African countries. In northern Kenya, Australia supported the Hunger Safety Net Program to provide cash transfers to households suffering extreme poverty. We continued providing humanitarian support to South Sudan through a contribution of \$19.45 million, including \$5 million to the South Sudan Regional Refugee appeal. We made representations to the South Sudanese Government and opposition in support of a peaceful resolution of the conflict.

The department offered over 600 Australia Awards. The Australia Awards program to Africa enables the next generation of African leaders to acquire skills and knowledge in areas critical for Africa's development—public policy, extractives governance and agricultural productivity. The program also focuses on enabling women's leadership and strategic management opportunities.

To support Africa's agricultural development, the department worked to improve research and facilitate the adoption of innovative technology and to boost private sector activity through improving agricultural markets. We delivered agricultural investments through the CSIRO and supported the Biosciences east and central Africa (BECA) initiative and the Africa Enterprise Challenge Fund (AECF). The AECF supports

commercial ideas in agribusiness, rural financial services and along the value chain from rural areas to local and international markets.

Approximately 172,000 people have benefitted from our contribution to the AECF in Zimbabwe.

Through a partnership approach, the Australia Africa Community Engagement Scheme (AACES) funds Australian NGOs and their Africa-based partners to deliver projects in nine east African countries as well as Ghana and South Africa.

The department supported visits by the Ambassador for Women and Girls to partners working to help vulnerable women and children and improve the livelihoods and wellbeing of women in Madagascar and Mauritius.

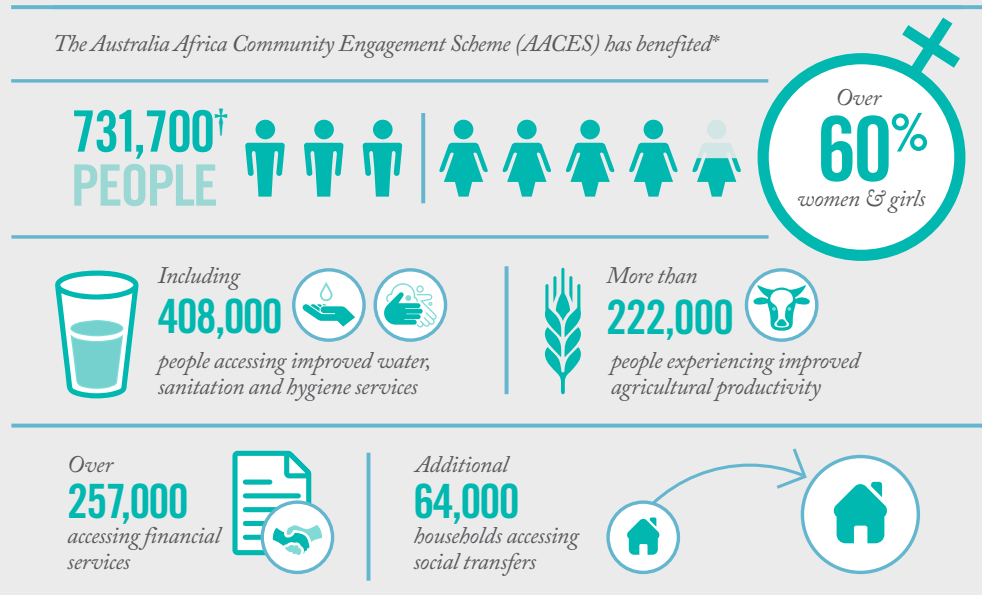
In Australia, the department worked closely with African diplomatic missions and the diaspora. The Foreign Minister delivered the keynote address at the Africa Day celebration in May 2015, hosted by the Botswana High Commission. We contributed to debate on African issues through engagement with policy institutes and think tanks such as the Australian Strategic Policy Institute, the Australia Africa Business Council and the Australia Africa Universities Network. People-to-people links were strengthened through the deployment of 103 Australian volunteers across 12 African countries as of March 2015.

In recognition and remembrance of the service of two outstanding Australian heads of mission who died in 2014, Ms Bishop presented the inaugural Graeme Wilson Leadership Award to the top South African Australia Awards candidate, Ms Mapaseka Prudence Chuwa, and the inaugural Sandra Vegting Women's Leadership Award to Ms Bheema Ausgur-Boyroo from Mauritius.

### *Australia Awards in Africa*

Alumnus Laila Chemane of Mozambique completed a Masters of Development Practice under the Australia Awards. Ms Chemane undertook two community development projects upon her return from Australia: with Rio Tinto in its community relations division; and

with a not-for-profit organisation she founded, Capacity Building and Learning Centre for Civil Society Organisations. A significant part of Ms Chemane's work involved coordination of education and vocational courses for women and girls in the resettled communities.

**Figure 12: Australia Africa Community Engagement Scheme***The Australia Africa Community Engagement Scheme (AACES) has benefited\**

\* Results reported in 2014–15 for 2013–14 financial year.

† A number of beneficiaries received more than one service.

## Outlook

Efforts to counter Daesh will be complicated by the political and sectarian challenges in Iraq, Syria and across the region. The department will continue to work closely with other Australian government agencies and foreign partners to address extremism in the region and beyond. We will continue to monitor and respond effectively to humanitarian emergencies in the Middle East and Africa, acting with international and multilateral partners.

Increasing investment from the Gulf States and boosting trade with the region remain priorities for the department. We will continue to advocate resumption of FTA negotiations with the GCC, while also promoting expanded bilateral trade and

investment cooperation. In 2016, the department will open an embassy in Doha which presents opportunities for deepening engagement with Qatar in a number of sectors.

In line with the Government's consolidation agenda and the end of Australia's term on the UN Security Council, the department's engagement in Africa will become more targeted. We will place more emphasis on engagement with major economic and political partners, expanding trade and investment in key markets and enhancing security cooperation. The department will continue to deliver a targeted and effective aid program, predominately through Australia Awards, humanitarian assistance and global programs, to promote and support Australian development and economic diplomacy objectives.

# Americas

## Program 1.1

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverables	2013-14	2014-15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships, including a strong alliance with the United States	●	●
– continued close ties with Canada	●	●
– sustained engagement with the Americas to meet shared challenges and to promote global and regional stability, security and prosperity.	●	●
✓ Key Performance Indicator	2013-14	2014-15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●

### Overview

The department continued to promote and grow Australia's engagement with the United States in the areas of foreign, defence and security policy, in trade and investment, and in approaches to innovation and development assistance.

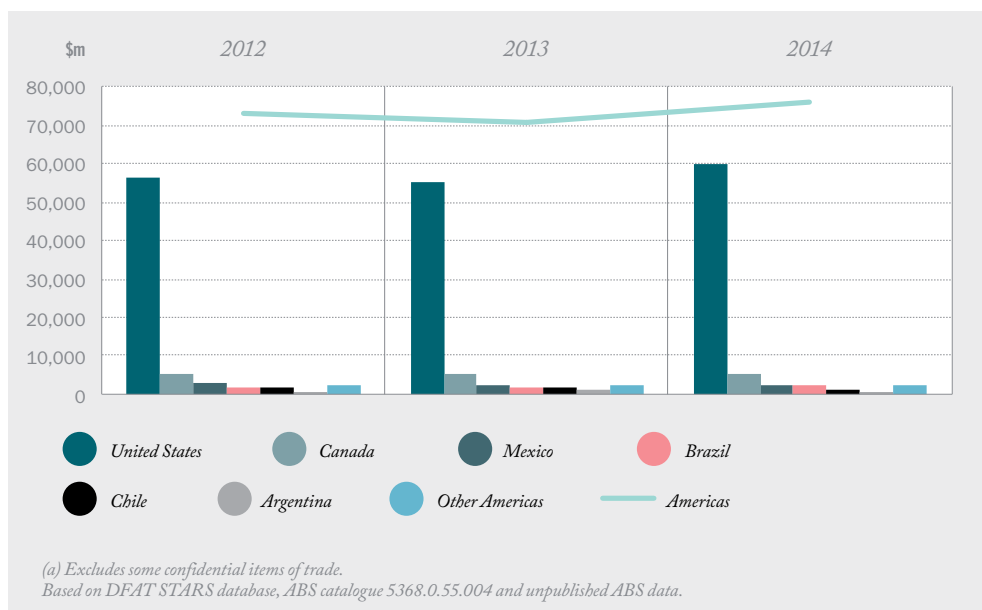
The department worked closely with the Department of Defence and US counterparts to conclude the Australia–United States Force Posture Agreement. Australia and the United States cooperated to help the Government and people of Iraq counter the deadly threat from Daesh. In the Indo–Pacific region, we worked closely bilaterally and in regional forums to promote stability and prosperity.

Working closely with Austrade, the department supported the ongoing growth of Australia's economic relationship with the United States.

The department continued to promote Australia's relations with Canada, Latin America and the Caribbean. The bilateral relationship with Mexico was bolstered through the consolidation of MIKTA (Mexico, Indonesia, Korea, Turkey, Australia), including through meetings between foreign ministers.

Our economic diplomacy continued to drive relations with Latin America, particularly with the pro-free trade, Asia–Pacific focused Pacific Alliance countries. Bilateral relationships were strengthened through ministerial and official visits, as well as promotion of commercial and economic engagement.

The department's residual aid program focused on managing existing programs to completion in line with the Government's decision to discontinue bilateral assistance to the countries of Latin America and the Caribbean.

**Figure 13: Australia's trade in goods and services with the Americas<sup>(a)</sup>**

## United States

Australia's bilateral relationship with the United States is a central part of our international relations and is underpinned by the ANZUS treaty and the Australia–US Free Trade Agreement (AUSFTA), as well as strong cultural and economic links.

Our strategic relationship is close and strengthening and the ANZUS alliance's adaptability is demonstrated by growing cooperation on the rising global challenges of counter-terrorism, non-proliferation, space and cyber security. In August 2014, the department, with the Department of Defence, organised the annual AUSMIN meeting in Sydney. The Foreign Minister, Defence Minister and their US counterparts discussed shared foreign policy challenges, including conflicts in the Middle East and Ukraine, foreign fighters, and security in the Indo-Pacific region. They agreed to implement the US force posture initiatives in Australia, involving rotational deployments of US marines and increased rotations of US Air Force aircraft in Northern Australia. A new phase of bilateral defence cooperation began with their signing of the Australia–United States Force

Posture Agreement which provides a robust policy, financial and legal framework to facilitate implementation of the initiatives. The agreement entered into force in March 2015.

We facilitated two visits of the Foreign Minister to the United States (July 2014 and January 2015), for high-level consultations with the Administration and Congress and to promote economic and people-to-people links. Ms Bishop delivered speeches on the threats posed by non-state actors, Australian innovation and our economic outlook. With Australian War Memorial Director Brendan Nelson, she opened the Anzac Centenary exhibition in Washington DC, *A Centenary of Australian War Art*.

Working with Austrade, the department organised visits by the Trade and Investment Minister to Washington and New York (September 2014 and March 2015 respectively), during which Mr Robb promoted Australia's attractiveness for trade and investment and held consultations on the Trans-Pacific Partnership (TPP) Agreement. Also with Austrade, the department organised Parliamentary Secretary Ciobo's visits to Houston and Chicago (February 2015 and April 2015 respectively) to promote investment, including in the energy sector.



The department supported visits to the United States by other senior ministers across a range of portfolios. We facilitated ministerial and parliamentary participation in the 2014 Australian–American Leadership Dialogue and Alliance 21 conferences held in Canberra and Washington.

The department worked closely with the United States in the UN Security Council, the G20 and the East Asia Summit. We cooperated in responding to the downing of flight MH17 and search for MH370, tensions on the Korean Peninsula, Russia's behaviour in eastern Ukraine, the conflicts in Iraq and Syria, and the national security risks posed by foreign fighters. We supported President Barack Obama's visit to Brisbane in November 2015 to attend the G20 Leaders' Summit.

Visits by the Minister Assisting the Prime Minister for Women and the Ambassador for Women and Girls strengthened cooperation with the United States on gender equality and women's empowerment. They engaged with members of the Administration and Congress and prominent civil society advocates. They also co-hosted several events to promote women's leadership and economic empowerment.

We worked closely with the United States on approaches to international development, recognising the crucial role of innovation and the private sector in reducing poverty. Our cooperation includes a portfolio of jointly-implemented activities valued at \$250 million.

The department continued its work to protect and enhance Australia's trading relationship with the United States. We participated in AUSFTA consultations on market access and promoted the value of the FTA in the context of its 10th anniversary in 2015. We assisted companies to use the agreement in their commercial engagement with the United States. We also sought to influence the US trade negotiation agenda, including on the TPP, to achieve improved export opportunities, enhanced US economic engagement in the Indo-Pacific region, and the promotion of non-discriminatory US trade practices.

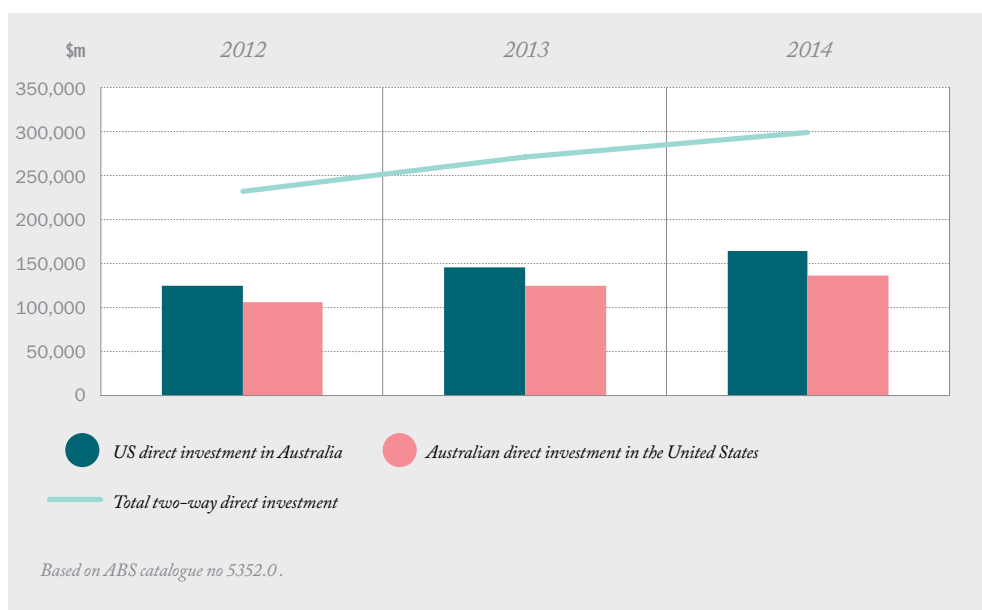
In the 10 years since AUSFTA's entry-into-force, two-way trade increased to \$60.4 billion in 2014, while two-way investment more than doubled to \$1.3 trillion. The United States is Australia's largest source of foreign investment and destination for Australian investment abroad. It is Australia's third-largest two-way trading partner in goods and services, after China and Japan.

The department worked to increase our bilateral investment relationship. Speeches and investor roundtables held during ministerial visits promoted Australia as an attractive destination for foreign investment.

In March 2015, the new Austrade-managed consulate-general opened in Houston. The consulate includes a departmental policy officer and will build on the already significant trade and investment relationship, particularly in the priority sectors of resources and energy, agribusiness, advanced manufacturing and technology. It will also foster closer education and research links.



*Ambassador to the United States, Kim Beazley AC (right), with Minister for Foreign Affairs, Julie Bishop (second right), Director Australian War Memorial, Dr Brendan Nelson (left), and exhibition sponsor Lockheed Martin representative, Sondra Barbour, opening A Century of Australian War Art, Washington DC, 21 January 2015. [DFAT]*

*Figure 14: Australia's level (stock) of direct investment with the United States*

The department helped shape and deliver the G'Day USA program—a high profile annual series of events which brings together Australian and US government and business leaders to promote and grow Australian economic, cultural and strategic outcomes with the United States. The department also supported Austrade's development of *Australia–US Business Week* to promote Australia as a world class tourism destination and a valued trade, investment and education partner.

We continued to support the Australian–American Fulbright Commission through our representation on the Fulbright Board and sponsorship of a Fulbright Professional Scholarship in Australia–US Alliance Studies.

## Canada

The department continued wide-ranging engagement with Canada, which remained one of Australia's most important bilateral relationships, reflected in close ties across counter-terrorism, defence, intelligence, the multilateral agenda,

and development. In March 2015, Mr Robb led a business delegation, including indigenous representatives, to Canada for the annual Prospectors and Developers Association of Canada conference. He also represented the interests of the Australian wine industry at the Vancouver International Wine Festival, one of the largest wine festivals in the world. Mr Robb's visit reinforced that Australia is 'open for business'. The department also supported an outgoing visit by an Australian parliamentary delegation in December 2014, and an incoming visit by a Canadian parliamentary delegation in February 2015.

Our close and productive development partnership was enhanced with a new Partnership Arrangement on International Development with Canada. This partnership reaffirms our commitment to work together across shared objectives in development and priorities for cooperation including sustainable economic growth, global health issues, gender equality and coordination on global development policy agendas.

**Table 6: Australia's trade in goods and services with the Americas** <sup>(a)(b)</sup>

	Exports	Exports		Imports	Imports	
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
United States	15,853	18,501	6.9	39,534	41,926	1.2
Canada	2,196	2,110	-4.6	3,108	3,175	4.4
Mexico	455	598	-24.2	2,205	2,104	4.7
<b>Total NAFTA</b>	<b>18,511</b>	<b>21,228</b>	<b>4.0</b>	<b>45,344</b>	<b>47,580</b>	<b>1.3</b>
<b>Central America &amp; Caribbean</b>	<b>260</b>	<b>406</b>	<b>8.8</b>	<b>1,064</b>	<b>944</b>	<b>-5.0</b>
Brazil	1,228	1,707	-2.8	709	808	-3.9
Chile	531	454	-11.8	1,228	1,204	-0.9
Argentina	254	182	-24.7	956	874	11.0
<b>Total South America</b>	<b>2,662</b>	<b>2,979</b>	<b>-5.3</b>	<b>2,877</b>	<b>3,035</b>	<b>7.2</b>
<b>Total Americas</b>	<b>21,433</b>	<b>24,612</b>	<b>2.8</b>	<b>49,284</b>	<b>51,559</b>	<b>1.5</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.



Minister for Trade and Investment, Andrew Robb AO (centre left) and President, Prospectors and Developers Association of Canada, Rod Thomas (centre right), open Australian Pavilion, PDAC Conference, Toronto, 2 March 2015. [DFAT]

## Latin America and the Caribbean

Strengthening economic engagement remained a priority in the department's relations with **Latin America**, as Australian mining and mining-related services companies continued to increase their activities in the region. In December 2014, the department supported Ms Bishop's visit to Peru and Mr Robb's visit to Brazil, Peru and Chile, during which he signed an MOU on mining. The department facilitated a visit by an Australian parliamentary delegation to the Asia–Pacific Parliamentary Forum in Ecuador, in January 2015, and to Peru and Argentina.

The department supported the inaugural visit to Australia by a delegation comprised of representatives of several Latin American parliaments over the period 27 August – 4 September 2014. As part of its program, the delegation participated in the annual Australia–Latin America Business Council (ALABC) Networking Day, held in Canberra on 3 September.

In February 2015, the department supported the Minister for the Environment Greg Hunt's visit to Colombia and Jamaica to promote Australia's efforts to avoid an 'in danger' listing of Australia's Great Barrier Reef by UNESCO's World Heritage Committee. (See *p. 114*.)

We promoted education as a key theme of collaboration both bilaterally and with the Pacific Alliance, a pro-trade liberalising, Asia–Pacific focused grouping, comprising Chile, Colombia, Mexico and Peru.



*Ambassador to Peru, Nicholas McCaffrey (right), hosts Minister for Foreign Affairs, Julie Bishop, and Minister for Trade and Investment, Andrew Robb AO (centre), with COALAR Chairman, Chris Gale (second left), Peruvian Vice-Minister for Foreign Affairs, Claudio de la Puente (second right), and Peruvian world surfing champion, Sofia Mulanovich, (whose NGO Proyecto Sofia Mulanovich is supported by the embassy), Lima, 9 December 2014.*  
[DFAT]

In conjunction with our embassies in Brazil and Argentina, we supported attendance by the Ambassador for Women and Girls at the annual Global Summit of Women in Brazil in May 2015 and her subsequent visit to Argentina.

In October 2014, the department hosted the first set of trade talks conducted under the Australia–Chile Free Trade Agreement. Through the Council on Australia Latin America Relations (COALAR) and our embassy in Chile, we shaped and supported the inaugural Australia–Chile Economic Leadership Forum, held in Santiago in December 2014.

### *Australia–Chile Economic Leadership Forum*

The Trade and Investment Minister delivered the keynote address at the inaugural Australia–Chile Economic Leadership Forum held in December 2014 in Santiago, Chile. The forum reflected the strength and maturity of Australia's relationship with Chile and identified new opportunities in six sectors: mining, education, water, energy, transport

and logistics, and financial services. It also promoted Australia as a base for engagement with Asia and as an investment destination, including for Chile's large pension funds. Chilean President Michelle Bachelet followed Mr Robb's address with a speech that emphasised Chile's interest in engaging more closely with Australia.

The department and COALAR supported the fourth Latin America Down Under (LADU) mining conference, held 20–21 May 2015 in Sydney.

Reflecting deepening engagement with Mexico, the department hosted inaugural Australia–Mexico multilateral consultations in June 2015. Subjects of discussion included international peace and security, human rights, economic and development issues and MIKTA. We supported participation by Australian water experts in a bilateral water seminar organised by the Mexican Government in November 2014. We also arranged a visit to Australia in March 2015 by the CEO of Mexico City's Agency for the Promotion of Investment and Development, Dr Simon Levy, to promote links in urban renewal.

In collaboration with the Export Finance and Insurance Corporation, we were able to reconcile the amount of debt owed by Cuba to Australia, one of the first Paris Club debtors to do so. As a sign of our growing engagement with Central America, Guatemala became the second Central American country—and the 13th Latin American country—to open an embassy in Canberra.

Australian–**Caribbean** relations remain strong with continued ministerial engagement and increasing institution-to-institution linkages. The department facilitated the February 2015 visit to Australia by a Trinidadian parliamentary delegation.

The department continued to manage residual Australian development programs in Latin America and the Caribbean. These include working with the Inter-American Development Bank to improve financial literacy and business skills, fostering people-to-people links through global programs such as Australia Awards Scholarships and Fellowships and the Australian NGO Cooperation Program; and working with the World Food Programme to assist communities and governments in the region to be better prepared and responsive to natural disasters and crises.

With no new development commitments, the department commissioned an Independent Completion Report of its 2010–2014 programs. The report concluded that Australia has met all financial commitments it had made to both regions and has met almost all of its agreed outputs. It also concluded that, through these programs, Australia has strengthened its reputation as a source of innovation in the resources sector, and as an active and informed advocate for global norms and systems relating to trade, development and investment.

## Outlook

The regional and global security and economic landscapes will continue to be challenging. Bilateral cooperation with the United States across the spectrum will remain a high priority. In 2015–16, the department will support ministerial visits to the United States for AUSMIN 2015, G'Day USA and *Australia–US Business Week*.

The department will continue to encourage two-way investment and pursue Australia's trade objectives in the United States, including ongoing implementation and promotion of AUSFTA and mutual engagement in concluding the TPP negotiations. Further events to celebrate AUSFTA's 10th anniversary will be held in Australia in 2015–16.

We will support the fourth Australia–Canada Economic Leadership Dialogue to be held 6–8 July 2015, in Vancouver. The department will continue to support efforts by Australian companies to capitalise on opportunities arising from Mexico's economic reforms, including in the energy sector. We will also continue to promote education and research links between Australian and Latin American institutions.

Preparations are underway for the promotion of the 2016 Country Focus Year of Australia in Brazil, timed to attract Brazilian and broader regional attention in the lead-up to the 2016 Rio de Janeiro Olympic Games. We will work with the Pacific Alliance to implement a collaborative program promoting Australian expertise in education, sustainable mining and competitiveness. We will also take advantage of Peru's hosting of APEC during 2016 to promote high-level engagement in the region, with the aim of promoting Australia's economic diplomacy agenda.



# Europe

## Program 1.1

○ Not Met   ◐ Partially Met   ● Met

➤ Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– a stronger partnership with the European Union and key European countries and continued close ties with the United Kingdom	●	●
– sustained engagement with Turkey to meet shared challenges and to promote global and regional stability, security and prosperity.	●	●
✓ Key Performance Indicator	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●

## Overview

Australia–Europe relations were marked by a number of significant achievements.

After years of negotiations, the department finalised the Australia–EU Framework Agreement at officials' level in March 2015. Our prolonged work on negotiating the Australia–EU Crisis Management Agreement culminated in its signing by the Foreign Minister and her EU counterpart in April.

In November 2014, the Prime Minister expressed publicly Australia's interest in negotiating a free trade agreement (FTA) with the European Union. In response, the leaders of France, Germany and the United Kingdom gave public support for the initiative, providing a strong start to Australia's efforts to get on the EU's forward negotiating agenda.

We continued to strengthen our strategic cooperation with partners in Europe. The Government was in lockstep with the European Union and key European partners

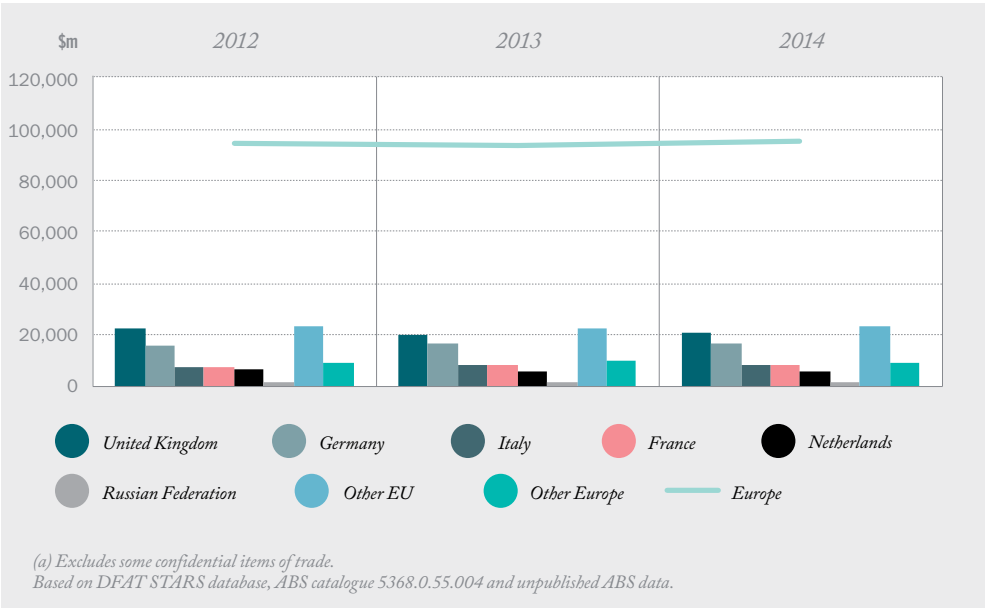
in implementing sanctions against Russia in response to Russia's annexation of Crimea, as well as other international efforts to uphold Ukraine's territorial integrity. Marking a step up in our relationship with NATO, Australia became an 'Enhanced Opportunity Partner' of the organisation in September 2014.

Guest of Government visits by the leaders of France, Germany and the United Kingdom to coincide with the G20 Summit in Brisbane in December 2014 consolidated strong relations with key European partners. The department supported the Minister for Finance as the Australian co-chair of the Australia–Germany Advisory Group, established by the Prime Minister and Chancellor Merkel during her visit to Australia.

Australia's and Turkey's membership of the G20 troika of immediate past, present and future hosts (Turkey assumed the G20 presidency in 2015), as well as our work together on the Anzac Centenary, brought a strong focus to bilateral relations.



Figure 15: Australia's trade in goods and services with Europe<sup>(a)</sup>



## European Union

In March 2015, the department finalised negotiations at officials' level on the Australia–EU Framework Agreement. A treaty-level document, the agreement will elevate the institutional basis of our relationship and provide a platform for broader, deeper cooperation across trade, customs, law enforcement, counter-terrorism, the environment, human rights and many other areas. Following the conclusion of negotiations, we worked with the European External Action Service to prepare the document for signature, including through necessary legal processes. Signature is likely to take place in 2016, while entry into force will occur sometime afterwards as the agreement will first need to be ratified by all 28 EU member state parliaments.

The European Union, as a bloc, is Australia's largest source of foreign investment and second largest trading partner. In 2014, foreign direct investment to Australia from the European Union was \$170 billion, while two-way trade was worth \$84 billion and two-way investment was worth \$1.5 trillion. An FTA would help further strengthen our economic relationship.



First Assistant Secretary Europe Division, Jeremy Newman (right), and European External Action Service Director of North East Asia and the Pacific, Gerhard Sabathil, conclude the officials'–level Australia–EU Framework Agreement negotiations, Canberra, 5 March 2015. [DFAT]

Following Mr Abbott's announcement of Australia's interest in such a negotiation, the department undertook a series of informal meetings with EU counterparts on respective approaches to FTAs. We supported our portfolio ministers and parliamentary secretary in a number of meetings with European counterparts to advocate an FTA and promote Australia as a destination for European investment. The department consulted

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Performance reporting

over 100 Australian industry associations, identifying a number of commercial opportunities and barriers in the EU market and building a good base of background information relevant to any future negotiations.

In April 2015, we supported Ms Bishop's visit to Brussels where she and EU High Representative Federica Mogherini signed the Australia–EU Crisis Management Agreement. This agreement is expected to enter into force by the end of 2015, facilitating Australia's participation in crisis management operations led by the European Union.

We further enhanced our strong development cooperation with the European Union by establishing an Australia–EU Development Dialogue. The first was held in June 2015.

## Asia–Europe Meeting

The department supported the Foreign Minister's attendance at the Asia–Europe Meeting (ASEM) Leaders' Summit in Italy in October 2014. We continued to build support among members for practical measures to enhance the quality of political dialogue between European and Asian leaders at ASEM. These measures included a retreat and more focused exchanges on specific subjects, such as the future of ASEM, disaster management and connectivity. The department orchestrated whole-of-government engagement with ASEM, including participation by Australian officials, academics and students at ASEM events on foreign policy, entrepreneurship, disaster response, human rights and food safety. This helped to build collaboration between Asian and European ASEM members in these fields.

## European security

The Government consolidated ongoing Australia–NATO cooperation as the NATO-led mission in Afghanistan wound down. In cooperation with the Department of Defence, the department secured an invitation for Australia to become a NATO 'Enhanced Opportunity Partner' at the organisation's September 2014 summit. This status distinguishes Australia from other NATO partners and provides a framework to sustain close Australia–NATO relations post-Afghanistan. The department supported Ms Bishop's visit to NATO headquarters in April 2015, which included an address to the North Atlantic Council setting out our vision of the future Australia–NATO relationship.

## Europe—bilateral relationships

In February 2015, the department coordinated and supported the seventh Australia–UK Ministerial Consultations (AUKMIN), held in Sydney. Already at a high watermark, the bilateral relationship with the **United Kingdom** was further strengthened by initiatives agreed at the consultations. Chief among AUKMIN's outcomes was the signing of an MOU on crisis cooperation which formalises reciprocal access to diplomatic facilities during a major crisis. At the meeting, ministers also agreed to strengthen cooperation on counter-terrorism in view of the threat posed to both countries from foreign terrorist fighters.

Relations with **France** continued to go from strength to strength. In addition to the historic visit to Australia by President Hollande, the department supported visits in April 2015 to France by Mr Abbott and Ms Bishop which focused on common security challenges. Through our embassy in Paris, we facilitated the formal agreement between Mr Abbott and President Hollande to deepen security aspects of the bilateral relationship, including counter-terrorism cooperation. To advance our economic diplomacy interests in France, we supported visits by the Trade and Investment Minister and Parliamentary Secretary, in addition to Ms Bishop, to promote Australia as a business partner.

During Chancellor Merkel's November 2014 visit to Australia, she and Mr Abbott established the Australia–**Germany** Advisory Group to examine and strengthen the bilateral relationship. In support of the group, the department coordinated interagency agreement to proposals for cooperation in trade, investment, science, sport, culture, energy and education for consideration at the group's first meeting in July 2015. We supported Ms Bishop's visit to Germany in April 2015 for consultations with counterparts on international security and counter-radicalisation. We strengthened our development partnership with Germany by reviving the Australia–Germany Development Dialogue, which had been dormant since 2010.

While the **Netherlands** has long been one of Australia's closest European partners, the tragedy of MH17 in July 2014 brought a new depth to the relationship. This focused on our shared interest in identifying and repatriating the victims' remains and bringing those responsible to account.

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*Prime Minister, Tony Abbott (left), and Prime Minister of the Netherlands, Mark Rutte, thank staff involved in the MH17 response, Canberra, November 2014. [DFAT/Kerin Ayyalaraju]*

Following the downing of MH17, we supported visits to the Netherlands by the Prime Minister, Governor-General and Foreign Minister, and a visit to Australia by the Dutch Prime Minister, Mark Rutte, in November 2014.

The department participated in inter-agency counter-terrorism talks in **Turkey** in November 2014 which led to increased information sharing on foreign fighters. This exchange contributed to agreement by the Prime Minister and the Turkish Prime Minister, Ahmet Davutoğlu, to start work on an MOU on the return of foreign fighters.

The Government further strengthened its autonomous sanctions against **Russia** in response to Russia's continued involvement in the conflict in eastern Ukraine. We worked with the European Union and key European partners to encourage all parties to implement the Minsk ceasefire agreements. As part of international efforts to bring the perpetrators of the MH17 atrocity to account, we pressed Russia to support a full, thorough and independent

international investigation, in accordance with UNSC Resolution 2166. Russia's actions, and our strong stance in response, meant that Australia's bilateral engagement with Russia was significantly reduced. (See also pp. 115 and 201.)

The department supported the President of **Ukraine**, Petro Poroshenko's visit to Australia, the first by a Ukrainian President, in December 2014. A temporary Australian embassy formally opened in Kyiv on 20 November 2014, with our first resident Ambassador to Ukraine arriving in January 2015.

We welcomed the foreign ministers of **Latvia** and **Lithuania** to Australia as Guests of Government and exchanged valuable insights on the conflict in Ukraine and the European response. The King and Queen of **Norway** also visited as Guests of Government with an accompanying business delegation. The department supported the conclusion of Work and Holiday visa arrangements with **Spain**, **Portugal**, and **Slovenia**. A visit in May 2015 by the Deputy Prime Minister of **Slovakia** focused on business connections in

IT security. Our embassy in Vienna supported Australia's special guest participation in Eurovision in **Austria** in May 2015. In conjunction with SBS, the embassy used Eurovision as a platform for public diplomacy activities, showcasing Australia and its creative talent to Eurovision's audience of over 200 million viewers.

We worked closely with the Department of Veterans' Affairs and the Department of Defence to facilitate Australian government participation in Centenary of Anzac commemorative events

across Europe. We supported the Prime Minister's visit to Turkey to mark the 100th anniversary of the landings at Gallipoli. Our embassy in Paris worked on a program of commemorative activities at the Western Front for the Prime Minister and Minister for Veterans' Affairs. The department coordinated an extensive Anzac Day program in **Belgium**, led by Ms Bishop, honouring Australians who died there during World War I. We also facilitated Centenary commemorations in **Greece** and **Malta**, including port visits by HMAS Success and STS Young Endeavour.

### *Economic diplomacy*

Europe is a key trade and investment partner and economic diplomacy is a key focus of the department's work in Canberra and at our European posts. The following events provide a snapshot of some of our activity.

Our embassy in Copenhagen, in partnership with Austrade, Meat and Livestock Australia and the Confederation of Danish Industries, used 'culinary diplomacy' to showcase Australia's expertise in food production at an event in November 2014. As a result of the event, Denmark's peak industry body, Dansk Industri, agreed to lead an agribusiness mission to Australia in late 2015 to investigate trade and investment opportunities.

To promote Australian education, our embassy in Stockholm hosted an alumni event in Sweden and supported an Australian program of training for Eastern Europe–Asia (APTEA) Alumni Congress held in Estonia, involving over 50 APTEA alumni from 11 Eastern European countries.

In March 2015, the Paris embassy, in conjunction with the Australian Fashion Chamber (AFC) and the Woolmark Company, hosted an industry event to showcase Australian fashion and business as part of Paris Fashion Week 2015. The event was attended by over 150 media and fashion industry representatives.

In April 2015, we coordinated visits by two trade delegations from Poland, promoting cooperation in the aerospace and unconventional energy industries. In May 2015, the embassy in Warsaw used the opening of the Macquarie-owned Gdansk port to orchestrate discussions between business and government highlighting opportunities for Australian investment in Poland, one of Europe's fastest growing markets.



*Ambassador to France, Stephen Brady AO CVO (second right), with AFC General Manager, Courtney Miller (left), Camilla Freeman-Topper (centre), Vogue editor-in-chief, Edwina McCann (right), and a Camilla & Marc model, Paris, March 2015. [DFAT]*

**Table 7: Australia's trade in goods and services with Europe** <sup>(a)/(b)</sup>

	Exports			Imports		
Goods and services	2013	2014	Trend growth 2011–2014	2013	2014	Trend growth 2011–2014
	\$m	\$m	%	\$m	\$m	%
United Kingdom	8,042	8,321	-11.7	12,333	12,480	0.4
Germany	3,078	2,881	-4.9	13,393	13,858	5.0
Italy	1,197	1,218	-8.6	7,134	7,420	5.7
France	1,937	1,922	3.0	6,171	6,371	-2.3
Netherlands	2,866	2,615	-12.5	2,759	3,023	0.0
<b>Total European Union 28<sup>(c)</sup></b>	<b>22,419</b>	<b>22,263</b>	<b>-8.2</b>	<b>58,959</b>	<b>61,724</b>	<b>2.7</b>
Russian Federation	902	681	-13.7	1,162	1,403	10.3
Other Europe	3,371	2,994	2.9	6,560	6,395	2.3
<b>Total Europe</b>	<b>26,693</b>	<b>25,939</b>	<b>-7.2</b>	<b>66,682</b>	<b>69,522</b>	<b>2.8</b>

(a) Goods data on a recorded trade basis, services data on a balance of payments basis.

(b) Excludes some confidential items of trade. For more information refer to the DFAT Adjustments article ([dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx](http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx)).

(c) Services data is EU27 to August 2013, EU28 from September 2013 onwards.

Based on DFAT STARS database, ABS catalogue 5368.0.55.004 and unpublished ABS data.

## Outlook

The department will continue to work with the European Union and Australian stakeholders to advance trade and investment priorities in Europe, including preparations for a future Australia–EU FTA. We will work with the European Union to sign the Framework Agreement in 2016. We expect the Australia–EU Crisis Management Agreement to enter into force by the end of 2015.

The department will support Australia–Germany Advisory Group meetings in July and October 2015 to identify opportunities for increased trade and investment, cultural and social links, scientific collaboration and architecture for bilateral dialogue. The group aims to present recommendations to leaders by November 2015. Those recommendations agreed by governments will drive our engagement with Germany over the coming year.

We will continue to strengthen cooperation with key partners the United Kingdom and France, through AUKMIN and other high-level dialogues, with a particular focus on combatting common security challenges.

Bilateral relations with Russia will remain difficult until Russia ceases intervening in south-east Ukraine and fully implements its undertakings under the Minsk II ceasefire agreement. The department will maintain support for the Government's commitment to work to secure justice for the victims of MH17, which may further strain relations with Russia.

We will build on the Anzac foundations of our relationship with Turkey and use the 2015 Year of Australia in Turkey to promote a contemporary relationship focused increasingly on global security and trade and investment goals.



# Bilateral, regional and multilateral trade negotiations

## Programs 1.1 and 1.9

○ Not Met   ◐ Partially Met   ● Met

 Deliverables	2013–14	2014–15
Australia's trade and economic opportunities are maximised, including through:		
– negotiating, finalising and implementing Australia's Free Trade Agreement (FTA) agenda and exploring opportunities for FTAs with other trading partners <sup>1</sup>	●	●
– enhancing Australia's commitment to regional trade negotiations, including the TPP, RCEP and PACER Plus <sup>2</sup>		●
– effective participation in the World Trade Organization (WTO), including through the Doha Round, leadership of the Cairns Group of agricultural exporting countries and to promote and defend Australia's interests through existing means such as WTO dispute settlement.	●	●
To assist developing countries by contributing to reducing poverty and lifting living standards through sustainable economic growth.	●	●
 Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results.	●	●

<sup>1</sup> Deliverable for 2013–14 included effective leadership in advancing our interests through sectoral initiatives.

<sup>2</sup> New deliverable for 2014–15.

## Overview

The department actively pursued Australia's interests in international trade and investment negotiations and advocated a strengthened global trading system.

In an outcome of historic significance, the department, under the Trade and Investment Minister, led an intensive program of work to conclude free trade agreement (FTA) negotiations with China in November 2014 and achieve signature in June 2015. The agreement, the culmination of a decade-long endeavour, will

deliver significant opportunities for exporters and investors and create an environment conducive to long-term growth in bilateral economic links.

Our FTA negotiations with India were accelerated with the aim of achieving a timely outcome that reflects Australia's interests. We also worked to ensure the early entry into force and utilisation by Australian business of FTAs with Japan and the Republic of Korea.

With Austrade, we began a national series of FTA information seminars to increase awareness in the business community and promote the use of the FTAs, particularly among small and medium



enterprises. The department also designed and scoped an innovative and sophisticated digital information service that will help business access information on FTAs.

The department led a whole-of-government team in the negotiations underway to conclude the 12-nation Trans-Pacific Partnership (TPP) Agreement, as well as parallel negotiations for the Regional Comprehensive Economic Partnership (RCEP). Both of these agreements are potential stepping stones toward the conclusion of a free trade area that includes all the economies of the Asia-Pacific region.

We continued to press for the conclusion of the long-running WTO Doha Round of multilateral negotiations, but very limited progress was made in narrowing differences in the positions. On other aspects of the WTO agenda, Australia was the seventh WTO Member to adopt the WTO Agreement on Trade Facilitation (ATF) which will streamline global customs and border procedures. The department pursued Australia's interests in major plurilateral trade negotiations, specifically the Trade in Services Agreement (TISA) and the Environmental Goods Agreement. We conducted public consultations that resulted in an announcement by the Government that Australia would pursue accession to the WTO Agreement on Government Procurement (GPA).

Working across government, the department used the opportunity of the 7th WTO Trade Policy Review of Australia to highlight the Government's record in trade liberalisation and reform.

The department released the Government's *Strategy for Australia's Aid for Trade Investments*. We worked to increase the impact of Australia's aid for trade investments in driving sustainable economic growth and poverty reduction in developing countries in our region, including through measures aimed at improving regulatory and governance arrangements and infrastructure and building the capacity of the private sector.

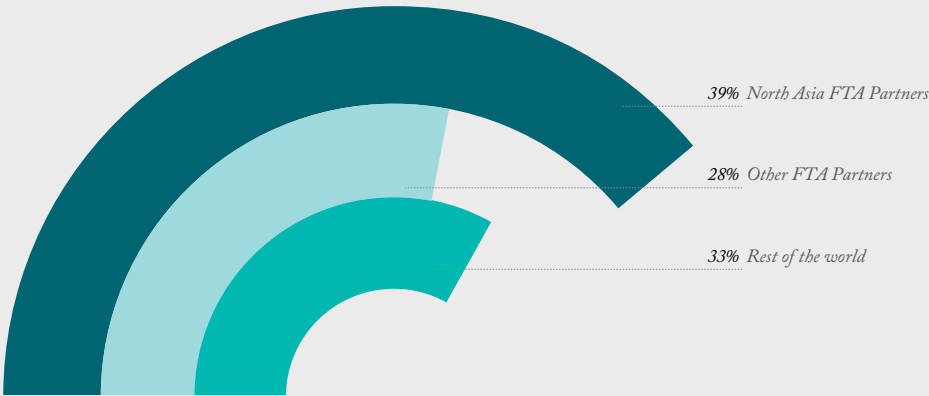
## Free trade agreement negotiations

### Concluded bilateral negotiations

#### *Korea–Australia Free Trade Agreement*

Following signature of the Korea–Australia Free Trade Agreement (KAFTA) in April 2014, the department worked to ensure domestic processes in Australia and Korea were completed to enable entry into force on 12 December 2014. We coordinated the Government's participation in inquiries by two parliamentary committees and assisted in the passage of customs implementing legislation through Parliament.

Figure 16: Percentage of Australia's total trade with countries covered by FTAs



01

02

Performance reporting

KAFTA, an agreement with our third-largest export market, delivered two tariff cuts in quick succession for Australian exporters: one on entry into force and one on 1 January 2015 for goods with phased tariff reductions. On entry into force, 80.4 per cent of Australia's exports (by value in 2014) to Korea entered duty free. In 2014, Australian goods exports to Korea were worth more than \$20 billion. As part of KAFTA's ongoing work to enhance recognition of professional qualifications, we facilitated the signature of a Mutual Recognition Agreement between Engineers Australia and the Korean Ministry of Science, ICT and Future Planning in April 2015.

### *Japan–Australia Economic Partnership Agreement*

Prime Minister Tony Abbott and Prime Minister Shinzō Abe signed the Japan–Australia Economic Partnership Agreement (JAEPA) on 8 July 2014. Japan is Australia's second-largest trading partner, with two-way trade in goods and services worth over \$70 billion, and our largest investor from Asia. The text of the agreement was released on

the same day, as well as a range of explanatory materials prepared by the department to explain the outcomes to stakeholders and the public. Following signature, the department led the Government's participation in the Joint Standing Committee on Treaties inquiry into JAEPA and assisted in the passage of associated customs implementing legislation. We worked to ensure domestic treaty processes were completed in both Australia and Japan to allow JAEPA to enter into force on 15 January 2015. A JAEPA Joint Committee meeting was also held in Tokyo on that day.

Achieving entry into force in early 2015 delivered Australian exporters the benefit of two early tariff cuts: one on entry into force and one on 1 April 2015 for goods with phased tariff reductions. On entry into force, 94.3 per cent of Australia's exports (by value in 2014) to Japan entered duty free.



#### STAFF PROFILE

**EMILY FOLLETT**

ACTING DIRECTOR, FREE TRADE AGREEMENT DIVISION, CANBERRA



It is an interesting time to be working in the Free Trade Agreement Division. I have been involved in the conclusion of free trade agreement (FTA) negotiations with Korea, Japan and China. Working on one of the Government's high priority agendas is both intense and challenging.

Following the conclusion of the three North Asia FTAs, our team's focus shifted to the Comprehensive Economic Cooperation Agreement (CECA) negotiations with India. As acting director, I am leading the CECA investment negotiations for Australia at an exciting time in India's economic reform process, and the broader India–Australia relationship.

Australia's FTA negotiating priorities are informed by our engagement with Australian businesses, industry groups and other stakeholders. It has been rewarding to develop creative negotiating strategies and text to secure Australia's interests in each FTA and satisfying to contribute to agreements that will strengthen bilateral ties and benefit Australian businesses, workers and consumers for decades to come.

### China–Australia Free Trade Agreement

The department drove accelerated negotiations on the China–Australia Free Trade Agreement (ChAFTA) in 2014. We led the 21st round of negotiations in September 2014 and intense intersessional meetings to advance the negotiations and supported the Trade and Investment Minister in further negotiations during his visit to China in November 2014. The Prime Minister and President Xi Jinping announced the conclusion of ChAFTA negotiations on 17 November 2014. With the negotiations concluded, the department finalised the legal text and oversaw translation ready for signature. Mr Robb and his Chinese counterpart signed ChAFTA on 17 June 2015 in Canberra. On the same day, the agreement was introduced into Parliament and the text was released publicly, along with a range of explanatory materials on the department's website.



*Minister for Trade and Investment, Andrew Robb AO (right), and Chinese Commerce Minister, Gao Hucheng, watched by the Prime Minister, Tony Abbott, sign the China–Australia Free Trade Agreement, Canberra, 17 June 2015. [Office of the Prime Minister]*

### Key outcomes for Australia from ChAFTA

ChAFTA will enhance the growing trade and investment ties between two highly complementary economies, laying the foundation for the next phase of the Australia–China economic relationship. The agreement positions Australia to gain the benefits of China's economic reforms. It has the highest level of liberalisation of any of China's trade agreements.

Over 86 per cent of Australia's goods exports to China (by value in 2014) will enter duty free upon entry into force, rising to 93.9 per cent after four years and 96 per cent when ChAFTA is fully implemented. Australia's goods exports to China were worth over \$90 billion in 2014.

Significant barriers to Australian agricultural exports will be removed across a range of products including beef, dairy, lamb, wine, hides and skins, horticulture, barley and seafood. On full implementation of the agreement, 99.9 per cent of Australia's resources, energy

and manufacturing exports will enjoy duty free entry into China.

In ChAFTA, China has offered Australia its best-ever services commitments in an FTA (other than China's agreements with Hong Kong and Macau). Key beneficiaries include Australian financial services providers, law firms and professional services suppliers, and education services exporters, as well as health, aged care, construction, engineering and telecommunications services businesses in China. China is Australia's largest services export market.

Australia will raise investment screening thresholds for private Chinese investment while China will further open its economy to Australian services investors in a range of sectors.

ChAFTA includes a commitment to review the agreement regularly with a view to deepening liberalisation and expanding market access.

*Figure 17: Australia's trade and investment relations with TPP countries<sup>†</sup> in 2014***TPP COUNTRIES REPRESENT**

**25.5%**  
OF THE WORLD  
TRADE

**36.3%**  
OF THE WORLD  
ECONOMY

**FOR AUSTRALIA, TPP COUNTRIES REPRESENT**

- **34.1%** of Australian two-way trade
- **39.9%** of total stock of foreign investment in Australia
- **45.3%** of total stock of Australian investment abroad

<sup>†</sup> The Trans-Pacific Partnership negotiations include 12 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States of America and Vietnam.

**Ongoing bilateral negotiations****India Comprehensive Economic Cooperation Agreement**

Negotiations to conclude a Comprehensive Economic Cooperation Agreement (CECA) between Australia and India, launched in 2011, accelerated in 2014–15. During official visits to India and Australia in September and November 2014 respectively, Prime Minister Abbott and Prime Minister Narendra Modi agreed to work for an early conclusion of an equitable, balanced, comprehensive and high quality agreement.

The department subsequently led the 6th round of negotiations in New Delhi in December 2014, hosted the 7th round of negotiations in Canberra in April 2015, and conducted a series of intersessional meetings to develop a mutually acceptable package of outcomes. We supported Mr Robb's visits to India in September 2014 and January, April and June 2015 to advance the negotiations.

**Indonesia Comprehensive Economic Partnership Agreement**

General and presidential elections in Indonesia in 2014 affected the pace of IA-CEPA negotiations, which are still in the preparatory phase. The department aims to take forward a pilot project on skills exchange. The Indonesia–Australia Business Partnership Group, comprising respective

chambers of commerce and bilateral business associations, proposed the skills exchange in its joint position paper on IA-CEPA.

**Regional negotiations****Trans-Pacific Partnership Agreement**

The department played a leading role within government in negotiations for the TPP agreement. Once concluded, the TPP will be a key building block towards further regional economic integration in the Asia–Pacific region. The 12 countries negotiating the TPP—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam—represent almost 40 per cent of the global economy.

The 2014–15 period saw an intensification of negotiations. This included a three-day ministerial meeting for Mr Robb to host his TPP counterparts in Sydney in October 2014. TPP ministers reaffirmed their commitment to finalise an ambitious, comprehensive, high standard and balanced deal, and laid the groundwork for the significant progress achieved at subsequent TPP negotiating sessions. Successful conclusion of the TPP negotiations will present significant opportunities for Australia. These include improved market access for Australian goods and services exports, investment and streamlined trade rules that will reduce the costs of doing business and facilitate Australian participation in regional value chains.

An important aspect of the department's work has been responding to public and stakeholder inquiries about the negotiations. As is standard practice with the negotiation of international treaties, draft TPP texts are not public documents. Even so, the department took every opportunity to engage with stakeholders and seek views. In the 2014–15 period, talks included industry groups, companies, academics, unions, consumer groups and other civil society groups. In June 2015, following an offer by Mr Robb, department officials also provided interested parliamentarians with a confidential briefing on the TPP and an opportunity to view the negotiating text.



*DFAT Intellectual Property lead negotiator, Morna Bassi (seated, centre), TPP intellectual property working group meeting, Hawaii, April 2015. [DFAT]*

### **Regional Comprehensive Economic Partnership**

The department led negotiations in the mega-regional FTA, the RCEP. RCEP aims to achieve a regional free trade area among 16 participating countries (ASEAN member states plus Australia, China, India, Japan, Republic of Korea and New Zealand), covering nine of Australia's top 12 trading partners. The department supported Mr Robb's participation in the 2nd RCEP Ministerial Meeting in August 2014 in Nay Pyi Taw, Burma. Since then, we have led negotiating teams across 12 working groups at three separate rounds in India (December), Thailand (February) and Japan (June). Each round has involved over 550 delegates across all participating countries, reflecting the scale of interests involved.

We hosted intersessional meetings in Australia on services and investment and on rules of origin to advance discussions between rounds.

### **Pacific Agreement on Closer Economic Relations (PACER) Plus**

The department led Australia's participation in the PACER Plus negotiations, helping to drive significant progress with respect to goods, services, investment, and legal provisions of the agreement. Significant progress was also achieved in moving towards greater convergence on the two issues of key interest to Pacific Island countries in the negotiations—development cooperation and labour mobility. (See also p. 32.)



#### **STAFF PROFILE**

**EMILY FLAHIVE**

LEAD NEGOTIATOR IN THE TPP,  
OFFICE OF TRADE NEGOTIATIONS, CANBERRA



I have been a member of Australia's Trans-Pacific Partnership (TPP) negotiating team since January 2011 and have attended approximately 35 TPP meetings during that time.

The TPP has been a fast-paced and dynamic negotiation. Prosecuting market access outcomes and developing proposals that further Australia's interests have been key features of my role as lead negotiator on financial services, state-owned enterprises and healthcare transparency. It has been a very rewarding job. Our team has punched above its weight in terms of the role Australia played in shaping the negotiations and delivering outcomes for our stakeholders.



### ***Gulf Cooperation Council Free Trade Agreement***

In March 2014, Gulf Cooperation Council (GCC) foreign ministers approved conditional resumption of FTA negotiations, almost five years after the GCC suspended these with all its partners, including Australia. The GCC has not announced when or with which countries it will resume negotiations.

The department supported Mr Robb in advocating resumption of FTA negotiations with Australia during his visit to the United Arab Emirates, Kuwait, Saudi Arabia and Qatar (the current GCC President) in April 2015.

### **Implementation of existing free trade agreements**

#### ***Malaysia–Australia Free Trade Agreement (MAFTA)***

At the Australia–Malaysia Trade Ministers' Meeting in August 2014, Mr Robb and his Malaysian counterpart reviewed business-related opportunities arising from MAFTA since its entry into force on 1 January 2013. They noted businesses, investors and consumers were benefiting from the reduction and elimination of tariffs, as well as from increased access for service providers.

#### ***ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA)***

Mr Robb and ministers from the other 11 parties to AANZFTA signed the First Protocol to amend the agreement in Nay Pyi Taw, in August 2014. The first protocol will reduce the information

requirements imposed on business when completing certificates of origin, simplify the presentation of the agreement's rules of origin, and provide for the use of HS 2012 nomenclature. The department worked on Australia's legal steps for the protocol's entry into force.

#### ***Thailand–Australia FTA (TAFTA)***

We held two meetings of the Market Access Implementing Committee under the TAFTA in March and June 2015. These reviewed the treatment of Australian agricultural products subject to special safeguards and TAFTA's agenda for services negotiations.

#### ***Singapore–Australia FTA (SAFTA)***

In June 2015, the two Prime Ministers announced the Comprehensive Strategic Partnership between Australia and Singapore that included agreement to review SAFTA by July 2016 in line with the goal of establishing a Closer Economic Relationship. (See also p. 49.)

#### ***Australia–Chile FTA***

The department hosted the second meeting of the Australia–Chile Free Trade Agreement Joint Committee in October 2014. As of 1 January 2015, all remaining tariffs were reduced to zero, except on sugar.

#### ***Australia–United States FTA (AUSFTA)***

The department continued implementation of AUSFTA, including through bilateral discussions with the United States on agriculture market access in May 2015. Events were held in both the United States and Australia to mark the 10th anniversary of AUSFTA.



*Assistant Secretary FTA Outreach Unit, Michael Growder (left), and Minister for Trade and Investment, Andrew Robb AO (centre), with Director, Australian Oyster Coast, David Maidment (second left), Acting Executive Director Austrade, Graeme Barty (second right), and Trade Commissioner, Austrade Beijing, David Duke, FTA information seminar, Queenbeyan, 9 April 2015. [DFAT]*



## Innovation in free trade agreement outreach

To coincide with the implementation of FTAs with Korea and Japan and the conclusion of negotiations with China, the department collaborated with Austrade to begin rolling out a national series of FTA information seminars. The series is designed to increase awareness in the business community of the opportunities presented by the agreements, and promote the use of the FTAs, particularly among small and medium enterprises. With Austrade and other agencies, we delivered 10 seminars between March and June 2015, in various locations across Australia.

The department completed the design concept for a FTA Portal, a sophisticated digital information service to help business, especially small and medium enterprises, make the most of the agreements. A range of focus group consultations were held with peak bodies, business organisations and government in March and June to understand user needs. The concept included a comprehensive tariff finder and rules of origin guide, as well as contextual trade data.

## Multilateral trade liberalisation and reform

The department pursued a broad-ranging work program in the WTO to strengthen the multilateral trade rules system and promote Australia's interests.

In June 2015, Australia became the 7th WTO Member to accept the 2013 Agreement on Trade Facilitation (ATF). We advocated prompt action by other WTO Members to adopt the ATF so that the agreement could enter into force. When it is implemented, the ATF will streamline global customs processes, making it more efficient for Australian businesses to export. The agreement includes provisions for faster release by foreign customs of Australian agricultural and perishable goods, which will assist Australian agricultural exporters.

The department facilitated Australia's contribution of \$6 million over three years to the World Bank's Trade Facilitation Support Program and a further \$1 million to the WTO Trade Facilitation Agreement Facility to assist developing countries to implement the ATF.

The department contributed to efforts to conclude the long-running Doha Round of negotiations, but limited progress was made. As leader of the Cairns Group of agricultural exporting nations, we supported the centrality of agriculture to the ongoing discussions. We organised an informal gathering of trade ministers in the margins of the OECD Ministerial Conference Meeting in Paris in June 2015 to discuss the state of the negotiations. The meeting was co-chaired by Parliamentary Secretary Ciobo, and Kenyan Cabinet Secretary for Foreign Affairs and International Trade, Ambassador Amina Mohamed, in recognition of the fact that Kenya will host the 10th WTO Ministerial Conference (MC10) in December 2015. The meeting confirmed the significant differences in positions of the major countries. MC10 will be a significant milestone in determining the future prospects for the Round.

The department was active in a number of WTO committees, particularly those responsible for trade in goods, agriculture, services and technical barriers to trade. This work gave us important opportunities to monitor members' compliance with existing agreements and to press for action to address the adverse trade impacts of new measures.

On agriculture, we pursued our concerns in a number of sectors, including beef, wheat, dairy and horticulture, and argued for disciplines on countries' use of export subsidies and domestic subsidies. We also pressed for improvements in how WTO Members administer agricultural tariff rate quotas with the aim of improving the commercial position of Australian exporters.



*Australia co-chairs with Kenya an informal meeting of WTO Trade Ministers, Paris, June 2015. Ambassador to the WTO, Hamish McCormick (right), with Parliamentary Secretary, Steven Ciobo (second right), with Kenyan Cabinet Secretary for Foreign Affairs and International Trade, Amina Mohamed. [DFAT]*

The Government announced on 2 June 2015 that Australia would seek accession to the WTO Agreement on Government Procurement (GPA), an agreement which offers legally-binding access to the government procurement markets of its 43 members. GPA membership will provide Australian businesses with greater certainty and transparency in export markets. The department consulted with state and territory governments and industry and community representatives and invited submissions to inform the Government's decision. Working towards GPA accession was included as part of Australia's G20 growth strategy.

We participated in negotiations to expand the product coverage of the Information Technology Agreement (ITA), an agreement which eliminates tariffs on information technology products. The participants are working towards an expanded list of products and efforts are underway to reach agreement on specific tariff commitments by the December 2015 WTO Ministerial Conference.

The department hosted the WTO Director-General, Roberto Azevêdo, for a Guest of Government visit in July 2014. His program included participation in the G20 Trade Ministers' meeting, B20 business forum events and meetings with Australian policymakers. (See also p. 105.)

The department led participation in the 7th WTO Trade Policy Review of Australia in Geneva, 21–23 April 2015. We presented a national statement to the review outlining the Government's trade policies and priorities. WTO Members recognised Australia's liberal approach to trade and strong engagement in the international trade policy agenda. They raised more than 600 questions, including on Australia's biosecurity regime, use of anti-dumping measures, government procurement system and foreign investment policies.

## Plurilateral trade negotiations and agreements

### *Trade in Services Agreement*

In the Trade in Service Agreement (TiSA), we aim to create new architecture that will set a high standard in promoting market opening and regulatory transparency. In time, we support bringing the final TiSA outcome into the WTO so as to enhance the global framework for services trade liberalisation and reform. Negotiations, led by Australia, the United States and the European Union, made good progress on core topics.

The department led negotiating teams to six rounds of negotiations, chairing two. Uruguay's accession brought the number of participating countries to 24, including both developed and developing countries and accounting collectively for around 70 per cent of global trade in services. We continued to provide information on the negotiations to state and territory governments, industry and community representatives.

### *Environmental Goods Agreement*

Australia has chaired the plurilateral Environmental Goods Agreement (EGA) since negotiations commenced in July 2014. The negotiations are focused on eliminating tariffs on a range of environmental goods. During the year, the number of participating WTO Members increased from 14 to 17, accounting for a critical mass of global trade in environmental goods. When successfully concluded, the EGA promises to make a tangible contribution to sustainable development.

### *World Wine Trade Group*

We worked through the World Wine Trade Group—an informal group comprising Australia, Argentina, Canada, Chile, Georgia, New Zealand, South Africa and the United States—to reduce barriers to global trade in wine. A major focus was on driving a new agenda for Australia's host year in 2015–16. We pressed for outcomes in areas of commercial significance such as reducing barriers to the cross-border movement of commercial samples and harmonising standards on wine additives. The department also facilitated Australia's ratification of the protocol on labelling requirements which, by allowing current Australian practices to be accepted by all signatories, will reduce costs.

## Issues and themes

### Intellectual property (IP)

The department led IP discussions in the WTO and supported government engagement in other international forums, including the World Intellectual Property Organization (WIPO). Our engagement ensured effective and balanced IP outcomes reflective of Australia's diverse interests. We have coordinated national policy positions with relevant agencies, taking account of industry and other stakeholder views.

On geographical indications, our efforts focused on safeguards to preserve existing rights and

continued use of generic product names. At the May 2015 WIPO Diplomatic Conference to revise the Lisbon Agreement, to provide international protection for names that identify the geographic origin of products, Australia was an active observer in mitigating some concerns in the revised agreement.

The department promoted the role of IP in driving innovation. In July 2014, Australia hosted the first Asia-Pacific launch of the Global Innovation Index which assesses how economies are supporting innovation. We worked closely with WIPO and IP Australia to generate awareness of the index as a tool to better understand how innovation boosts economic growth. Innovation was also a theme of Australia's participation in WTO discussions in February 2015 on the role of women in fostering cross-sectoral collaboration to advance science, technology, and research and development.

Working with partner agencies, the department supported IP projects through the Intellectual Property Committee of the AANZFTA Economic Cooperation Work Program. For example, the Regional Patent Examination Training Program, delivered by IP Australia, helps to enhance the consistency and quality of patent examination in participating offices. For businesses, this improvement in standards creates greater confidence to file patent applications in the region and to transfer technology across borders.

## Trade and environment

The department, in cooperation with other agencies, worked in international forums, including the WTO and OECD, to advocate Australia's trade-related environmental interests. We worked with the Department of Agriculture on the review of the impact of the Government's *Illegal Logging Prohibition Act 2012* on small business.

## Trade remedies

The capacity of Australian exporters to take full advantage of any market openings can be undermined by the illegitimate use of trade remedies such as safeguards, anti-dumping and countervailing duty measures. Recourse to such measures has increased since the global financial crisis. The department supported Australian exporters and businesses in defending their access to a range of markets for agricultural, chemical and metals products where their business was affected by trade remedy actions. We have been active in invigorating the WTO's regular work on trade remedies through the

Anti-dumping Practices, Subsidies and Countervailing Measures, and Safeguards Committees. We joined with like-minded countries in an informal group of WTO Members to exchange views on global safeguard practices.

The department undertook a range of activities aimed at ensuring other WTO Members' compliance with the WTO Subsidies Agreement and subsidy rules, including increased monitoring and encouragement of members to fulfil their transparency obligations.

The department also pursued new approaches to advancing the Doha negotiations on trade remedies and fisheries subsidies. These efforts have generated engagement from our negotiating partners and succeeded in taking the process forward.

## WTO dispute settlement and compliance

The department led Australia's participation in the WTO dispute settlement system.

The defence of Australia's tobacco plain packaging legislation was our highest priority. WTO dispute settlement panels have been established at the requests of Ukraine, Honduras, Indonesia, Dominican Republic and Cuba. In a welcome development, on 29 May 2015, the panel agreed to Ukraine's request to suspend its dispute settlement proceedings against Australia with a view to finding a mutually agreed solution. A record number of WTO Members (41 in total) have joined the tobacco plain packaging disputes as 'third parties' which allows them to make written and oral submissions in the proceedings.

The department led the preparation of Australia's first written submission in the disputes and a whole-of-government delegation, including a number of independent experts, at the hearing in June 2015. This was the first opportunity for the parties to engage directly on the arguments and evidence and was a critical step in defending Australia's measure. A second panel hearing will be held in the second half of 2015.

We also worked with the Attorney-General's Department in defending Australia's tobacco plain packaging measure in the investor-state arbitration by Philip Morris Asia under the Australia-Hong Kong Bilateral Investment Treaty. Australia argued two of its jurisdictional objections at a hearing before the arbitral tribunal in February 2015 in Singapore. If either of Australia's jurisdictional objections is upheld, the dispute will be resolved and will not proceed to the merits.



*Head, Tobacco Plain Packaging Taskforce, Elisabeth Bowes (right), with Senior Counsel, Attorney-General's Department, Stephen Bourbouis (left), and Assistant Secretary, Tobacco Control Taskforce, Department of Health, Jackie Davis, WTO tobacco plain packaging disputes first panel hearing, Geneva, June 2015. [DFAT]*

The department participated as a third party in a number of additional disputes, including Argentina's action against the European Union regarding biodiesel and the EU's action against Russia in the Russia-Pigs matter.

We provided advice on the international trade law implications of a range of initiatives, including sanitary and phytosanitary measures and government procurement. We also provided legal advice on aspects of Australia's free trade agreements, and on issues arising in trade negotiations. The department managed Australia's engagement on the review of the WTO's dispute settlement system which aims to improve and clarify the WTO's dispute settlement procedures.

### WTO accessions

We worked actively in WTO accession negotiations to protect our economic interests and ensure good market access outcomes from new members. In particular, we were successful in having Australia's definitions of high quality beef incorporated in Kazakhstan's accession terms and conditions that will be put to the WTO General Council for formal approval. Kazakhstan is likely to become a fully-fledged member of the WTO in the second half of 2015. There are 22 other countries currently negotiating to join the WTO.

### Agricultural productivity and food security

In February 2015, our portfolio ministers jointly endorsed a new strategy for Australia's aid investments in agriculture, fisheries and water. The department initiated several new investments—consistent with the Government's new aid paradigm and the goal of supporting an open, market-based global trading system—to give practical effect to this strategy. (See also p. 165.)

In April 2015, the Government announced support for Grow Asia, which aims to catalyse sustainable agribusiness opportunities in Southeast Asia. We funded the OECD to build the evidence base and intensify engagement with ASEAN members on agriculture and food security policy. We also expanded Australia's involvement in the G20-initiated Global Agriculture and Food Security Program with new funding to facilitate private sector operations in the Indo-Pacific region.

We have existing investments at work with the private sector and research organisations, including through the Australian Centre for International Agricultural Research, to help small scale farmers and entrepreneurs—particularly women—improve productivity and access markets. For example, the Market Development Facility has already increased incomes by 15 per cent or more for almost 2000 people in Fiji, Timor-Leste and Pakistan. On the strength of this success, the program has recently been expanded to Papua New Guinea and Sri Lanka.



## Aid for Trade

The department worked to implement the Government's target of increasing aid for trade investments to 20 per cent of the aid budget by 2020. Australia is on track to meet this target. Aid for trade's proportion of the aid budget increased from 12.8 per cent in 2013–14 to 16.4 per cent in 2014–15.

The department developed the Strategy for Australia's Aid for Trade Investments which establishes a framework to ensure our investments are effective, meet the needs of developing country partners, and align with Australian interests. The strategy encourages innovative approaches, including by applying new technologies, partnering with the private sector, and promoting market-based solutions. Australia's priority areas for aid for trade investments include:

- trade and investment policy and trade facilitation;
- global value chains;
- infrastructure;
- private sector development;
- economic empowerment of women;
- knowledge and skills development;
- agriculture; and
- services.

In July 2014, the portfolio ministers launched Australia's multilateral aid for trade flagship, the Global Trade Integration Facility (GTIF). GTIF is designed to help developing countries improve their participation in the global trading system, expand their trade flows, and empower women. While relatively new, GTIF investments are beginning to make an impact, including by:

- improving the quality of Cambodia's rice and directly facilitating US\$30.5 million of rice exports;
- helping to improve trade flows and productivity by assisting over 40 developing countries undertake trade facilitation reforms and implement the WTO Agreement on Trade Facilitation; and
- building the capacity of women entrepreneurs in the Pacific to establish viable businesses and to access international markets and government procurement processes.

Australia also took a leadership role in the 5th WTO–OECD Global Review of Aid for Trade where we advocated innovative solutions, especially in the Pacific, on services and the empowerment women.

## Outlook

The department will manage domestic treaty processes for ChAFTA to support its entry into force in 2015. The CECA negotiations with India will be a high priority that we will seek to conclude in 2015. We will seek to conclude TPP negotiations and then consider next steps of implementation. We will progress our RCEP negotiations.

The department will continue its advocacy for countries to implement the WTO ATF. We will engage constructively in multilateral negotiations to conclude the Doha Round in the lead-up to MC10 in Nairobi in late December 2015. Given the strong differences between key WTO Members, this will be a challenge, and an important element of our work will be working to bridge these differences.

Preparations for our bid to accede to the WTO GPA will gather pace. Our aim is to conclude the EGA negotiations ahead of MC10. We will make further progress in the TISA negotiations and support efforts to finalise negotiations on ITA expansion.

Informing business of Australia's North Asia FTAs and encouraging their use will be a particular focus for the department, working closely with Austrade and other agencies. The FTA seminar series will continue nationally through 2015 and 2016. The department will work with a vendor to deliver the FTA Portal, with regular steps to incorporate feedback.

The scale-up of aid for trade investments will continue in line with the Government's 2020 target. Future investments will focus on priority areas such as trade facilitation, agriculture, economic empowerment of women, global value chains and services.



*Director Multilateral Aid for Trade Section, Arnold Jorge, representing Australia, plenary session on Small and Vulnerable Economies, the 5th WTO–OECD Global Review of Aid for Trade, June 2015. [World Trade Organization]*

# Trade development, investment, policy coordination and tourism

## Programs 1.1 and 1.14

○ Not Met    ◐ Partially Met    ● Met

 Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– contribution to enhanced regional architecture through the Asia-Pacific Economic Cooperation (APEC) forum and MIKTA (Mexico, Indonesia, the Republic of Korea, Turkey and Australia) <sup>1</sup>	●	●
– promotion of high-quality public diplomacy and international media which improve understanding of Australian Government trade policies.	●	●
Australia's trade and economic opportunities are maximised, including through:		
– leadership of the G20 processes.	●	●
Australia's international and portfolio responsibilities are met through:		
– effective coordination and sound advice to ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public	●	●
– administration of the Export Finance and Insurance Corporation National Interest Account.	●	●
Administration of the T-QUAL grants program which provides competitive grants for innovative projects to stimulate sustainable economic growth in the Australian tourism industry. This program terminates in 2014–15 and there will be no further grant rounds. All existing projects are due to be completed by June 2015. <sup>2</sup>	*	●
Administration of the Tourism Industry Regional Development Fund (TIRF) program which provides competitive grants for innovative projects to improve the quality of accommodation and attractions in regional areas. This program terminates in 2014–15 and there will be no further grant rounds. All existing projects are due to be completed by June 2015. <sup>2</sup>	*	●
Development and administration of the Demand Driver Infrastructure program. In line with the Government's policy priorities for tourism, uncommitted funds allocated to the TIRF Program will be refocused to a new program that will deliver demand-driver infrastructure for the tourism industry. Funding will be disbursed to the states and territories, which will be responsible for implementing the projects that support tourism infrastructure needs.	*	●



✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
For the T-QUAL Grants program at its conclusion:	*	●
– proportion of grant recipients that report an increase or maintenance of the level of business turnover and employment <sup>3</sup>		○
– the completion rate for T-QUAL Grants projects in accordance with executed funding agreements between the recipient and the Commonwealth will be at least 90 per cent		●
– the level of additional investment will be at least 110 per cent of the amount of T-QUAL Grants awarded.		●
For the TIRF Grants program at its conclusion:	*	
– proportion of grant recipients that report an increase or maintenance of the level of business turnover and employment levels in tourism businesses <sup>4</sup>		○
– the completion rate for TIRF Grant projects in accordance with executed funding agreements between the recipient and the Commonwealth will be at least 90 per cent		●
– the level of additional investment will be at least 110 per cent of the amount of TIRF Grants awarded		●
– TIRF Grants recipients eligible for T-QUAL accreditation to be T-QUAL accredited by completion of their funded project. <sup>5</sup>		○
Demand Driver Infrastructure (DDI) program	*	
– budgeted DDI funding distributed to states and territories <sup>6</sup>		●
– DDI expenditure by states and territories is consistent with principles agreed by tourism ministers' meeting.		●

<sup>1</sup> MIKTA was not included in the deliverable for 2013–14.

<sup>2</sup> Final and financial reports may be submitted after 30 June 2015.

<sup>3</sup> This KPI was introduced after the commencement of the program and was elective for grant recipients. Only minimal data was collected when this program ceased.

<sup>4</sup> The TIRF grants program terminated after the first round permitting only minimal data collection.

<sup>5</sup> The T-QUAL Accreditation Program ceased on 30 June 2014 and was no longer a requirement for TIRF grant recipients.

<sup>6</sup> Based on revised budget following approved movement of 2014–15 funds into future program years.

\* The Australian Trade Commission reported against Program 1.14 deliverables and KPIs in 2013–14.

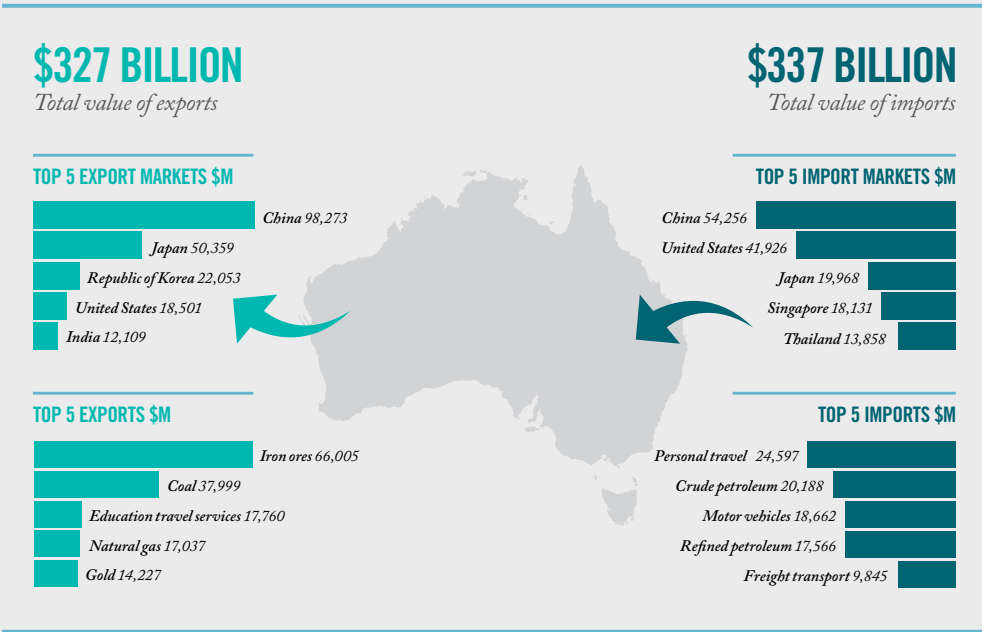
## Overview

The department played a key role in supporting Australia's successful presidency of the G20 in 2014, including by supporting the Trade and Investment Minister's hosting of the Trade Ministers' Meeting in July 2014 and providing policy advice across the G20 agenda on trade, development and energy issues. We supported the development of the Brisbane Action Plan for growth that outlines individual and collective

actions for the G20 in pursuit of strong, sustainable and balanced growth.

We led the implementation of the Government's economic diplomacy agenda, working to open markets to Australian exports and two-way investment, shape economic and institutional reform abroad, and build support for the benefits of trade in the Australian community. Over the past year, the department has led work in the G20, OECD and APEC that advances this agenda.

Figure 18: Australia's total two-way trade, 2014



## Economic diplomacy

The Government's economic diplomacy (ED) agenda was launched by the portfolio ministers in August 2014. The ED agenda reflects the Government's goal of enhancing the portfolio's work on trade, growth, investment and business. The department leads on the agenda and works closely with portfolio partners—Austrade, Australian Centre for International Agricultural Research, Tourism Australia, Export Finance and Insurance Corporation (EFIC)—and key economic agencies in our overseas posts.

The department's ED agenda is based on four pillars:

1. Trade—opens new markets for Australian exporters, sustains a rules-based global trading system and helps developing countries engage with the global economy through our aid for trade programs.
2. Growth—encourages economic growth through economic reform, our aid program and the work of international organisations.
3. Investment—promotes inward and outward foreign direct investment, and assists developing countries improve investment conditions.
4. Business—supports Australian businesses, promotes Australian tourism, and assists developing countries to grow their business sectors.

2014 ED case study highlights

Trade—lupin market access in India

Following intensive advocacy by our high commission in New Delhi, India granted access for Australian split lupins for human consumption in February 2014. The access is a positive outcome for the Australian industry, especially in Western Australia, the largest lupin producing state. Australia's pulse industry assesses lupin exports to India have the potential to grow to \$450 million over the next 10 years.

Growth—Nauru's first tax system

The department helped Nauru establish its first tax system through the aid program. The creation of a tax code and system of administration should provide a stable revenue base for the Nauru Government and enhance macroeconomic stability. Creating a legal framework provides greater certainty for foreign investors, including Australian businesses, brings Nauru into line with global practice and better links it to the global economy.

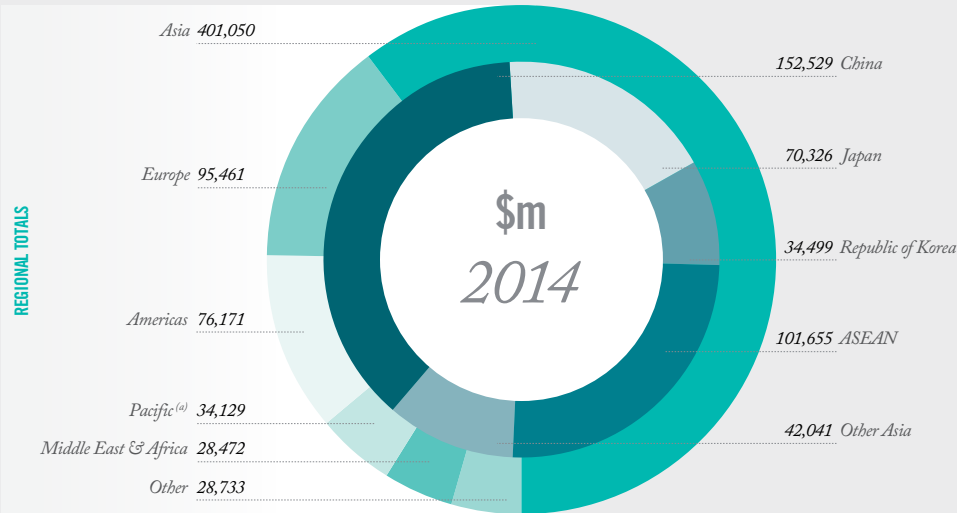
Investment—'Moonlight Investor Briefings'

In Singapore, there is an investment event almost every night, which can make it difficult to attract attendees. Our high commission, by utilising the unique venue of the residence and inviting a selection of investment-ready companies, has been able to attract a strong audience of investors to its 'Moonlight Investor Briefings'. Briefings have covered agriculture, infrastructure, aviation and start-ups. Bringing investors and opportunities together has helped link unlisted offshore investment to potential deals for Singapore-based investors.

Business—supporting BHP Billiton in Mexico

The department supported BHP Billiton's market entry to Mexico by providing advice on the economic environment, including energy sector reforms and facilitating access to key decision-makers. BHP Billiton has established an in-country presence and is considering substantial investments in Mexico's oil and gas sector.

Figure 19: Australia's total two-way trade by region and selected countries



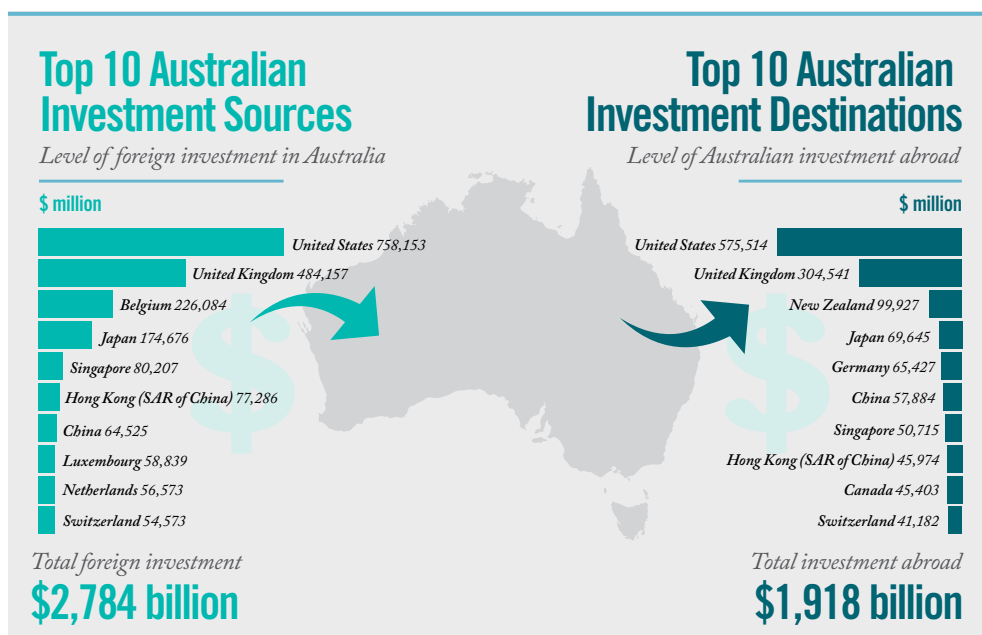
(a) Includes Oceania & Antarctica

## Investment

The department supported the Trade and Investment Minister in promoting foreign investment into Australia and in assisting Australian businesses to invest overseas. We also supported him in overseeing investment policy as it relates to general investment attraction and bilateral, regional and multilateral agreements. We provided policy contributions to the Energy, Agriculture and Northern Australia white papers,

the Murray Financial System Inquiry, the Harper Competition Policy Review and the process to modernise Australia's Foreign Investment Framework. We worked closely with Treasury to support the work of the Foreign Investment Review Board. In Canberra and overseas, the department worked with Austrade to secure inward investment and to promote Australian investment into the region and abroad. In the Indo-Pacific region, our development activities help countries attract international investment.

*Figure 20: Australia's total foreign direct investment and Australian investment abroad*



## OECD

The Organisation for Economic Cooperation and Development (OECD)'s work in 2015 focused on boosting global investment and implementing structural reform to support global growth. We were central to OECD efforts to have members improve their investment environments, avoid protectionism and foster open markets. We also led OECD engagement with Southeast Asia, including through our co-chairing (with Cambodia) of the Southeast Asia Regional Policy Network on Investment.

We used the G20 presidency to deepen the role of the OECD in promoting global structural reform. The department supported the Parliamentary Secretary's participation in the OECD Ministerial Council Meeting in June 2015, at which he signed the OECD Multilateral Competent Authority Agreement Common Reporting Standard. The Common Standard provides for the automatic exchange of financial account information in tax matters and is another pillar of the OECD/G20 moves to combat base erosion and profit shifting.

## G20

In 2014, the department provided strong support to Australia's presidency of the G20. In 2015, we continue to provide policy advice and recommendations on trade, development and energy across the G20 agenda.

At the Brisbane Leaders' Summit (15–16 November 2014), leaders agreed to substantial actions to lift global growth and job opportunities and to make the global economy more resilient. The centrepiece of Australia's host year was the delivery of a Brisbane Action Plan for growth. Each G20 member presented individual, country-specific growth strategies, including actions to promote trade and investment, which collectively are estimated to create economic growth of 2.1 per cent over the next five years, equating to more than US\$2 trillion of additional output and millions of new jobs.

We supported Mr Robb's hosting of the G20 Trade Ministers' meeting on 19 July 2014 in Sydney. This meeting contributed to the strong trade outcomes achieved in 2014, including

laying the groundwork to resolve the WTO impasse on the Agreement on Trade Facilitation. (See p. 95.) Leaders committed to strong domestic actions to boost trade, reaffirmed their commitment to resist protectionism and agreed to discuss how to make the global trading system work better.

The department continues to lead Australia's G20 development agenda by working to ensure developing countries can participate in, and benefit from, the G20's employment and economic growth agenda. As a member of the G20 troika (immediate past, present and future presidents), Australia co-chaired the G20 Development Working group in 2014–15 which endorsed five priority areas for ongoing work. These are outlined in the Brisbane Development Update: infrastructure investment, financial inclusion and remittances, domestic resource mobilisation, food security, and human resource development. G20 leaders recommitted to reduce the global average cost of transferring remittances to 5 per cent and to enhance financial inclusion as a priority.



*Deputy Secretary, Jan Adams PSM (left), with Minister for Trade and Investment, Andrew Robb AO (centre), US Trade Representative, Michael Froman (second right), and UK Minister of State for Trade and Investment, Lord Livingston, G20 Trade Ministers' meeting, Sydney, 19 July 2014. [G20 Australia]*



## Trade finance

The department manages the Government's relationship with EFIC, a statutory corporation that provides financial support to Australian exporters in circumstances where they have been unable to source finance from the private sector. In 2015, revisions were made to the EFIC Act and the Minister's Statement of Expectations to

enhance EFIC's focus on support for small and medium-sized exporters.

The department was an active participant in meetings of the OECD Export Credit Group and the International Working Group on Export Credits where we are leading efforts to negotiate new trade finance guidelines that will extend to non-OECD countries.



*Departmental officers preparing for Australia's chairmanship of MIKTA at an innovationXchange-facilitated ideas session, June 2015. (L. to R.): Lisa Davidson, Maris Tebecis (iXc facilitator), Geoff Matthews, Kate Taylor, Luke Hughes, Georgina Harley-Cavanough, Jillian Rees, Melanie Calvert, Sarah McFarlane. [DFAT/Ben Lavis]*

## MIKTA (Mexico–Indonesia–Republic of Korea–Turkey–Australia)

Australia was instrumental in establishing MIKTA, an innovative grouping of countries of similar economic size but coming from diverse regions and backgrounds. MIKTA foreign ministers first met in September 2013. In 2014–15, the forum continued to reinforce bilateral ties between

members and provide a new perspective in multilateral discussions. The department played a key role in developing MIKTA's joint statements on flight MH17, Ebola and gender equality. MIKTA ministers wrote a joint op-ed on the role of cross-regional networks in global governance.

MIKTA foreign ministers met three times in 2014–15. The department supported participation by the Foreign Minister and senior officials in meetings in New York, Brisbane and Seoul. Australia will chair MIKTA from September 2015.

## APEC

APEC is the primary forum for deepening Australia's economic integration with the Asia-Pacific region. APEC's 21 member economies account for over 70 per cent of Australia's total trade.

The department supported the participation of the Prime Minister, the Trade and Investment Minister and the Foreign Minister in the APEC Leaders' Meeting and the APEC Ministers' Meeting (November 2014), as well as the APEC Ministers Responsible for Trade Meeting (May 2015).

We helped shape a number of key APEC outcomes in 2014, including actions to advance the Free Trade Area of Asia-Pacific (FTAAP), deepen cooperation on Global Value Chains (GVCs), and enhance connectivity in the region. APEC Leaders agreed in November, in Beijing, to intensify APEC's work towards the long-term goal of an FTAAP. Australia led work on a Free Trade Agreement (FTA) information sharing mechanism to encourage WTO-plus outcomes in APEC economy FTAs with a view to achieving a high quality, comprehensive FTAAP.

We promoted unilateral reform and open markets for services trade and investment in the region through seminars on good practice regulation for facilitating trade and investment in the transport and logistics, telecommunications and ICT, and mining and energy services sectors. We expanded the Australian-led online APEC STAR database outlining the requirements APEC services exporters must meet, making it easier for Australian services suppliers, especially small to medium enterprises (SMEs), to export to the region.

Australia continued to lead APEC's structural reform agenda. We assisted developing economies implement structural reform priorities, particularly to promote more open, well-functioning, competitive and transparent markets, and led discussions on a post-2015 structural reform strategy for APEC, ahead of the APEC Structural Reform Ministers' Meeting in September. We supported the Productivity Commission's (PC) 'twinning program' under the Government Partnerships for Development scheme, aimed at building the capacity of developing economies to implement structural reform. This involved staff exchanges between the PC and counterpart organisations from Mexico, Laos and Cambodia over the last year.



*Assistant Secretary APEC Branch and Chair of APEC's Committee on Trade and Investment, John Larkin (left), confers with Australian APEC Official, Leslie Williams, APEC First Senior Officials' Meeting, the Philippines, 6 February 2015. [APEC Secretariat]*

## *Integrating SMEs in Global Value Chains*

International production, trade and investment are increasingly organised within GVCs where the different stages of the production process are located across different countries, underlining the mutual benefits of modern trade and investment.

Australia is working in the G20 and APEC to help countries take full advantage of GVCs, including through better SME integration into GVCs and encouraging countries to move up the value chain. We are advocating reforms to facilitate trade by lowering costs, improving access to finance, streamlining customs procedures,

reducing regulatory burdens and strengthening trade-enabling services.

We worked with the OECD during Australia's G20 presidency to provide analytical evidence of the interconnectedness of economies through GVCs. In 2014, at the G20 Trade Ministers' Meeting, Mr Robb launched the OECD, WTO and World Bank Report *Global Value Chains: Challenges, Opportunities and Implications for Policy*, which recommended that countries implement the Trade Facilitation Agreement.

We continued to play a leading role in promoting cross-border education cooperation in the region, initiating a report on education provider mobility, including actions to overcome policy and regulatory impediments. This work stream complements Australia's international education strategy.

At the 2014 APEC Leaders' Summit, the Prime Minister announced an Australian contribution of \$1.2 million, funded by the department, for projects that improve APEC cooperation on mining.

We led a workshop for APEC economies in April 2015, supported by the Australian Federation of Automobile Parts Manufacturers, aimed at identifying and addressing impediments to greater participation of auto parts SMEs in GVCs. We also continued our leading role in supporting women-owned SME access to export markets through capacity building for trade promotion authorities in APEC.

The Foreign Minister released an Australian-led guidebook at the APEC Ministers' Meeting to promote the use of business continuity plans among SMEs. On financial market integration,

we collaborated with Treasury to advance the Asia Region Funds Passport initiative, an innovative scheme that will facilitate greater cross-border trading of financial products among participating economies.

We established an APEC Economic Diplomacy Fund to support the department and other agencies to implement APEC initiatives that support trade, growth, investment and business engagement in the region. This includes, for example, work to reduce post-harvest food losses in regional supply chains. At the 2015 APEC Ministers Responsible for Trade Meeting, we worked on a statement by ministers supporting concrete outcomes at the 10th WTO Ministerial Conference (MC10). Ministers also supported the goal of the entry into force of the Agreement on Trade Facilitation by MC10, noting that it would make a significant contribution to global trade. (See p. 95.)

The department continued to work closely with Papua New Guinea to support its preparations to host APEC in 2018, including supporting the secondment of PNG officers to the APEC Secretariat.

## Working with business

The department launched the Charter on Economic Diplomacy and Australian Business in August 2014. The charter outlines the high-quality services that the portfolio provides to business, setting out 12 priorities that will be pursued to advance Australian business and prosperity.

We supported Mr Robb's consultations with Australian business, including the 20-member Trade and Investment Policy Advisory Council. The council met twice during the year, in Melbourne and Cairns, and discussed a range of trade, investment and red tape issues, FTA priorities, and opportunities to attract foreign investment. (*For more on FTA outreach, see p. 95.*)

## International tourism policy and engagement

The department continued to strengthen bilateral relationships with major tourism markets, notably through the signing of an Australia–India MOU in the field of tourism. We adjusted Australia's support for multilateral tourism forums by starting the treaty process to withdraw Australia from the UN World Tourism Organization (UNWTO). The National Interest Analysis recommending Australia's withdrawal from the UNWTO was tabled in Parliament and supported by the Joint Standing Committee on Treaties. Our withdrawal follows a comprehensive review in consultation with key tourism industry stakeholders. Throughout 2014–15, we were active in the OECD Tourism Committee and the APEC Tourism Working Group. Our engagement in these forums aligned with our priorities under *Tourism 2020*, Australia's national strategy to enhance growth and competitiveness in the tourism industry. Under *Tourism 2020*, governments and industry have committed to a target of doubling overnight visitor expenditure to between \$115 and \$140 billion by 2020.

## Tourism grants

During 2014–15, the Australian Trade Commission assisted the department in the administration of the following tourism grants.

### T-QUAL grants program

The T-QUAL grants program provided competitive grants for innovative projects to stimulate sustainable economic growth in the Australian tourism industry. This program ended on 30 June 2015 and there will be no further grant rounds. The round completion rate for T-QUAL grants projects met the minimum 90 per cent target and were as follows:

- 2011–91 per cent
- 2012–89 per cent
- 2013–90 per cent.

The level of additional investment exceeded the minimum target of 110 per cent of the amount of the T-QUAL Grants awarded. Additional investment (measured at the time of offer) for each funding round was as follows:

- 2011 Round—for the 117 projects initially offered funding of \$8.4 million, matching funds were \$9.8 million
- 2012 Round—for the 77 project initially offered funding of \$6.68 million, matching funds were \$18.3 million
- 2013 Round—for the 89 projects initially offered funding of \$8.5 million, matching funds were \$18.4 million.

### Tourism Industry Regional Development Fund

The Tourism Industry Regional Development Fund (TIRF) program provided competitive grants for innovative projects to improve the quality of accommodation and attractions in regional areas. This program ended on 30 June 2015. The completion rate for TIRF Grants projects was 91 per cent. For the 85 projects initially offered funding of \$17.4 million, matching funds were \$158 million.

Because the T-QUAL Accreditation Program ceased on 30 June 2014, TIRF Grant recipients could not receive accreditation under that program.

### *Tourism Demand Driver Infrastructure (DDI) program*

In line with the Government's policy priorities for tourism, uncommitted funds allocated to the TIRF program were reallocated to the DDI program that delivers infrastructure for the tourism industry to help drive demand. The states and territories are responsible for implementing the projects that support tourism infrastructure needs.

New South Wales and Victoria sought movement of 2014–15 DDI funding allocation into future program years, while Queensland and Western Australia sought partial movement of 2014–15 funding into future program years. Movement of funds of \$6.3 million was approved. All funding requested by the states and territories in 2014–15 (\$4.7 million) was provided.

State and territory governments documented that all projects funded through DDI were consistent with DDI principles agreed by the Tourism Ministers' Meeting on 11 July 2014.

## Resources and energy economic diplomacy

The department supported the Government's economic diplomacy agenda in the resources and energy sector through using its diplomatic assets to promote Australian investment in both established and emerging markets. We also worked to promote Australia's resources and energy sector to foreign investors. The department facilitated Australia's engagement with international energy organisations, including the International Energy Agency. We enhanced Australia's reputation as a leader in sustainable development in the energy and resources sector through initiatives that improve governance.

## Outlook

The department will continue to pursue economic diplomacy in support of Australia's trade and investment interests against a background of more difficult economic conditions.

Despite some global weaknesses in growth expectations, the outlook for the Australian economy remains positive. In 2015–16, Australia's economic growth is expected to be solid, underpinned by a lower exchange rate, lower oil and electricity prices and accommodative macroeconomic policy settings.

The department will strengthen its focus on addressing structural, market and regulatory behind-the-border impediments to Australian outward trade and investment in major Indo-Pacific countries. This work will complement Australia's FTAs and support developing partners to pursue economic reforms that drive mutual prosperity.

As a member of the G20 troika, the department will work closely with current host, Turkey, and China, the 2016 host, and will continue to lead the G20 trade agenda for Australia. In APEC, we will support steps towards the realisation of an FTAAP, including by supporting information sharing and capacity building on FTAs, and the development of a collective study (due in 2016) on FTAAP issues. In MIKTA, we will support Australia's chairmanship from September 2015.

The department will also play a key role in implementing policies in the White Paper on Developing Northern Australia, including activities to attract foreign investment, enhance business connectivity with the region, support partnerships on tropical health research, and promote infrastructure investment linkages with the APEC and ASEAN connectivity agendas.



# Multilateral policy, development, legal and environment

Programs 1.1, 1.2, 1.9 and 1.12

○ Not Met   ◐ Partially Met   ● Met

Deliverables	2013-14	2014-15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strong participation in the United Nations and other multilateral forums, including through Australia's 2013-14 term on the Security Council, advocacy of human rights and promotion of sustainable development and effective international action on climate change and other environmental outcomes.	●	●
An enhanced environment for security and development, including through:		
– contribution to whole-of-government efforts bilaterally and regionally to counter people smuggling, in particular through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.	●	●
Australia's international and portfolio responsibilities are met through:		
– sound advice on compliance with international legal obligations and contribution to the development of a strong international legal framework.	●	●
Influence international climate change negotiations to advance Australia's national interests in global environmental sustainability and economic competitiveness.	●	●
Promote broad-based climate action, especially by major economies and Australia's major trading partners.	●	●
Strengthen strategic and practical climate change engagement with key partners, including major economies and Australia's trading partners, and other influential groupings.	●	●
Promote understanding of the action Australia takes to address climate change. <sup>1</sup>		●
Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions.	●	●
Effective participation in the United Nations and its Specialised Agencies, the World Trade Organisation and other multilateral forums in support of Australia's foreign, trade and economic, development and international security interests.	●	●
To assist developing countries reduce poverty and lift living standards through sustainable economic growth by providing contributions to UN, Commonwealth and other international organisations.	●	●



✓ <i>Key Performance Indicators</i>	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Climate negotiation outcomes advance global efforts to address climate change, protect Australia's economic competitiveness and are consistent with Australia's domestic policies and national circumstances.	●	●
Engagement with key partners, including major economies and Australia's major trading partners, advances Australia's bilateral interests and wider interests in promoting broad-based, effective global action on climate change.	●	●
Key countries and groups accept Australia's climate change positions.	●	●
Payments to international organisations are timely and within budget.	●	●
The department's contributions influence multilateral outcomes which enhance Australia's security and prosperity, maximise the impact of Australia's aid program and represent value for money.	●	●
Achievement of significant development results.	●	●

<sup>1</sup> New deliverable for 2014–15.

## Overview

In the aftermath of the downing of Malaysia Airlines flight MH17, we galvanised the UN Security Council (UNSC) to facilitate the swift passage of Resolution 2166. The resolution helped ensure access to the crash site for investigators, paving the way for the victims' repatriation and underpinning efforts towards accountability.

In the final six months of our UNSC term, we worked with the Australian Federal Police to secure the passing, during our November 2014 presidency, of the first ever resolution to strengthen UN policing, Resolution 2185.

We were a driving force in the High Level Review of UN Sanctions, which will improve the global implementation of sanctions by ensuring fairness and consistency in the application of sanctions procedures.

We led on the policy and implementation of UNSC and Australian autonomous sanction regimes. We implemented expanded autonomous sanctions in response to Russia's threat to the sovereignty

and territorial integrity of Ukraine. Following Fiji's successful elections, we lifted all remaining sanctions in relation to Fiji. We increased our engagement with Australian business to ensure that sanction laws are administered diligently, but also in a way that facilitates trade wherever possible.

The Great Barrier Reef Taskforce, with the Department of the Environment, advocated successfully that the World Heritage Committee (WHC) not list the reef as 'in danger'.

Advancing gender equality is an increasingly important priority across the full range of the department's work. We supported the Ambassador for Women and Girls in her high-level advocacy across 13 countries, and promoted gender equality in the post-2015 development negotiations and the integration of gender issues across all Sustainable Development Goals.

We continued to promote regional cooperation on irregular migration, human trafficking and transnational crime challenges, including through developing a new Bali Process strategy.

We were active in the Universal Periodic Reviews undertaken by the Human Rights Council and led resolutions on National Human Rights Institutions, the independence of judges and lawyers and the death penalty.

In support of the UN's peacekeeping efforts, Australia contributed \$194.6 million to peacekeeping missions worldwide and, together with the Department of Defence and the Australian Federal Police, provided a submission to the UN's peacekeeping operations review.

We provided legal and policy advice on multiple treaty negotiations including the Asian Infrastructure Investment Bank, the US Force Posture Agreement and the Australia–India Nuclear Cooperation Agreement. We provided advice allowing Australia to respond swiftly to requests for military assistance to combat Daesh in Iraq, humanitarian assistance in Vanuatu following Tropical Cyclone Pam, and civilian deployments in Ukraine to provide consular and investigative assistance following the downing of MH17.

We advised on means to promote the rule of law and the peaceful settlement of disputes in the South China Sea, and worked with other agencies to embed principles from the International Court of Justice judgment into International Whaling Commission decision-making.



*Minister for Foreign Affairs, Julie Bishop (centre), with Assistant Commissioner Ian McCartney AFP (left) and Commander David Sharpe AFP, before the UNSC debate on UN policing Resolution 2185, New York, 20 November 2014. [DFAT/Trevor Collens]*

## United Nations

We supported participation by the Prime Minister, Foreign Minister and Trade and Investment Minister in high-level forums, including the Leaders' Week of the UN General Assembly's 69th session. We funded the Australian UN Youth Representative's participation in the Australian delegation to the UN General Assembly.

The department worked to support global stability and prevent and resolve conflict. Australia contributed \$194.6 million to peacekeeping missions, making us the world's 11th largest financial contributor. We contributed \$3 million to the UN Peacebuilding Fund and \$1.65 million to support the UN Department of Political Affairs.

Australia took up seats on the Executive Boards of the UN Development Programme and the UN Children's Fund (UNICEF) where we worked on initiatives to improve cohesion, coordination and value for money across the UN Funds and Programmes.

Staff in Canberra and Geneva engaged with a range of specialised UN agencies to promote Australia's interests. We supported visits to Australia by the Universal Postal Union and the Inter-Parliamentary Union.

We provided \$1.1 million to further promote the Responsibility to Protect (R2P) concept in the region and globally, including through two regional conferences—in Phnom Penh, through our partnership with the Asia Pacific Centre for R2P; and in Jakarta, with the Indonesian Ministry of Foreign Affairs and other partners. We invested \$0.9 million in partnerships with the International Crisis Group and the Conflict Prevention and Peace Forum, which deliver research and policy advice on effective approaches to conflict prevention.

The department actively contributed to the work of the UN Educational, Scientific and Cultural Organization (UNESCO) on a diverse range of issues including the protection of cultural heritage, the safety of journalists and internet governance. The department's Great Barrier Reef Taskforce (BRTF) collaborated with whole-of-government partners to advance Australia's interests in the lead-up to UNESCO's WHC meeting in Bonn.

The department provided funding to the United Nations Association of Australia for domestic outreach and education activities.

## Great Barrier Reef Taskforce

The BRTF played a critical role in the Government's successful advocacy to ensure the Great Barrier Reef was not listed as World Heritage 'in danger'. The taskforce was established to drive international engagement on, and advance Australia's interests in, the lead-up to and at UNESCO's WHC meeting in Bonn, Germany (28 June – 8 July 2015).

An 'in danger' listing would have had a negative impact on Australia's international reputation, the 69,000 jobs and \$5.6 billion generated by visits to the reef each year, and a potentially damaging effect on infrastructure and resources investment in the reef region. It would have set an unreasonable precedent for all custodians of World Heritage sites as Australia had responded to all of the committee's concerns.

Ambassador for the Environment Peter Woolcott, supported by the taskforce, coordinated the whole-of-government approach, including engagement with the Great Barrier Reef Marine Park Authority, Tourism Australia, Austrade, and various Queensland government departments. The taskforce was actively involved in the development of the Reef 2050 Plan—Australia's sustainable conservation plan for the reef from 2015 to 2050.

The WHC commended the plan as a model for managers of World Heritage.

We worked across Australia's diplomatic community to ensure there was a strong understanding of Australia's work to protect the reef by committee members and their advisers: the World Heritage Centre and the International Union for the Conservation of Nature. The Minister for the Environment and Mr Woolcott travelled to WHC countries to contribute to these efforts. In parallel, our Permanent Delegation to UNESCO actively engaged with committee members and the World Heritage Centre in Paris. The taskforce brought representatives of WHC countries, including technical experts, to the reef on specialised programs, as well as journalists on an International Media Visit, to see firsthand Australia's efforts to protect this World Heritage site.

At its meeting in Bonn, the WHC unanimously rejected the notion that the reef was World Heritage 'in danger' and recognised Australia's management of the reef as world's best practice. Australia has been returned to regular reporting cycle and will report back to the committee in 2020. This outcome has been recognised internationally as an excellent outcome for Australia, the Great Barrier Reef and the World Heritage system.



(L. to R.): Deputy Head of Mission Paris and Ambassador to UNESCO, George Mina, Head BRTF, Tiffany McDonald, Minister for the Environment, Greg Hunt, Chair of the Australian Institute of Marine Science Council, Penny Wensley AC, Ambassador for the Environment, Peter Woolcott, and Deputy Head BRTF, Anna Oldmeadow, during UNESCO's World Heritage Committee meeting, Bonn, 29 June 2015. [DFAT]

## UN agencies

The department's official development assistance delivered through UN agencies totalled approximately \$616.9 million in 2014–15, making the United Nations one of the largest delivery partners for the Australian aid program. Some of this assistance is reported on below and a large proportion through geographic and thematic official development assistance (ODA) programs. (See also pp. 163–9.) Our funding supported the work of UN agencies to reduce poverty by promoting, among other things, jobs, governance, private sector engagement, women's economic empowerment, maternal and child health services and primary education.

The department provided an estimated \$157.1 million to the UN Development Programme to support democratic processes and economic empowerment. We worked with UNICEF to advance women and children's rights and wellbeing, providing \$75.6 million to assist its work on vaccinations, access to potable water and access to education.

We provided \$7.5 million to UNAIDS to raise awareness of the special needs of populations with a high prevalence of HIV/AIDS in the Indo-Pacific region, reduce stigma and discrimination, and create enabling legal environments to provide recourse for those facing discrimination.

Our assistance to the World Health Organization (WHO) to support its General Programme of Work 2014–19 totalled \$55.8 million. This funding also supported WHO's response to the Ebola outbreak and the Global Polio Eradication Initiative. We provided \$20 million to the UN Population Fund to improve gender equality and reproductive health, and support the empowerment of women and girls in relation to family planning.

To support private sector investment, women's empowerment and economic growth in our region, the department also contributed \$10.1 million to the UN Capital Development Fund. This support helped deliver 48 financial product innovations with almost five million active savers using financial services in 2014 globally. Sixty-two per cent of borrowers were women.

## UN Security Council

Australia concluded its two-year term on the UN Security Council in December 2014. We used our term to support Australia's core national security interests, including reinforcing our

key alliance and strategic relationships, and to enhance our international influence by making a practical, constructive contribution across the council's agenda.

We brought an Indo-Pacific perspective to the UNSC's work and ensured countries from our region stayed closely engaged with council decision-making. Our commitment to our term was underlined by the Foreign Minister's regular engagement, as well as the Prime Minister's participation in the September 2014 Leaders' Week.

In the final six months of our term, UNSC membership allowed us to drive a strong international response to the downing of Malaysia Airlines flight MH17 over Ukraine on 17 July—an incident in which 38 victims who called Australia home were among the 298 killed. In the immediate aftermath of the crash, Australia authored and led negotiations on UNSC Resolution 2166, adopted unanimously four days later, which condemned the downing of flight MH17. (See also p. 201.)

We helped the council overcome its deadlock on Syria to focus on the humanitarian and human rights dimensions of the conflict. The Australian-led Resolution 2165, the first of its kind, in July, authorised cross-border access for humanitarian relief to the people of Syria without the need for approval from the Syrian regime.



*Ambassador and Permanent Representative to the United Nations, Gary Quinlan (right), supports the Minister for Foreign Affairs, Julie Bishop, UN Security Council meeting on the downing of MH17, New York, 19 September 2014. [DFAT/Trevor Collens]*

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We kept the council focused on countering terrorism, violent extremism and the threat posed by foreign terrorist fighters in support of our direct national security interests. During our November presidency, we led negotiations on an action plan to accelerate the implementation of obligations contained in Resolutions 2170 and 2178 on countering terrorism and disrupting funding to Daesh and Al-Qaida related entities, including the Al-Nusra Front. (See also p. 129.)

In December 2014, we led efforts to have the human rights situation in the Democratic People's Republic of Korea (North Korea) discussed in the Council. This built on the work done by the commission of inquiry, led by former High Court judge, Michael Kirby, in documenting North Korean mass violations of human rights.

We brought greater global attention to policing in peacekeeping and peacebuilding by securing unanimous agreement to Resolution 2185—the first on UN policing. It established policing as integral to the UN's peacebuilding work. The resolution also emphasised the role of women's participation in policing and urged the deployment of more women in UN police missions.

As chair of the Al-Qaida, Taliban and Iran sanctions committees, we worked to update the UN system's approach to sanctions. During our November presidency, Australia put forward a resolution to provide the UN system with a more effective sanctions capacity. Unfortunately, a UNSC consensus was not achievable and the resolution was withdrawn.

The department worked to increase the transparency of council decision-making through regular outreach to non-Council UN member states and civil society. For information summarising Australia's term on the UN Security Council, search Australia on the UN Security Council at [dfat.gov.au](http://dfat.gov.au).

## Human rights

The department led work on UN resolutions relating to National Human Rights Institutions, the independence of judges and lawyers and the death penalty. We supported work to promote and protect human rights in areas such as freedom of religion, freedom of expression and opinion, gender equality and on the rights of Lesbian, Gay, Bisexual, Transsexual and Intersex (LGBTI) persons and people with disabilities. As a member of the LGBTI Human Rights Core Group in

New York, Australia contributed to advocacy, outreach and education and promoted the rights of the LGBTI community in relevant resolutions.

Australia was a strong global advocate for the total abolition of the death penalty. We were active on the General Assembly resolution on the moratorium on the death penalty, which attracted a record number of votes in support (117 countries voted yes, 37 voted no and 34 abstained).

In March 2015, Australia joined the Freedom Online Coalition, a group of countries committed to working together to support Internet freedom. We also joined the International Contact Group on Freedom of Religion or Belief, a cross-regional and interfaith group committed to promoting religious freedom and tolerance, as well as countering radicalisation, extremism and violence perpetrated in the name of religion.

We were an active voice at the UN Human Rights Council (HRC) and Third Committee on situations of human rights concern, including in North Korea, South Sudan, Iraq, Syria and Ukraine.

The department continued to engage strongly with the HRC's Universal Periodic Review (UPR) process. In the 2014–15 year, we participated in all 42 UPRs, recommending a wide range of reforms to national approaches to human rights to ensure countries fully respect and implement all human rights and fundamental freedoms.

The department held Human Rights Dialogues with Vietnam in July 2014 and with Laos in March 2015. The dialogues are an important mechanism for conveying our human rights concerns and sharing experiences on human rights practices.

Australia supported UN technical assistance and capacity building in countries where human rights protection and promotion could be improved. We contributed \$2.65 million to the Office of the High Commissioner for Human Rights, \$400,000 of which funded a regional office in Fiji to provide technical support and assistance in our region.

In September 2014, Ms Bishop led Australia's participation in the World Conference on Indigenous Peoples. The conference resulted in a document setting out practical measures for promoting the principles of the UN Declaration on the Rights of Indigenous Peoples and strengthening UN engagement on indigenous issues.



The department developed an Indigenous peoples strategy to guide, monitor and assess the effectiveness of its work on indigenous issues. The strategy is supported by an operational-level guidance note to assist staff to deliver overseas aid programs that improve outcomes for Indigenous peoples.

## Gender equality

The department promoted gender equality through the aid program and engagement with multilateral and regional organisations. We advanced the women, peace and security agenda in the UN Security Council and advocated the central place of gender equality in the post-2015 development negotiations.

On International Women's Day (2015), Ms Bishop announced a new \$15 million partnership with the World Bank to enhance women's economic empowerment in Southeast Asia over the next four years. This partnership will support women entrepreneurs to access financial services and build their business skills, and will involve working with large companies to improve employment opportunities for women.

The Ambassador for Women and Girls, Natasha Stott Despoja, provided high-profile advocacy in multilateral, regional and bilateral contexts. Her visits to 13 countries, principally in the Indo-Pacific region, focused on improving opportunities for women's participation in leadership, peacebuilding and the economy, and on encouraging new national and international commitments to end violence against women and girls and support survivors.



*High Commissioner to Fiji, Margaret Twomey (left), and Ambassador for Women and Girls, Natasha Stott Despoja (right), with the first female Speaker of the Fijian Parliament, Dr Jiko Luveni, Pacific Women's Parliamentary Partnerships Forum, Fiji, April 2015. [DFAT]*

The ambassador co-hosted the inaugural Pacific Women Policy Makers' Dialogue in Tonga, which developed recommendations for the promotion of women's leadership across the Pacific. Her participation in Pacific Women's Parliamentary Partnerships Forums held in Tonga (July 2014) and Fiji (April 2015) contributed to stronger regional approaches to parliamentary twinning arrangements and agreement on a set of priorities to strengthen legislative measures to end family violence. These activities are part of the *Pacific Women Shaping Pacific Development Program*.

The ambassador also co-hosted the inaugural Indian Ocean Rim Association Women's Economic Empowerment Dialogue in Malaysia (August 2014). At the Australian-funded Pacific Women Business Leaders' Dialogue in Fiji (November 2014), Ms Stott Despoja led work to promote regional private sector responses to violence against women.

Gender equality and women's empowerment was either a principal or significant objective in 55 per cent of the department's aid investments, some \$2.4 billion. Most of these investments were in education and health care. Targeted investments were focused on ending violence against women, promoting women's economic empowerment and enhancing women's role in decision making, leadership and peacebuilding.

As part of the 2015–16 Budget, Ms Bishop announced the establishment of a Gender Equality Fund to accelerate support for gender equality in the Australian aid program. The fund will support investments aimed at advancing gender equality and fostering innovative work by private sector and non-government organisations, particularly women's organisations.

The department provided \$25.7 million to UN Women to improve the lives of women. We used our position on the UN Women executive board, including as vice president in 2014, to highlight challenges faced by women in our region and the importance of addressing violence against women.

Work is continuing on developing the department's gender equality strategy. The strategy will include departmental foreign policy, economic diplomacy and development activities, as well as the corporate and human resource approach to promoting gender equality.





*First Assistant Secretary Multilateral Policy Division, Lachlan Straban (left), with Assistant Secretary-General of the United Nations and Deputy Executive Director of UN Women, Lakshmi Puri, after being presented with a UN He for She campaign T-shirt, New York, June 2015. [DFAT]*

## Climate change

We saw an increasing emphasis on climate change policy internationally in 2014–15. Key countries announced their intended post-2020 emission reduction targets, and negotiations intensified in the lead-up to the 21st session of the Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) in Paris in December 2015, which will finalise a new global climate change agreement.

At the 20th UNFCCC Conference of the Parties in Lima in December 2014, our delegation, led by Ms Bishop and supported by Mr Robb, engaged in negotiations on the new agreement and secured decisions to promote clarity of post-2020 targets. Australia continued to chair the Umbrella Group, a group of 10 countries with shared negotiating interests including the United States, Russia, Japan and Canada. In 2015, the Ambassador for the Environment and other department officials

## Women, peace and security

2015 is the 15th anniversary of UNSC Resolution 1325, which was the first resolution to link women explicitly to the peace and security agenda. The resolution recognises that women are disproportionately affected by conflict and calls for the active participation of women at all levels of decision-making in conflict prevention, peacebuilding and governance. In the lead-up to the anniversary, we tabled in Parliament the first Progress Report on the National Action Plan on Women, Peace and Security.

In October 2014, we supported the participation of the Ambassador for Women and Girls at the UNSC Open Debate on Resolution 1325, and again at the 59th Session of the UN Commission on the Status of Women in March 2015. As a key advocate for women's participation in peacebuilding, Ms Stott Despoja helped Australia secure new international

commitments to engage women in preventing and resolving conflict.

In November 2014, during our second UNSC presidency, we drew on our experience in gender-responsive policing in Solomon Islands, Timor-Leste and Vanuatu to ensure women, peace and security was a key issue in a landmark resolution on policing—Resolution 2185.

We provided input to a whole-of-government submission to the global study on the implementation of Resolution 1325, raising awareness of the links between gender and conflict and making recommendations to improve engagement. We contributed \$4 million over two years to the Women, Peace and Security Global Facility, managed by UN Women, which will build knowledge of, and support for, inclusive conflict resolution and peacebuilding.

participated in the first multilateral assessment of progress toward Australia's 2020 emissions reduction target.

The department worked closely with the UNFCCC Taskforce in the Department of the Prime Minister and Cabinet in formulating Australia's post-2020 emissions reduction target. We undertook research to support government decision-making on the target, including economic modelling of the effects of other countries' emissions reduction commitments.

We participated in a range of multilateral and regional climate change forums, including the Major Economies Forum on Energy and Climate, the G20 and the UN Secretary General's Climate Summit in New York in September 2014. Bilaterally, a milestone was the signing of an MOU on Climate Change Cooperation with China, following the 6th Australia–China Ministerial Dialogue on Climate Change in November 2014. Under the Australia–China Climate Change Partnership, Australia is providing expertise in measuring and reporting emissions to help China track its emissions more clearly. The department hosted climate change senior officials' talks with Japan and New Zealand.

Through the aid program, the department continued to assist developing countries to build resilience to climate change. As part of this effort, in 2014, Ms Bishop announced Australia's commitment of \$200 million over four years to the Green Climate Fund, while underlining the fund's need to work in the Pacific, and \$93 million over four years to the Global Environment Facility. (See p. 186.)

The department used its \$3 million international climate change administered fund to support multilateral activities, including participation in the UNFCCC, the Organisation for Economic Cooperation and Development Climate Change Experts' Group, and the Australia–China Climate Change Working Group. We helped countries in our region build capacity on climate change. Technical workshops helped Southeast Asian countries prepare their post-2020 emission reduction targets and we funded training for women from Pacific Island countries to increase their participation in climate negotiations.



*DFAT officers, Katherine Storey (back left), Nicole Steinweg (centre) and Shannan Murphy (back, second right), with other participants from Indonesia, the Philippines, Thailand, Vietnam and Singapore, technical workshop for preparing post-2020 emission reduction targets, Canberra, March 2015. [DFAT]*

## Commonwealth

The department continued to work with the Commonwealth Secretariat (ComSec) to ensure reforms agreed by leaders at the 2011 and 2013 Commonwealth Heads of Government Meetings (CHOGM) are realised. Our agreed priorities include a one-day leaders' retreat and ensuring the CHOGM agenda remains focused on a smaller number of priority issues. We are working closely with ComSec and Malta, hosts of CHOGM in November 2015, to deliver on these reforms.

We continue to chair the Executive Council of ComSec's Board of Governors, which helps to maintain the focus on effective reform and activities through which the Commonwealth can add value.

In 2014–15, the department provided approximately \$12 million to various Commonwealth organisations and activities through the Australian aid program. These included the Commonwealth Foundation, election monitoring, the Commonwealth Youth Program and the Commonwealth of Learning. Commonwealth organisations play an important role in promoting democracy, rule of law, human rights and inclusive growth and sustainable development among member states.

## People smuggling, refugees, asylum and immigration

The department continued to lead diplomatic engagement efforts in support of Australia's border protection policies. The People Smuggling Task Force, led by the Ambassador for People Smuggling Issues, Andrew Goledzinowski, guided Australia's advocacy on countering people smuggling and human trafficking, as well as on Operation Sovereign Borders (OSB), with key international and regional partners. The department seconded officers to the OSB Joint Agency Task Force in support of international policy functions.

We maintained Australia's close cooperation with regional resettlement partners Papua New Guinea and Nauru, and strengthened bilateral cooperation with source and transit countries across a range of areas, including disruption activities and returns programs. The department finalised an MOU with Cambodia on refugee resettlement in September 2014 and followed up by working closely with the Department of Immigration and Border Protection on its implementation.

Australia continued to promote regional cooperation on irregular migration challenges, including as co-chair of the Bali Process. We developed a new Bali Process strategy, with cooperation measures to combat trafficking in persons, strengthen border management and address the nexus between people smuggling, trafficking and transnational organised crime. The newly established Trafficking in Persons Working Group developed policy guides on identifying and assisting victims of trafficking, for use by practitioners and policymakers.

The department led Australia's engagement at the Special Meeting on Irregular Migration in the Indian Ocean in Bangkok, on 29 May 2015, which focused on the need for regional responses, coordinated action against people smugglers, and attention to the root causes of irregular migration in the region. Australia was one of two countries to announce new funding to help address the push factors associated with irregular migration and to assist countries to manage this challenge.

## Country information reports

The department published 18 country information reports during the year for decision-makers' consideration under section 499 of the *Migration Act 1958*. The reports were prepared with regard to the existing caseload for decision-makers and focused on particular cohorts seeking protection in Australia at the time of writing. The reports drew on the department's extensive in-country knowledge and other credible sources, including open source publications and interviews with community representatives and locally based organisations.

## Payments to International Organisations

The department made payments totalling \$320.5 million, consisting of \$125.9 million to 30 international organisations and international treaty secretariats, including the United Nations, and \$194.6 million to 16 UN peacekeeping operations. (See *App. 12, pp. 273–4.*) These payments were made in full and on time. The payments to international organisations do not include ODA payments.

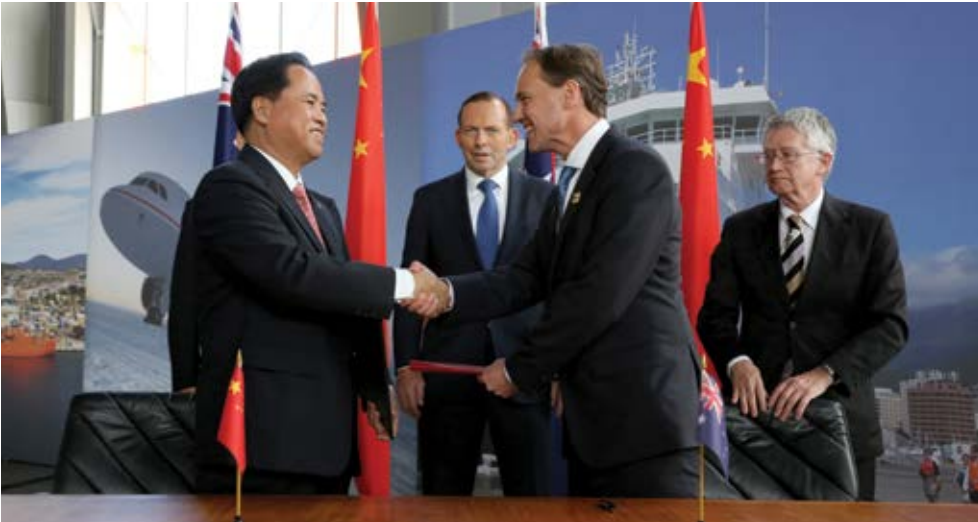
## Legal

### Sea law, environment law and Antarctic policy

The department worked with other agencies to embed the principles of the International Court of Justice (ICJ) judgment on whaling into International Whaling Commission procedures. This will ensure more robust scrutiny by the commission of scientific research proposals.

The department led negotiations with Timor-Leste to resolve our legal disputes and have proceedings before the ICJ discontinued. The department will continue to support the Timor Sea treaty framework.

We advised on means to promote the rule of law and the peaceful settlement of maritime disputes to address tensions in the South China Sea. This included provision of legal advice to



*Head, Treaties Secretariat, David Mason (right), supporting Minister for the Environment, Greg Hunt (second right), and Director, China's State Oceanic Administration, Liu Cigui (left), watched by Prime Minister, Tony Abbott (centre), following the signing of an agreement to strengthen Australia–China cooperation in Antarctica, Hobart, 18 September 2014. [Department of the Prime Minister and Cabinet]*

inform government policy, and working with other agencies to develop appropriate operational guidance.

The department worked closely with international partners in achieving UN consensus to develop a global treaty to improve the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction.

We supported operational efforts to combat illegal, unregulated and unreported (IUU) fishing in the Southern Ocean and Indo-Pacific, resulting in regional partners taking action against IUU vessels.

The department advanced Australia's Antarctic and Southern Ocean interests, negotiating a MOU with China to strengthen cooperation on science, logistics and governance in Antarctica.

## Sanctions

As Australia's sanctions regulator, we led the development, implementation and administration of UNSC and Australian autonomous sanctions regimes.

We represented Australia in all 15 UNSC Sanctions Committees and chaired the Al-Qaida, Iran and Taliban Sanctions Committees during

our UNSC membership. We were a driving force in the UN High Level Review of Sanctions, which will improve the global implementation of UNSC sanctions and ensure fairness and consistency in UN sanctions procedures.

We conducted public consultations on, and implemented new sanctions in relation to, Russia, Crimea and Sevastopol. We implemented the lifting of sanctions in relation to Fiji and implemented amendments to existing sanctions regimes in relation to Burma, Central African Republic, Libya, North Korea, Somalia and Yemen.

We implemented asset freezes against three foreign terrorist fighters—Khaled Sharrouf, Mohamed Mahmoud Elomar and Neil Christopher Prakash, Australian citizens listed by the Foreign Minister for counter-terrorism targeted financial sanctions under UNSC Resolution 1373.

As part of its first evaluation of Australia in a decade, the Financial Action Task Force (FATF) found Australia's implementation of UNSC targeted financial sanctions against counter-terrorism and counter-proliferation financing to be technically compliant (the highest rating). We delivered capacity-building presentations on counter-terrorism financing to countries in the Asia-Pacific region.

*Australian autonomous sanctions: economic diplomacy for the national interest*

Through the *Autonomous Sanctions Act 2011* and associated regulations, Australia has developed a comprehensive and coherent regime of sanctions that is transparent for Australian businesses. The department develops sanction regimes that are targeted while facilitating trade to the greatest extent possible. In this way, Australian autonomous sanctions demonstrate the intersection of national security, foreign policy and economic diplomacy strategies.

To improve the targeting of sanction regimes and build business compliance with sanction laws, the department expanded its outreach program in 2014–15. We

hosted regular outreach sessions at state offices and elsewhere with the business, legal and academic community. Following our increased outreach, sanctions inquiries and permit applications almost doubled to approximately 1100.

We also reviewed the way we implement sanctions laws to ensure Australian exporters are not unduly disadvantaged in the global marketplace. Through our engagement with business, we worked to redesign the application of sanctions to ensure they were appropriately targeted and did not capture legitimate exports, for example, of non-military items to foreign military or security sector users.

The department provided responses to more than 280 informal inquiries and over 780 formal applications from business relating to sanctions permits. We effectively balanced proper administration of Australian sanction laws with our broader trade facilitation objectives.

We worked closely with business, academics and the legal community to build engagement and compliance with Australian sanction laws. We attracted over 400 participants from businesses, financial institutions and universities to public seminars throughout Australia and conducted tailored outreach to individual businesses and sectors particularly affected by the laws.

**Transnational crime**

The department conducted six seminars with Australian businesses and industry throughout Australia to boost awareness of obligations under Australia's bribery and corruption laws, and to promote best practice in effective compliance and risk management.

We collaborated with regional and multilateral partners to assist Pacific Island states to respond to the security, social and economic threats posed by transnational crime. With strong Australian backing and financial support, the UN Office

on Drugs and Crime (UNODC) and the Pacific Islands Forum Secretariat commenced a threat assessment for the Pacific Islands region to identify the nature and scope of transnational organised crime, and to provide recommendations for addressing key challenges and gaps.

We continued building on our strong partnerships with countries in Southeast Asia and the Pacific to combat transnational crime, leading delegations to ASEAN and Pacific Islands Forum officials' meetings. We also partnered with the UNODC to enhance law enforcement and prosecutorial capacities to combat cybercrime and wildlife trafficking in Southeast Asia.

The department worked closely with Southeast Asian countries, as well as with Turkey, Iraq and Japan, to strengthen awareness of the threat posed by foreign terrorist fighters and to highlight linkages between terrorism and transnational crime. We ensured measures to address the foreign terrorist fighters' phenomenon were given prominence at the 13th UN Crime Congress in Doha in April 2015, and at the UN Commission on Crime Prevention and Criminal Justice in Vienna in May 2015.

At the UN Commission on Narcotic Drugs in March 2015, we led a resolution aimed at promoting international cooperation on new psychoactive



substances and amphetamine-type stimulants, such as 'ice'. We also shared Australia's evidence-based approach to drug policies at the UN General Assembly's High-Level Thematic Debate on the World Drug Problem in May 2015. We partnered with the UNODC, WHO and the Union for International Cancer Control on a pilot project in Timor-Leste aimed at improving access to controlled drugs for medical purposes. Australia resumed its chairing, in January 2015, of the Southeast Asia and China Regional Dublin Group of donor countries supporting counter-narcotics efforts in the region.

We continued working closely with the Australian Federal Police in referring allegations of foreign bribery and other extra-territorial offences, particularly child sex and forced marriage offences, concerning Australians and Australian companies.

## International law

The department supported Australia's interests in a rules-based order and the progressive development of international law. We participated in a global initiative to strengthen compliance with international humanitarian law aimed at reducing suffering in times of conflict. We participated in the Tallinn Manual consultations, which will assess how international law applies to cyber operations.

We continued to support the work of our Permanent Mission to the United Nations on issues considered by the Sixth Committee (Legal), providing legal advice throughout the 27th, 28th and 29th Regular Sessions of the HRC.

The department helped shape the architecture which will govern the implementation of the Arms Trade Treaty leading up to the First Conference of States Parties in 2015. We conducted inaugural bilateral legal talks with China and maintained an active program of other plurilateral and bilateral legal consultations.

The department provided policy and financial support to the International Criminal Court, the Extraordinary Chambers in the Courts of Cambodia, International Criminal Tribunal for Rwanda and the Special Tribunal for Lebanon to support efforts to end impunity for the most serious crimes. We actively promoted universalisation of the Rome Statute of the International Criminal Court and facilitated the participation of the Foreign Minister in the Informal Ministerial Network for the International Criminal Court. We campaigned for the successful

election of Australian Judge James Crawford to the International Court of Justice.

We provided legal advice to support military, humanitarian, consular, law enforcement and capacity-building activities in Papua New Guinea, Solomon Islands, Ukraine, Iraq, Vanuatu and Sierra Leone, and engaged actively with international law academics and practitioners to build their understanding of emerging international law norms.

## Treaties

The department tabled 37 new or amended treaties in Parliament for review by the Joint Standing Committee on Treaties. We facilitated the signing of 35 treaties, including the free trade agreements with Japan and China. We enabled consultation with Australian states and territories on treaties under negotiation, consideration and review, and advised government agencies on treaty policy and procedure, including through our annual training seminar for government officials.

## Outlook

2015–16 promises to be another busy year across the multilateral system. We will engage on a number of major UN system-wide reviews underway on peacekeeping operations, the peacebuilding architecture and the anniversary of UNSC Resolution 1325 on women, peace and security.

We will support ministerial attendance at the 70th session of the UN General Assembly in September 2015 and CHOGM in Malta in November 2015. We will conclude new partnership agreements with our key UN development partners.

The department will continue to work with other countries to further international cooperation on climate change, including through negotiations on the new global agreement to be concluded at the 21st session of the Conference of the Parties to the UNFCCC in Paris in December 2015.

The department will continue to actively promote human rights internationally, including by participating in the HRC's UPR of Australia in November 2015. The department will deepen its support for international civil society organisations advocating the abolition of the death penalty and continue to advocate abolition strongly in multilateral forums.

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Performance reporting

We will intensify our campaign for a seat on the HRC for the 2018–20 term, in preparation for the election in November 2017. Australia has not previously served on the HRC. Our candidacy is grounded in our strong human rights record and our credentials as a constructive, pragmatic and engaged multilateral player.

We will continue to lead diplomatic engagement efforts with bilateral, regional and multilateral partners to address irregular migration challenges.

We remain committed to the implementation of UNSC Resolution 2166 which supports a full, thorough and independent international investigation into the downing of MH17 and we will work with the international community to secure justice for the families of the victims.

As the lead government agency on sanctions, the department will continue to work proactively with business and other stakeholders to ensure Australian sanctions are effective and trade facilitative.

Australia is working closely with international partners in the lead up to the April 2016 UN General Assembly Special Session on the World Drug Problem to promote responses to drug use which balance public health and law enforcement approaches.

We will continue to promote adherence to international law and the peaceful resolution of disputes in the South China Sea. The department will co-lead, with the Department of Environment, the development of the Government's 20 Year Plan for Antarctica, and negotiations on a new global UN treaty to improve conservation and sustainable use of biodiversity beyond national jurisdiction. We will continue to support the Timor Sea treaty framework and defend the arbitration brought by Timor-Leste under the Treaty on Certain Maritime Arrangements in the Timor Sea.

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# International security, nuclear disarmament and non-proliferation

Program 1.1 and 1.10

○ Not Met    ◐ Partially Met    ● Met

Deliverables	2013-14	2014-15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– strengthened key international relationships, including a strong alliance with the United States, high-level political and economic engagement with Japan, China, India, Republic of Korea, Indonesia and other countries of Southeast Asia.	●	●
An enhanced environment for security and development, including through:		
– effective whole-of-government efforts to promote international stability and development, including in Afghanistan <sup>1</sup>	●	●
– promotion of nuclear non-proliferation and arms control efforts, including as chair of the Australia Group	●	●
– participation in counter-terrorism programs and activities, including in South Asia, Southeast Asia, the Middle East, eastern and West Africa, and in the Global Counter-Terrorism Forum. <sup>2</sup>	●	●
To assist developing countries respond to emergencies and assist refugees.	●	●
Key Performance Indicators	2013-14	2014-15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
Achievement of significant development results.	●	●

<sup>1</sup> Deliverable in 2013-14 referred only to performance in relation to Afghanistan.  
<sup>2</sup> Deliverable in 2013-14 did not refer to counter-terrorism programs in West Africa.

## Overview

The global security environment deteriorated further in the last 12 months. Strained relations between the United States and Russia cast a shadow over broader international security dynamics. Islamist terrorism and conflict in the Middle East had a direct impact on Australia through the growing foreign terrorist fighter (FTF) threat. China's island-building activities became

the focus of attention. And the hacking of Sony, attributed to the Democratic People's Republic of Korea (North Korea), embodied the growing threat of cyber attacks.

Against this discouraging backdrop, Australia made a significant contribution to international security efforts, reinforcing our credentials as a constructive and innovative partner in strengthening global and regional security frameworks and norms.

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Performance reporting

We continued to focus on the threat of Weapons of Mass Destruction (WMD). We worked with others at the 2015 Review Conference of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) to emphasise the security aspects of nuclear weapons, as well as that practical measures to progress disarmament must take into account the humanitarian concerns. We continued to press Australia's concerns about North Korea's nuclear program and advocated greater transparency about Iran's nuclear activities. We also played a prominent role in advancing the aims of the Chemical and Biological Weapons Conventions.

We maintained our emphasis on WMD counter-proliferation efforts. We hosted the 30th anniversary plenary meeting of the Australia Group. With the Department of Defence and other agencies, we engaged closely with emerging exporting countries, including to promote the trade benefits that can flow from strong export control regimes.

Our sustained lobbying and support for the Arms Trade Treaty (ATT) helped facilitate its entry into force on 24 December 2014. We continued to influence preparations for the First Conference of States Parties in August 2015.

The international counter-terrorism (CT) landscape was dominated by Daesh's territorial gains in Syria and Iraq and its success in attracting increasing numbers of FTFs. We broadened and deepened our cooperation with partners in Southeast Asia and the Middle East, including developing programs to counter violent extremism and the impact of terrorist messaging.

Through practically focused workshops and outreach activities, we helped strengthen counter-proliferation and CT capabilities in the Pacific and Southeast Asia. We engaged Burma in particular on the non-proliferation of chemical and biological weapons and on nuclear safeguards.

Faced with increasing tensions in our region, we deepened our strategic relations with major powers and regional partners. Through the Trilateral Strategic Dialogue, leaders from Australia, the United States and Japan agreed to cooperate more closely in the region.

Cyber attacks resulting in the significant loss of data and confidential information increased globally, underscoring the importance of developing peacetime norms and risk reduction measures. We led global and regional

efforts to achieve this. Our involvement in the Australian Government's Cyber Security Review provided an opportunity to inject international perspectives into domestic considerations of this global issue.

## Conventional weapons

Building on Australia's seminal role in developing the ATT text, we helped facilitate its entry into force on 24 December 2014. We were prominent in shaping plans for its effective global implementation, working with key supporters on preparations for the first Conference of States Parties, to be held in Mexico in August 2015. In particular, we co-led with Ghana efforts to develop financial rules for the ATT Secretariat.

Australia continued to promote the universalisation of the Anti-personnel Landmine Ban Convention, the Convention on Cluster Munitions and other international instruments that aim to reduce the threat from the explosive remnants of war. Under Australia's Mine Action Strategy 2010–14, we contributed \$125 million to humanitarian mine action, exceeding our original commitment of \$100 million.

## Nuclear non-proliferation and disarmament

We engaged substantively on all issues during the 2015 NPT Review Conference, demonstrating our commitment to the NPT as the cornerstone of the global nuclear non-proliferation and disarmament regime. Disagreement over the modalities for a proposed conference on a Middle East WMD-Free Zone prevented a consensus outcome, but the conference achieved a degree of convergence across the three pillars of the NPT (disarmament, non-proliferation and the peaceful uses of nuclear energy). The Action Plan agreed at the 2010 NPT Review Conference remains the guide for future progress in disarmament, non-proliferation and peaceful uses of nuclear energy. Australia's Ambassador to the United Nations in Vienna chaired the International Atomic Energy Agency (IAEA) Main Committee III on advancing the peaceful uses of nuclear energy.



*Ambassador to the United Nations in Vienna, David Stuart (centre), chairing a critical informal meeting, NPT Review Conference, New York, May 2015. [DFAT]*

Australia is committed to practical, realistic measures for nuclear disarmament and non-proliferation—including through our leadership role in the Non-Proliferation and Disarmament Initiative, which was acknowledged at the NPT Review Conference for its effectiveness in crafting compromise positions on key issues.

We continued to stress the importance of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and Fissile Material Cut-Off Treaty (FMCT) as vital steps towards nuclear disarmament. With Japan, we organised the 7th Friends of CTBT Ministerial Meeting during the UN General Assembly leaders' week to encourage remaining states to sign and ratify the treaty and maintain the moratorium on nuclear testing. As a member of a group of governmental experts reporting to the UN Secretary-General, we mapped out key challenges and solutions for negotiating an FMCT that would verifiably end the production of fissile material for nuclear weapons. Agreement on a way forward still eludes us. We joined the International Partnership for Nuclear Disarmament—a new US initiative to explore ways to verify the dismantlement of nuclear weapons.

At the IAEA, our Ambassador to the United Nations in Vienna chaired the Committee of the Whole at

the 58th General Conference, which delivered practical outcomes across the range of IAEA issues. Australia led negotiation of the annual resolution on nuclear safety and helped secure strong resolutions supporting the agency's role in nuclear safeguards, security and technical cooperation. As a member of the Board of Governors, we advocated effective safeguards implementation, promoted our interests as a responsible producer of nuclear medicine and supported the IAEA in promoting a well-governed technical cooperation program. We contributed over \$3 million to the Technical Cooperation Fund, the Peaceful Uses Initiative and the renovation of the IAEA's Seibersdorf laboratories, which will help spread the benefits of the application of nuclear science and technology globally.

We maintained pressure on Iran to address past and present concerns about its nuclear program and encouraged conclusion of a Joint Comprehensive Plan of Action between UNSC permanent members plus Germany (P5+1) and Iran. We continued to register strong concern about North Korea's nuclear program and urged North Korea to meet its international obligations, including by returning to compliance with the NPT. We also ensured the IAEA Board remained seized of outstanding safeguards issues in Syria.



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Performance reporting

Australia signed a nuclear cooperation agreement with India on 5 September 2014. This agreement will provide for the export of uranium to India while ensuring such material is used only for peaceful purposes under robust safeguards. The Australian Safeguards and Non-Proliferation Office continued to negotiate with India on an associated Administrative Arrangement.

## Counter-proliferation and export controls

International efforts to prevent proliferators from gaining access to sensitive dual-use WMD-related materials and technologies remained a core focus of our international outreach and bilateral engagement.

With Switzerland, we have been leading ground-breaking efforts within the Organisation for the Prohibition of Chemical Weapons to draw attention to the latent dangers of law enforcement agencies using toxic chemicals that target the central nervous system (so-called ‘incapacitating chemical agents’, such as fentanyl).

The Australian-led Australia Group (AG) marked its 30th anniversary by hosting a plenary meeting in Perth in June 2015. For the first time during a plenary, selected non-members joined a dialogue with members, discussing best practices on stopping the spread of chemical and biological

weapons. In her keynote address, the Foreign Minister encouraged AG members to engage closely with emerging exporting countries and to address evolving challenges, including technological developments and the risk of terrorists acquiring these weapons.

Through our strong leadership in the various export control regimes (such as the AG and the Nuclear Suppliers Group) and implementation of UN Security Council Resolutions, we worked with international and domestic partners to develop new approaches to export controls, including a heightened focus on the security risks posed by intangible transfers of knowledge.

Australia used its work and outreach on export controls to encourage countries to tap the potential trade benefits that can flow from strong export control regimes. Clear and widely observed rules on export controls enable legitimate trade, investment and research by strengthening safeguards against diversion into WMD programs.

## Counter-terrorism

The CT landscape was dominated by Daesh’s territorial gains in Syria and Iraq and its success in attracting increasing numbers of FTFs. Daesh has shown unprecedented capacity to radicalise and recruit through its use of the internet and social media.

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### *Australia Group outreach*

Australia, as chair, drives the Australia Group’s (AG) active program of outreach, including through AG visits to non-members and through our diplomatic missions. In 2014, we led an AG visit to Burma—the first by an export control regime—encouraging Burma’s further progress towards joining the international non-proliferation mainstream.

In 2015, the AG recognised Kazakhstan as the first non-member to declare its unilateral adherence to AG export controls. The participation of six dialogue partners in the 2015 Plenary highlighted the importance of strengthening efforts to prevent the spread of chemical and biological weapons in an environment of rapidly developing technology and global trade patterns.

Southeast Asia remained the focus of Australia's CT cooperation efforts. Following a visit by our Ambassador for Counter-Terrorism, Indonesia agreed to re-sign our CT MOU. A workshop on using legal frameworks to deal with FTFs, held at the Jakarta Centre for Law Enforcement Cooperation, provided practical advice for countries seeking to prevent the travel or control the return of foreign fighters and to manage social media.

We initiated and signed a CT MOU with Singapore as a framework to engage on a broad range of CT issues, including sharing information to disrupt cross-border movements and lessen the impact of terrorism on regional security. We supported high-level visits from the Philippines and Thailand to Australia to provide firsthand understanding of our CT architecture and legislative reforms.

Recognising Pakistan's longstanding battle with terrorism and the need to strengthen its CT capacity, the department funded CT-related police training courses in digital forensics and the use of CT-related technologies and investigative techniques. We worked with other CT partners to provide training to improve the capacity of Pakistani judges and prosecutors to manage terrorism offences.

The Ambassador for Counter-Terrorism held CT talks with senior officials from India, the United States, Turkey, Germany, the European Union and Jordan. Through those talks, we were able to gauge the scale of the FTF problem and to gain commitments to enhance information-sharing and practical cooperation.

We helped strengthen the global CT architecture, most notably through the UN Security Council and the Global Counter-Terrorism Forum (GCTF). As co-chair (with Indonesia) of the GCTF's Detention and Reintegration Working Group, we funded workshops to build capacity in the management of terrorist prisoners, including de-radicalisation and rehabilitation. We supported Interpol projects on information sharing in relation to the FTF threat and on securing the movement of chemical precursors between Indonesia, the Philippines and Malaysia.

The department contributed \$1.5 million over three years to the newly established Global Community Engagement and Resilience Fund which provides funding for civil society organisations in developing countries working to counter violent extremism at a grassroots level. The department worked with the Attorney-General's Department on Australia's hosting of the regional Countering Violent Extremism Summit in Sydney, following the initial meeting in Washington in February 2015.

## National security and strategic policy

The department provided foreign policy and strategic advice on a range of issues considered by the National Security Committee of Cabinet, the Secretaries' Committee on National Security, and the National Intelligence Coordination Committee. We engaged with leading regional strategic policy think tanks to help inform broader policy debate.

### *UN Security Council Resolution 2178 (foreign terrorist fighters)*

In coordination with key allies, Australia provided significant input into UNSC Resolution 2178 that was adopted unanimously in 2014. The resolution is a significant international CT legal instrument aimed at tackling FTFs. Member states are required to prevent and to

suppress recruiting, organising, transporting, equipping and financing FTFs; and to ensure their domestic legislation provides the ability to prosecute and penalise individuals who engage in those activities. (See also p. 116.)

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Performance reporting

We continued our close engagement with the Department of Defence, including through a secondment to the 2015 Defence White Paper drafting team. The liaison officer exchange we have institutionalised with Defence's Headquarters Joint Operations Command is enhancing awareness of shared challenges and identifying areas for greater cooperation, including in operational planning and humanitarian and disaster response.

The increasingly complex security environment in the Indo-Pacific region requires deeper engagement with regional allies and partners. In November 2014, Australia hosted the second leaders-level Trilateral Strategic Dialogue with the United States and Japan, which agreed to enhance cooperation on joint exercises and to strengthen regional capacity building in maritime security, peacekeeping and cyber. Practical cooperation was advanced through the dialogue's working groups, such as the Southeast Asia Working Group.

Military planning benefits from the specialised knowledge of civilian policymakers. The department is directly contributing in a practical way through its significantly expanded participation in Talisman Sabre, a major Australian-US military training exercise.

Civilian and military staff worked side-by-side preparing for the July 2015 exercise, including by producing a gender perspectives checklist that enabled military personnel to operationalise UNSC Resolution 1325 on Women, Peace and Security. (See also p. 118.)

We expanded our work with other agencies and overseas partners on cyber policy issues, including internet governance. We contributed to the Australian Government's Cyber Security Review. At the Global Conference on CyberSpace in The Hague, Ms Bishop announced that Australia would become a founding partner of the new Global Forum on Cyber Expertise, a platform that contributes to cyber capacity building, including through encouraging best practice. We held inaugural bilateral cyber policy talks with China, the Republic of Korea and Japan. Our 2012 initiative to broaden the remit of the ASEAN Regional Forum (ARF) through the information and communications technologies work plan to include risk reduction and conflict prevention was realised in 2015.

We financially assisted several ASEAN countries to attend the 2nd ARF Space Security Workshop in Tokyo. This dialogue, initiated by Australia, will increase regional awareness and cooperation on space security issues.

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*Director Cyber Policy, Henry Fox (centre), chairs the confidence building measures, norms and public-private partnerships session, Global Conference on CyberSpace, The Hague, 17 April 2015. [Global Conference on CyberSpace]*

## Outlook

We will continue to push for stronger regional and global counter-proliferation and disarmament norms to help prevent the proliferation of WMD by both state and non-state actors. We will pursue practical, realistic measures, focused on our region, including the holding of bilateral nuclear disarmament and non-proliferation dialogues with India and Pakistan. We will also continue playing a constructive role in the US-led International Partnership for Nuclear Disarmament Verification initiative.

Trade and investment are the economic pillars of global security. We will continue to promote the role strong export control regimes can play to facilitate, not hinder, legitimate international trade. We will also promote access to the benefits of the peaceful uses of nuclear energy.

We will work to ensure effective implementation of the ATT, especially in the Indo-Pacific region. A review of Australia's Mine Action Strategy is under way, the results of which will inform any further investments in humanitarian mine action and armed violence reduction.

In cooperation with partners in Southeast Asia and in the Middle East, we will give more attention to developing effective programs for countering violent extremism and the impact of terrorist messaging. The department will continue to work with our partners to enhance information sharing, build capacity and strengthen the international frameworks for combatting terrorism.

Regional security tensions are likely to increase as the global strategic and economic centre of gravity shifts towards the Indo-Pacific region. We will continue to defend the rules-based international order that has underpinned stability and prosperity, including through reinforcing regional architecture. Deepening relations with major powers and regional partners, including through the Trilateral Strategic Dialogue, will remain a priority.

Cyber issues will continue to require adroit management. In collaboration with other agencies, we will hold our inaugural bilateral cyber policy dialogue with India and second rounds with China, Japan and the Republic of Korea. Building on the ARF work plan, we will promote practical measures to advance the regional cyber confidence-building agenda.

We will support further transparency and confidence-building measures in space, building on recommendations and guidelines developed by UN bodies. With like-minded partners, we will support efforts to promote the *International Code of Conduct for Outer Space Activities* and to deepen regional cooperation on space security issues.

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Performance reporting

# Services to other agencies in Australia and overseas

(including Parliament, state representatives, business and other organisations)

## Program 1.1

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies.	●	●
Australia's international and portfolio responsibilities are met through:		
– effective coordination and sound advice to ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public	●	●
– effective leadership of, and provision of advice and support to, other government agencies at overseas missions, in line with the <i>Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas</i> and service level agreements.	●	●
✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
High level satisfaction of ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, development and international security interests.	●	●
Government agencies at overseas missions are satisfied with service provided in accordance with the <i>Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas</i> and service level agreements in place.	●	●

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## Overview

The department provided high-quality support to the Parliament, ministers and parliamentary secretaries. We assisted overseas travel in support of whole-of-government policy objectives often under significant time pressure. We received excellent feedback on our efforts in Australia and overseas.

The department provided financial, human resources, ICT and property management services, on a cost-recovery basis, to government departments and agencies with overseas representation, and to the New Zealand Government.

We promoted close cooperation with state and territory governments in Australia and overseas, and enhanced our services to business to deliver the Government's foreign, trade and aid policy objectives in the context of its economic diplomacy agenda.

## Support to portfolio ministers

Ministers and their offices appreciated the quality and timeliness of the department's policy and logistical assistance. This included support for the operations of their offices and overseas visits. The department's support for the MH17 response and efforts to advance the economic diplomacy agenda received particular appreciation.

### Ministerial submissions and briefings

During 2014–15, the department produced 1636 ministerial submissions and 41 Cabinet submissions. For reasons of efficiency and timeliness, Cabinet and meeting briefs are now managed outside the department's centrally coordinated database. As a result, data on the number of Cabinet and meeting briefs is no longer collected.

## Ministerial correspondence

Ministerial correspondence is an important mechanism the department and portfolio ministers use to broaden knowledge and understanding within the Australian community, and globally, of the Government's international policies, programs and the role of the department—a key priority under the Strategic Framework.

The department received and processed 13,315 items of ministerial correspondence in 2014–15, compared with 11,975 in 2013–14. The increase reflects, in large part, the continued growth in correspondence since the integration of AusAID into the department and the broader trend in correspondence growth over recent years.

More than half of all ministerial correspondence for 2014–15 fell within the responsibilities of six divisions. Middle East and Africa Division received the largest amount of correspondence with a focus on Israel and the Palestinian Territories, Daesh, Ebola and religious minorities. Consular and Crisis Management Division received correspondence on issues such as the downing of MH17 and the executions of Andrew Chan and Myuran Sukumaran. Other major subjects of correspondence in 2014–15 were the China–Australia Free Trade Agreement, climate change, G20 and the Trans-Pacific Partnership.

*Figure 21: Managed items of ministerial correspondence*



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Performance reporting

A strategic focus for the department in 2015–16 will be completing the rollout of the whole-of-government Parliamentary Workflow System (PWS) solution. The PWS will provide the department with efficiencies in managing the range of parliamentary material including submissions, briefs and correspondence.

### Ministerial travel

The department provided support to two portfolio ministers and two parliamentary secretaries and assisted with their travel arrangements on 51 official overseas visits.

## The Australian Parliament

The department provided high-quality support to Parliament and met public accountability responsibilities by presenting information to parliamentary committees.

### Questions on notice

The department assisted portfolio ministers with responses to 199 written parliamentary questions on notice: 43 from the House of Representatives and 156 from the Senate. We also answered 612 questions submitted in writing or taken on notice during Senate Estimates hearings.

### Parliamentary travel

We assisted 59 federal parliamentarians to travel to 40 countries. This included parliamentary delegations to 22 countries. We recommended visit programs, scheduled appointments with relevant officials and provided written and oral background briefings on foreign, trade and development policy. We also assisted three former prime ministers with 10 visits to eight countries.

### Incoming delegations

We provided the presiding officers with briefings in preparation for their meetings with visiting parliamentarians and officials from 11 countries.

### Parliamentary committees

The department briefed and appeared before a range of parliamentary committees as outlined in App. 6, p. 264.

## Services to attached agencies overseas

The Service Level Agreement (SLA) sets out the obligations of the department and other signatory agencies for management services. It determines service delivery standards in the areas of financial, human resources and property management for Australia-based employees and locally engaged staff at DFAT-managed posts. The SLA was due to expire on 30 June 2015; however, by agreement with attached agencies, the department has extended the SLA until 30 June 2016 and will conduct a review of SLA services in 2015–16.

Under the SLA, we provided services, on a cost-recovery basis, to 25 government departments and agencies with overseas representation, and to the New Zealand Government. We also delivered ICT services to 49 agencies in Australia and overseas. (See App. 10, pp. 270–1.)

## Services to state governments and other agencies overseas and in Australia

The department cooperated closely with state and territory counterparts on trade and investment matters. We launched the Charter on Economic Diplomacy and State and Territory Governments. The charter outlines the services that the foreign affairs and trade portfolio provides to states and territories to support their trade and investment objectives. The department, together with Austrade, supported trade and investment ministers' meetings in Cairns and Hobart. These meetings brought together Commonwealth and state and territory trade and investment ministers to enhance coordination on trade and investment activities, including on free trade agreements, investment priorities and building a 'Team Australia' approach to international events and business missions.

The department, through its global network of diplomatic missions, continued to provide strong support to other Commonwealth government departments and to state and territory governments overseas. This included advising on the latest political, economic, commercial,

regulatory and strategic developments, logistical support for official visits and management of visit programs, participating in negotiations and making representations to foreign governments. We engaged with state and territory governments regularly through our state and territory offices on Australia's trade and investment agenda and key foreign and development policy issues and promoted the value of a consistent whole-of-Australia message in dealing with governments and business overseas.

## Services to business

Supporting Australian business is a core component of the department's economic diplomacy strategy. The department launched the Charter on Economic Diplomacy and Australian Business that outlines the services that the foreign affairs and trade portfolio provides to business and sets out 12 priority activities that the department and other portfolio agencies will pursue to advance Australian business and Australia's prosperity.

To deepen the department's engagement with business, we launched a single point of entry web-portal. The web-portal provides a 'no wrong door' approach for businesses to access portfolio services. It includes an email inbox to manage and respond promptly to enquiries: [business@dfat.gov.au](mailto:business@dfat.gov.au). We also launched the *Business Envoy*—an online bi-monthly publication that provides market insights to Australian businesses from the department's diplomatic network overseas.

We supported the Trade and Investment Minister's consultation with Australian businesses, including on the 20-member Trade and Investment Policy Advisory Council. The council met twice during the year in Melbourne and Cairns and discussed a range of trade and investment issues, free trade agreement priorities, red tape and opportunities to attract foreign investment.

Our network of state and territory offices led engagement with Australian business and industry in their respective jurisdictions on a wide range of issues affecting Australia's trade and investment interests. For example:

- the South Australia State Office coordinated the highly successful visit by Canberra's Diplomatic Corps, in March 2015, including a three-day visit to Adelaide, the Barossa Valley and Kangaroo Island, which highlighted the opportunities in South Australia for trade, investment, tourism, education and science. (See also pp. 141.)
- the Tasmania State Office supported senior bilateral visits between China and Tasmania, raised awareness of Australia's aid and scholarship programs through public diplomacy activities, and engaged on priority trade and investment sectors, including agribusiness, tourism, international education, mining and the Antarctic. (See p. 121.)
- the Victoria State Office initiated a program to match Australia Award Leadership Program scholars with relevant Victorian government agencies. The purpose of the program was to enrich the scholars' experience in Australia, building networks with public sector authorities.

### *Business Envoy*

In March 2015, the department launched the first edition of *Business Envoy* to deliver market insights from Australia's embassies and high commissions as well as analysis from the department in Canberra. The bi-monthly publication examines the economic and market implications of geopolitical events and trends, and directly supports the department's

economic diplomacy strategy. Early editions focused on doing business in India and two-way investment trends in Australia. The publication shares the department's assessments and analyses—drawn from its wide diplomatic network—to better support Australian economic and business interests.

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Performance reporting

- the Northern Territory Office supported over 30 overseas visits by state ministers to assist the Northern Territory Government deliver its international trade and investment objectives. The office supported the development of a trilateral agreement between Australia, Indonesia and Timor-Leste which will improve economic links between the three countries with an initial focus in Australia on the Northern Territory. (See also pp. 52 and 149.)
- the New South Wales State Office supported Consular Corps visits to the Central Coast and Mid-North Coast and hosted an infrastructure investment-focus event showcasing investment opportunities in Sydney's major urban renewal projects. As part of its economic diplomacy activities, the Sydney office initiated an MOU between the department and the newly established Australian Fashion Chamber to support the growth of the Australian fashion sector internationally. Sydney delivered more than 40 programs for Australia's heads of mission and post with a focus on targeted outreach with Sydney's business community.
- the Western Australia State Office hosted the Africa Down Under mining conference (September 2014) and the Indian Ocean Region Association Council of Ministers Meeting (October 2014), events which brought together senior government and business leaders from the Indian Ocean region. The office also facilitated public information sessions on export markets and Australia's free trade agreements, as well as consultations with Western Australian stakeholders on the India–Australia Comprehensive Economic Cooperation Agreement negotiations.
- the Queensland State Office brought together four bilateral business chambers, as well as the Australian Institute for International Affairs, for a joint foreign business councils' G20 panel forum and networking dinner on 'sustaining business growth'. The forum highlighted to a predominantly business audience the priorities for Australia's G20 presidency and how decisions made by the world's leading economies have a trickle-down effect on Australian enterprise.



*Director North Asia Investment and Services, Dene Yeaman, explains the merits of ChAFTA to the Western Australian business community, at a state office (with Australia China Business Council)–facilitated event, Perth, 24 June 2015. [DFAT]*

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## Trade statistics

The department provided detailed advice on trade and economic statistics to ministers, other agencies, business and the general public. We produced a new publication on Australia's international investment statistics and published a special 50th anniversary edition of our flagship trade statistics publication, *Composition of Trade*. We responded to almost 2800 enquiries on trade and economic statistics, and maintained our comprehensive suite of over 190 country fact sheets, which were viewed over 44,000 times by our online audience.

## Outlook

The department will maintain high levels of support to the Parliament and to federal parliamentarians, parliamentary delegations and committees to advance Australia's international interests. We will also continue to provide high-quality policy and logistical support to portfolio ministers, the parliamentary secretary, and their offices in support of the Government's foreign, trade and investment, and development policy agenda.

We will continue to deepen our engagement with the Australian business community, state and territory governments and other agencies to deliver the Government's objectives under the economic diplomacy agenda.



# Services to diplomatic and consular representatives in Australia

## Program 1.1

○ Not Met   ◐ Partially Met   ● Met

➤ Deliverable	2013–14	2014–15
Australia's international and portfolio responsibilities are met through:		
– quality service and support to the diplomatic and consular corps serving in Australia, including facilitation of accreditation and diplomatic visas, and the security and protection of the dignity of diplomatic missions and their personnel, upholding Australia's obligations under the Vienna Conventions.	●	●
✓ Key Performance Indicator	2013–14	2014–15
The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.	●	●

## Overview

A key function for the department is to engage the diplomatic and consular corps in Australia in support of the Government's objectives. The corps continued to grow in size and diversity, reflecting increased global interest in Australia and the Indo-Pacific region. The department supported diplomatic missions and consular posts to promote bilateral cooperation and deliver consular services to their citizens, consistent with Australia's obligations under the Vienna Conventions on diplomatic and consular relations.

## Services to the diplomatic and consular corps

The department assisted with the opening of resident diplomatic missions by Belarus, Estonia and Guatemala, as well as two new career consular posts (China, in Adelaide and Kazakhstan, in Sydney). We also helped with the

opening of four new honorary consular posts by Uruguay (Tasmania and South Australia) and Slovenia (Queensland and South Australia). We worked closely with Government House in Canberra on credentials ceremonies for 26 new resident and one non-resident head of mission. We facilitated with the Prime Minister's Office the presentation of letters of introduction by a resident head of mission from the United Kingdom and one non-resident head of mission from Jamaica.

The department provided high-quality protocol services to diplomatic and consular staff from 105 missions resident in Canberra, 41 non-resident missions, 362 consular posts and 13 international organisations with offices throughout the country. This year Australia hosted 3936 diplomatic and consular representatives (7276 including dependants) from 162 countries. We continued to receive positive feedback on our engagement and service standards, notably in respect to the level of access to, and responsiveness of the Foreign Minister and the department.



Chief of Protocol, Chris Cannan (left), with Guatemalan Ambassador to Australia, HE Ms Connie Taracena, following credentials ceremony, Canberra, 8 December 2014. [DFAT]

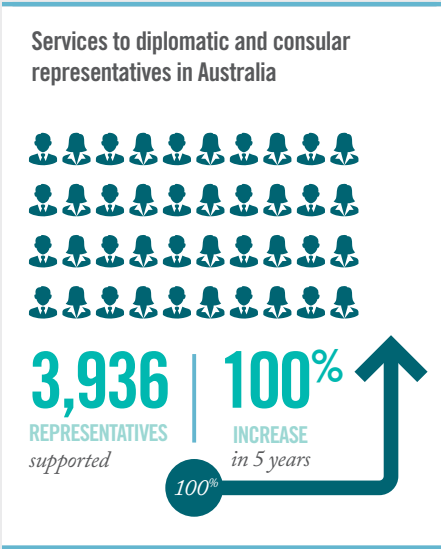
The department provided high quality advice and services to diplomatic missions in support of the Government’s foreign policy and economic diplomacy objectives. Our key services included liaising with missions on physical security, providing visas and accreditation for diplomatic and consular staff, coordinating airport facilitation for dignitaries, advising on customs, quarantine, taxation and employment issues, helping missions to secure diplomatic property and facilitating motor vehicle registration. We also represented the Government at events celebrating the national days of more than 70 countries.

The department continued to emphasise to diplomatic and consular officials their obligations to respect Australian laws. Where necessary, we alerted heads of mission to poor traffic infringement records of individual diplomats. We supported the Australian Federal Police (AFP) in enforcing Australian law by seeking waivers of immunity when requested. Working with relevant Australian government agencies, we also strengthened protections for private domestic workers employed by foreign diplomatic and consular officials across Australia.

We liaised with state and federal police and other authorities to help missions provide consular services to nationals affected by incidents in Australia. For example, during the Lindt Café siege in Sydney, we linked law enforcement agencies with diplomatic missions and posts concerned about the safety of their citizens.

The department concluded a reciprocal bilateral arrangement with Ireland on the employment of dependants of diplomatic officers, bringing the total number of arrangements managed by the department to 44. We are currently negotiating arrangements with four other countries. We also concluded negotiations for reciprocal indirect tax concession agreements with Azerbaijan, Kosovo and Indonesia. All countries with diplomatic representation are able to seek reciprocal indirect tax concession agreements with Australia, which we agree to when they are in the national interest.

Figure 22: Number of diplomatic and consular representatives supported



**Table 8: Services to diplomatic and consular representatives in Australia**

	2012–13	2013–14	2014–15
Number of Canberra-based representatives*	1,849	1,862	2,060
Number of representatives outside of Canberra**	1,717	1,700	1,876
<b>TOTAL</b>	<b>3,566</b>	<b>3,562</b>	<b>3,936</b>
Number and category of services provided:			
visas issued for the corps	3,527	3,047	3051
arrivals and departures processed	2,614	2,906	2,542
identity cards issued	1,505	1,793	1,659
presentation of credentials/letters of introduction***	30	30	29
exequatur issued	22	18	17
facilitation of purchase, registration and disposal of cars by privileged personnel	1,081	1,072	1,141
requests processed for foreign awards to Australian citizens	15	5	13
requests processed for dependants seeking permission to work	57	69	79
approvals for new foreign missions in Australia (includes diplomatic missions, consular posts and offices of international organisations)	23	15	9
approvals for defence advisers/attachés	12	24	13

\* This includes representatives based in Canberra from embassies, high commissions, international organisations and overseas missions.

\*\* This includes representatives based in states and territories from embassies, high commissions, international organisations and overseas missions (Hong Kong Economic and Trade Office, General Palestinian Delegation and Taiwan Economic and Cultural Office).

\*\*\* Letters of introduction are presented by countries with which Australia share a head of state.

## Protection of diplomatic and consular missions

The department ensured Australia met its obligations under international law to protect the security and dignity of diplomatic and consular missions. We worked closely with the AFP and the Attorney-General's Department to ensure security concerns raised by missions about physical security, elections and foreign dignitary visits were appropriately addressed.

We liaised with local and federal police to ensure that the safety and dignity of missions was protected during protests, while respecting the rights of Australians to freedom of expression and peaceful political protest.

The department supported the Government's hosting of major events, notably the G20 Summit and ministerial meetings, as well as the Cricket World Cup and the Asian Football Cup. We worked closely with the Department of Immigration and Border Protection, Customs, the AFP and other agencies to make sure Australia met its obligations in respect to the privileges and immunities of high-level visitors. This included providing training and briefing to frontline border and security officials ahead of the G20 Summit. We provided on-the-ground advice and support during G20 meetings to resolve incidents and to ensure an appropriate balance between the expectations of foreign visitors and the need to provide effective security for each event.



*Minister for Foreign Affairs, Julie Bishop, and Protocol Officers with heads of foreign missions, Kangaroo Island, March 2015.*  
[DFAT]

## Engagement with diplomatic and consular corps

The department organised a successful visit by 66 resident heads of mission and one non-resident head of mission to South Australia in March 2015, led by the Foreign Minister. The visit showcased the extensive trade, investment and tourism opportunities in South Australia. Diplomats were briefed on collaboration between government, academia and business; on Australia's food security initiatives; and on the state's economic diplomacy and defence industry prospects. The heads of mission attended a trade fair managed by Food SA and witnessed unique ecotourism and conservation at Seal Bay on Kangaroo Island.

The department continued to organise meetings between the Foreign Minister and regional groupings of ambassadors and high commissioners. These meetings proved to be a useful means of enabling the minister to advocate Australia's regional and bilateral foreign policy, trade and development priorities. The department also held its annual reception for the diplomatic corps, which was an opportunity for the corps to interact with more than 300 senior stakeholders from government, business, NGOs and academia.

The department provided briefing and advice to the diplomatic corps on a range of issues, including Australia's priorities in the G20, the UN Security Council and on a broad range of foreign policy, trade and investment and development interests.

## Outlook

The department will continue to provide best practice, timely and responsive protocol services to the diplomatic and consular corps in Australia. We will roll out a new Protocol Online Services portal to enhance our commitment to service excellence. This will eliminate 15,000 hardcopy forms per annum, improve efficiency and enhance data integrity for both the corps and the department.

We will, in partnership with the ACT Government, implement a tougher regime for enforcing traffic infringements for the diplomatic corps in Canberra. The department will work with the diplomatic and consular corps to ensure they meet their Australian employment obligations and will continue to implement strengthened protections for private domestic workers.

We will expand nationally the successful program of outreach to law enforcement agencies and aviation security screeners developed for the G20 Summit on the privileges and immunities of foreign representatives in, and dignitaries visiting, Australia.

The department will finalise its work with the National Capital Authority and other stakeholders to develop a more flexible and innovative approach to allocating property to diplomatic missions in a way that addresses increased demand for land for diplomatic missions in Canberra.

# Public diplomacy and communications

## Programs 1.1, 1.3 and 1.9

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverables	2013–14	2014–15
Australia's foreign, trade and economic, development and international security policy interests and international standing are advanced through:		
– promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies.	●	●
Promotion of people-to-people links and a contemporary and positive image of Australia as a destination for business, investment, tourism and study and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils, institutes, alumni and diaspora community engagement and leadership dialogue. <sup>1</sup>	●	●
To assist developing countries by contributing to reducing poverty and lifting living standards through sustainable economic growth.	●	●
✓ Key Performance Indicators	2013–14	2014–15
The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.	●	●
An understanding of contemporary Australia and the government's foreign, trade, investment and development credentials, and strengthened people-to-people and institutional links and trade, economic and cultural ties. <sup>2</sup>	●	●
Achievement of significant development results.	●	●

<sup>1</sup> Deliverables for 2013–14 did not include support to alumni and diaspora community engagement and leadership dialogue.

<sup>2</sup> KPI for 2013–14 did not reference investment and development credentials, institutional links or cultural ties.

## Overview

The department's public diplomacy strategies promoted Australia's economic, artistic and cultural, sporting, scientific and education assets. Through our projects, we promoted Australia as a modern, tolerant, dynamic and successful country and an attractive destination for tourism, investment and study.

We strengthened people-to-people and institutional links through the Australia Awards Scholarship program which continues to build a network of leaders and advocates for Australia through study in Australia under the aid program.

We deepened the department's digital presence by launching a revamped website and increasing our social media presence. We embraced the challenge of new technologies opening up unprecedented opportunities to reach and engage with different audiences.

Our active engagement with media, domestically and overseas, contributed to informed coverage of Australia's policies and programs as well as effective crisis communications during humanitarian and consular events.



## Cultural diplomacy

The department's cultural diplomacy programs build awareness of Australia's society and values, strengthen links between Australian artists and arts organisations and their international partners, and expand audiences and markets for Australian artistic work and creative products.

We delivered cultural activities through 91 posts in support of the department's public diplomacy strategy, with major initiatives in Indonesia, Singapore and Turkey.

Our embassy's Arts and Cultural Program in Indonesia highlighted Australian excellence in the arts, science, innovation, literature and sport, delivering 61 events across 13 locations. The program engaged influential stakeholders and artists, generating strong corporate sponsorship and attracting large local crowds.

Our focus country for 2015 is Turkey. The year-long program, run in parallel with broader Anzac Centenary commemorations, has so far featured activities in Ankara and Istanbul that have highlighted Australia's creativity and innovation.

In May 2015, our high commission in Singapore curated '50 Bridges', a highly successful program of street art and performance to mark

the 50th anniversary of Australia–Singapore diplomatic relations and the 50th anniversary of Singapore's independence.

In partnership with Screen Australia, the department supported initiatives that delivered opportunities for Australian screen industry practitioners to participate in festivals and markets. We also supported activities in 13 posts to promote Australian screen content and culture through film. We funded 15 projects designed to raise the profile of Aboriginal and Torres Strait Islander art and culture internationally.

The Australia International Cultural Council (AICC) grants program supported 16 projects in Asia, the Americas and Europe. Highlights included the Tasmania–Indonesia Dance Exchange project in West Sumatra, Australian Dance Theatre's tour of the contemporary dance production 'G' in Latin America and Belvoir's acclaimed tour of 'Wild Duck' in London and Paris. In the 2014–15 Mid-Year Economic Fiscal Outlook, the Government announced the abolition of the AICC. The Australian Cultural Diplomacy Grants Program will replace the AICC grants and deliver its first round of funding in 2015–16.

We have taken steps to promote Australian fashion internationally, beginning with the development of an MOU between the department and the Australian Fashion Chamber.



### STAFF PROFILE

**BARIS KAYA**

OFFICE MANAGER, ÇANAKKALE



Çanakkale is a small post with a broad range of responsibilities. As the consulate's LES Office Manager, I work across many fields including consular, administration and VIP visit management. I also help coordinate the post's aid program. The most important part of my job though is maintaining good contacts with Turkish officials in support of the Anzac Day services at Gallipoli.

This year it was a great honour to be a part of the team who helped support the 100th anniversary of the Anzac Day landings at Gallipoli. Probably the most memorable highlight was when I interpreted for Their Royal Highnesses Prince Charles and Prince Harry when they met the son of the last surviving Turkish Gallipoli veteran during the Centenary services.

## Koala diplomacy

In early 2015, the department funded and coordinated a gift of four koalas to Singapore Zoo to mark the 50th anniversary of Singapore's independence and of diplomatic relations between Australia and Singapore.

The koalas are on a 10-month loan from Lone Pine Koala Sanctuary in Brisbane. The department secured the support of Qantas to transport the koalas to Singapore and freight fresh eucalyptus leaves twice weekly for the duration of the loan.

The initiative produced significant public diplomacy outcomes for Australia, with the investment generating global media coverage of an estimated \$4 million in equivalent advertising value. Almost 200 global media outlets covered the arrival of the koalas in Singapore and the opening of their enclosure by the Foreign Minister on 20 May 2015.

Singapore Zoo has estimated more than half a million Singaporeans and tourists will visit the koalas over the course of the loan.



*Minister for Foreign Affairs, Julie Bishop, and Singapore's High Commissioner to Australia, Mr Burhan Gafoor, at the announcement of Australia's gift of koalas to Singapore, Lone Pine Koala Sanctuary, Brisbane, 9 April 2015. [DFAT/Patrick Hamilton]*

## Sports diplomacy

A key achievement was the launch of the *Australian Sports Diplomacy Strategy 2015–18*. The strategy—developed with Austrade, the Office for Sport, Tourism Australia and the Australian Sports Commission—focuses on four goals:

- Connecting people and institutions through sport;
- Enhancing sport for development;
- Showcasing Australian capability through sports; and
- Supporting innovation and integrity through sport.

The department capitalised on Australia's hosting of the AFC Asian Cup and the ICC Cricket World Cup 2015 by supporting programs in the lead up to and during the tournaments to promote Australia's foreign, trade and development policies.

We delivered international sport for development programs under the Australian Sports Outreach Program. Our Pacific Sports Partnership program supported 11 Australian national sporting organisations in eight Pacific countries to undertake development work. The program supported collaboration between Australian national sports organisations and their Pacific counterparts to encourage regional leadership on issues such as social inclusion, health, governance and education.



*Australian High Commission in New Zealand's Facebook page, providing infographic snapshot of Australia's diplomatic and trade relationship to coincide with the ICC Cricket World Cup 2015, posted 19 February 2015.*

## Trade advocacy

The department used new media, including social media and interactive websites, to better communicate Australia's trade policies. We expanded the readership of our weekly trade newsletter, *Trade Talk*, and launched a new bi-monthly online publication, *Business Envoy*, to better connect with business. (See also p. 135.)

Demand for the annual *Trade at a Glance* pocket booklet remained strong. We promoted the conclusion and signature of the China–Australia Free Trade Agreement, generating public interaction with our tweets and new visitors accessing promotional material on the department's website.

## Visit programs

The department managed three major visit programs that promoted people-to-people links and improved understanding of Australia and the Government's foreign, trade and development policies.

## International Media Visits

During the year, our International Media Visits (IMVs) program promoted Australia's presidency of the G20, Australia's trade relationships with India, China and MIKTA countries, raised understanding of management of the Great Barrier Reef and promoted Australia's sports and major events capabilities. We funded and organised seven IMVs to Australia, comprising 55 journalists from 21 countries.

Through an internship program with the ABC, three journalists from the Indo-Pacific region came to Australia to develop their journalism skills. The department also supported the annual Elizabeth O'Neill Journalism Award—created in memory of a departmental officer who died in the Yogyakarta plane crash in 2007—with a two-week exchange between Indonesian and Australian journalists.

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### *G20 International Media Visit*

In September 2014, the department hosted an IMV with 11 journalists from six countries (Brazil, Japan, China, France, Germany and Saudi Arabia) to promote Australia's presidency of the G20. The key themes of the visit reflected those of Australia's G20 agenda, including financial stability, job growth, tax reform, infrastructure and trade. The visit provided government and G20 engagement groups an opportunity to communicate Australia's priorities for the G20 Summit to an international audience.

IMV participants agreed that Australia was well-prepared for the G20 and that its messaging was consistent across G20 groups. This view was reflected in numerous media reports submitted by participants to their respective news agencies. Delegates also commented how useful the program had been for broadening their understanding of contemporary Australia, its multiculturalism, democratic values and place in the Indo-Pacific region.

## Special Visits Program

Our Special Visits Program (SVP) brought 39 decision-makers and emerging leaders to Australia. The program exposed visitors to a range of policy issues, from economic diplomacy and women's empowerment to regional security and innovation in agriculture and the extractive industries.

## International Cultural Visits Program

In partnership with the Australia Council for the Arts, we supported a delegation representing China, Malaysia, Japan, Republic of Korea and Thailand to attend the 2014 Electronic Music Conference in Sydney. The week-long program gave the delegates exposure to emerging Australian electronic dance music talent and created opportunities for Australian artists to tour in Asia.

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### *Special Visits Program boosts people-to-people and regional trade links*

Philippines Congresswoman Maria 'Leni' Robredo visited Australia from 27 April to 1 May 2015 under the SVP. Congresswoman Robredo is a leading political figure in the Philippines, and has a prominent public profile as a campaigner on transparency, anti-corruption and good governance.

Congresswoman Robredo's meetings with the Australia–Philippines Business Council and department interlocutors raised her awareness of opportunities for increased trade and investment between Australia and the Philippines. She is a strong advocate for economic reform in the Philippines Congress. The visit's success was reflected in Congresswoman Robredo's extensive social media engagement during her time in Australia.

In partnership with the Australia Council for the Arts, Artspace and the Contemporary Arts Organisations network, we supported four Turkish art curators to visit Australia in October 2014. The program included tours of Australia's key art institutions and peer meetings with curators, academics and artists. The visit allows for future collaboration between Australian and Turkish institutions.

## Australia Awards and alumni

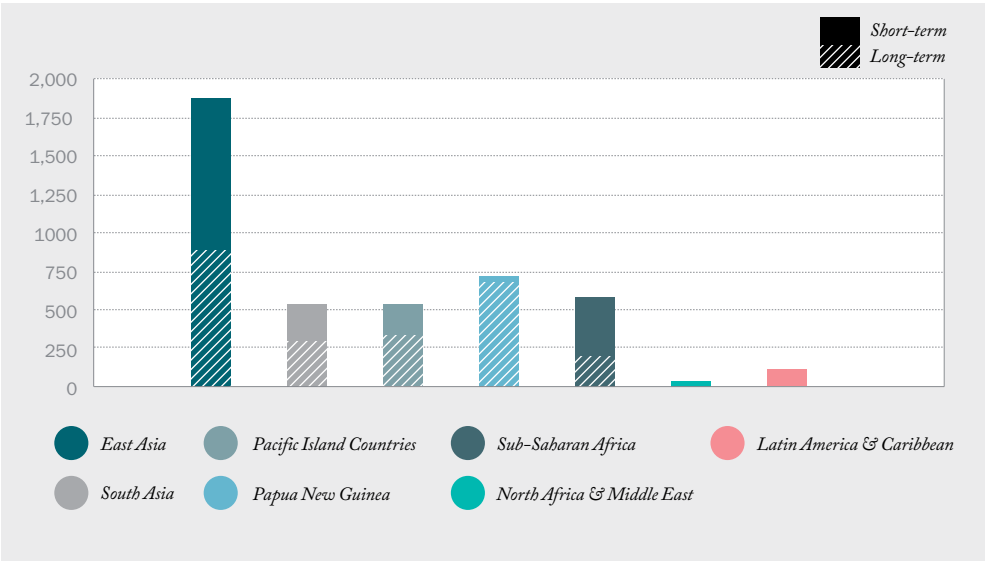
The Australia Awards are a whole-of-government initiative bringing together scholarships and fellowships offered by the department, the Department of Education and Training, and the Australian Centre for International Agricultural Research. Awards administered by the department are a key pillar of the aid program because of the

lasting social and economic benefits they bring to our developing country partners. The awards help Australia build an alumni network of leaders and strengthen people-to-people links in the Indo-Pacific region.

In 2014–15, the department's Australia Awards expenditure was \$372.2 million. We offered 4322 new awards (fellowship beneficiaries, scholarships and short courses) to recipients from 80 eligible developing countries—approximately 72 per cent from the Indo-Pacific region.

We built domestic and international awareness of the Australia Awards brand through enhanced social media activity on Twitter and YouTube and we distributed a style guide for better global intake advertising. We also increased our engagement on the awards with institution partners at the policy and operational level, including through the establishment of the Institution Consultative Forum and institution roadshows.

Figure 23: Number of Australia Awards by region, 2015





In 2014–15, the department offered 2381 scholarships and managed a total of 8367 long-term awards across 80 tertiary institutions, with 2553 students successfully completing their studies. Over 54 per cent of the Australia Awards Scholarships were awarded to women.

We provided 46 Australian host organisations with funding for 111 Australian Award Fellowships, benefitting 1441 Fellows (742 females and 699 males) from 67 countries.

The Fellowships are administered by the department to build capacity and skills in priority foreign affairs and development sectors. They provide mid-career professionals with opportunities for short-term research, study, and professional development experiences, and build links between organisations in Australia and their partner organisations in developing countries.

We strengthened connections with alumni through networking events, mentoring programs, alumni excellence awards and professional development workshops and conferences. These activities support alumni communities to remain active and relevant to our departmental priorities.

The department commenced development of an Australian global alumni engagement strategy designed to include graduates outside the Australia Awards program. We plan to launch the strategy in the next year.

## Foundations, Councils and Institutes

The department supported secretariats for nine foundations, councils and institutes (FCIs). Funding was provided through the International Relations Grant Program. A total of 227 FCI grants were allocated, with a focus on economic, sport and science diplomacy as well as the promotion of education, media and the arts.

### Australia–China Council

The Australia–China Council's (ACC) 2014–18 Strategic Plan seeks to strengthen the Australia–China partnership through focusing on three key priorities—education, economic diplomacy, and arts and culture.

The ACC supported projects in economic diplomacy, education and the arts, as well as Australian Studies Centres throughout China. The Foreign Minister launched the ACC-funded *Australia China Trade Report* in March.

The ACC supported arts and cultural exchanges including a regional tour by the Sydney Symphony Orchestra, and a major exhibition of Emperor Qianlong's collections by the National Gallery of Victoria.



*Graduating Australia Awards recipients join the Alumni, Completion Ceremony, University of Sydney, November 2014.*  
[DFAT]



*Director NT State Office, Lorenzo Strano OAM (back left), and Indonesian Consul Darwin, Andre Siregan (back right), watch as Nusa Tenggara Barat emergency services personnel participate in an AII-funded training program conducted by NT Police, Fire and Emergency Services, Darwin. [Northern Territory Police, Fire and Emergency Services]*

The ACC Chair participated in the inaugural High-Level Dialogue in Beijing. The ACC also held its inaugural Australia–China Achievement Awards in November 2014 to coincide with the State Visit by Chinese President Xi Jinping.

### Australia–India Council

The Australia–India Council's (AIC's) speakers' exchange program was focused on the promotion of Australia as a business and investment destination. Kiran Mazumdar-Shaw, the CEO of India's largest biotech company Biocon, visited Australia and addressed large business audiences in three capital cities on opportunities for Australia–India partnership in the biotech industry. A member of the Infrastructure Australia Board visited India to promote Australia's expertise in infrastructure funding design and opportunities for investment in Australia's infrastructure project pipeline.

The AIC promoted Australian artists and authors in India supporting a multi-city speaking tour of award-winning author Christos Tsiolkas and sponsoring the participation of contemporary Indigenous artist Daniel Boyd at India's largest visual arts festival, the KochiMuziris Biennale.

The AIC introduced an Australia–India Media Exchange Program which achieved strong coverage of the bilateral relationship in major newspapers and through social media.

### Australia–Indonesia Institute

The Australia–Indonesia Institute (AII) advanced Australia's foreign, trade and development policy priorities through support for community and institutional linkages. Five new board members were appointed, bringing science, education and business expertise to the board.

The AII supported the Government's economic diplomacy agenda with a targeted media visit of four leading Australian economics journalists to see infrastructure opportunities and challenges in Indonesia and Australia–Indonesia trade success stories. The AII continued to support the BRIDGE school partnerships program, which links 132 schools, Australian and Indonesian teachers and many thousands of students and their families and communities.

In line with its mission to promote people-to-people links through personal contact and exchange of technical knowledge, the AII also supported a Northern Territory government training program for emergency services personnel from Nusa Tenggara Barat.

### Australia–Japan Foundation

The Australia–Japan Foundation (AJF) co-sponsored the official lunch for Prime Minister Shinzō Abe in July 2014, at which it announced the establishment of a Rio Tinto Chair of Australia–Japan Studies at the University of Tokyo.



*Australia–Malaysia Institute Muslim Exchange Program delegates visit the Balaclava Multicultural Arts Festival, Melbourne, April 2015. [DFAT]*

AJF grants promoted economic, science and sports diplomacy in Japan. Economic diplomacy initiatives included the Australian National University's Japan Update 2014 Conference featuring leading Australian and Japanese political economists, and the launch and promotion in Japan of the Australia–Japan business matching website to increase trade opportunities.

Science diplomacy highlights included an exchange visit by Australian science teachers to Japanese high schools, a visit by mid-career Japanese scientists to Australia under the leadership of the Australian Academy of Technological Sciences and Engineering, and a CSIRO-scientist visit to high schools in Tokyo and the Tohoku area for scientific outreach activities.

### Australia–Korea Foundation

The Australia–Korea Foundation (AKF) supported a mid-career journalist exchange program focused on the Korea–Australia Free Trade Agreement and media internships for Australian students. The AKF also supported a tailored exchange program undertaken by emerging research leaders from the Australian Academy of Technological Sciences and Engineering and Korea's National Research Foundation.

An AKF grant brought together Korean language stakeholders to identify strategies to increase the numbers of students following the introduction of Australia's national Korean language curriculum.

The AKF supported the Centre for Australian Studies, Yonsei University, resulting in the first accredited Australian Studies courses.

Australian Photography Now showcased contemporary Australian photography to over 40,000 visitors in an exhibition at the 13th Dong Gang International Photo Festival. The premiere of *The Tale of Samulnori* in Seoul and Sydney received very positive feedback. A documentary of three Korean soccer fans in Australia is in the final editing stages.

### Australia–Malaysia Institute

The Australia–Malaysia Institute (AMI) celebrated its 10th year of supporting people-to-people links between Australia and Malaysia.

The AMI's flagship exchange programs enhanced understanding of Australia's democratic institutions and reinforced connections and commonalities between emerging Australian and Malaysian leaders. The AMI's Muslim Exchange and the Young Political Leaders' Programs provide participants an opportunity to share views and experiences of multicultural and interfaith practice, democracy and electoral practices. The AMI established the Australia–Malaysia BRIDGE school twinning program to build partnerships between eight Malaysian and Australian schools.



## Australia–Thailand Institute

The Australia–Thailand Institute (ATI) focused on strengthening business and education ties with a conference to mark the 10th anniversary of the Thailand–Australia Free Trade Agreement. The BRIDGE program funded eight new partnerships between Thai and Australian schools and extended eight existing BRIDGE schools to develop innovative projects for teachers and students in science, music, mathematics and sports. The ATI supported the design of teacher-focused software to help autistic and other special needs students through BRIDGE.

The annual visits program for next generation community leaders included meetings with Islamic, Hindu, Buddhist and Christian communities in the diverse outer suburbs of Melbourne.

## Council for Australian–Arab Relations

The Council for Australian–Arab Relations (CAAR) launched three programs to enhance people-to-people links and build more contemporary views of Australia in the region and vice versa. These include an International Speakers Program to support the two-way flow of influential individuals for a week of public speaking and media opportunities; a Visiting Fellows program which assists Arab academics to research, teach and learn in Australia for up to 12 weeks; and a Media Interns program which funds Australian journalism students to visit and intern at news agencies in the Arab world. CAAR continued its support for the annual Arab Film Festival Australia.

CAAR used the strong Arab presence in the AFC Asian Football Cup to sponsor a series of community and business events in Melbourne and Sydney in the lead up to the event.

## Australia–ASEAN Council (AAC)

In 2014, the Prime Minister announced the establishment of the Australia–ASEAN Council (AAC). The AAC will be an advisory body for the Foreign Minister to support and strengthen links between the peoples of Australia and Southeast Asia.

The AAC will deliver a suite of programs to establish the AAC as an active proponent of people-to-people links between Australia and the region. The AAC will build on the BRIDGE school partnerships from Indonesia, Malaysia and Thailand and continue the annual Australia–ASEAN Emerging Leaders' Program.

The council will showcase Australian creativity, innovation and entrepreneurship, science and technology and women in leadership through a range of programs and grant-making activities, and will facilitate dialogue and professional networks. Alumni networks will feature prominently.



*Community leaders from Southeast Asia and Australia participate in Australia–ASEAN Council-supported and AMI-funded inter-faith dialogue, Canberra, April 2015.*  
[DFAT/Julia Landford]

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### Council on Australia Latin America Relations (COALAR)

COALAR expanded education links with Latin America through support for the University of Adelaide's Latin America Symposium in February 2015. COALAR supported TAFE Directors Australia to run a series of seminars on Australia's vocational, education and training model in Latin America. COALAR also supported the Australia Latin America Business Council (ALABC) annual networking day in Canberra.

A COALAR member visited South America, in March 2015, to advance education links through meetings with education authorities in Argentina, Brazil, Chile, Ecuador, Colombia, Peru and Mexico.

In Colombia and Brazil COALAR funded the Energy–Water–Food Nexus seminars, attended by the Trade and Investment Minister in Rio de Janeiro, at which he advanced Australia's links and expertise in water management.

Other activities included the Surfing Scholarships for Disadvantaged Young Peruvian Surfers, which the Foreign Minister announced during her visit to Lima in December. (See also p. 80.)

### Website and social media

Throughout the year, the department continued to deliver high quality information to the public through its Australian and overseas mission websites. Our website (dfat.gov.au) received 5.6 million visitors and 19.5 million pageviews. Most visitors were from Australia (2.9 million) with 34 per cent of traffic to the site coming from overseas.

Nearly 100 websites across the department's global network reached 9.1 million users and had 36.9 million pageviews. Beijing was the most visited overseas mission website with more than 937,000 visitors and 7 million pageviews. Thirty-nine overseas missions published in local language.

To meet the needs of our online audience, we invested in redevelopments of the department's intranet (July 2014) and website (January 2015). Overseas mission websites are scheduled for redevelopment in 2015–16.

Our use of social media continued to expand. At 30 June 2015, we had 112 social media accounts in 68 countries, an increase of 53 per cent over last year. The range of platforms was also expanded to include LinkedIn, WeChat and an official blog by the Ambassador to Germany.

Figure 24: Global social media coverage

## 114 SOCIAL MEDIA ACCOUNTS ACROSS 68 COUNTRIES



60 FACEBOOK PAGES



1 YOUTUBE CHANNEL



41 TWITTER HANDLES



1 LINKEDIN ACCOUNT



3 FLICKR ACCOUNTS



1 WEIBO



1 HOM BLOG



2 WECHAT

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The department used social media innovatively across the network. For example, our embassy in Buenos Aires hosted a successful Facebook Q&A session for the Ambassador for Women and Girls and the embassy in Beijing hosted a live chat with the ambassador on Weibo. Targeted online engagement around Australia's hosting of the AFC Asian Football Cup and the ICC Cricket World Cup 2015 generated widespread public engagement with 20 tweets reaching more than one million people.

We also promoted trade data in engaging infographics on social media. The number of followers of the departmental Twitter account (@dfat) continued to increase during the year to 38,421, making it the fourth most followed Australian government account.

The department has expanded and enhanced its multimedia presence with 211 public videos. We have 6489 images publicly available through the department's website.

**Figure 25: Number and increase in Twitter followers**



## Media and communications

The department's media liaison team in Canberra managed close to 5000 queries from domestic and international media organisations, up from over 4000 last year. Several hundred foreign media queries were responded to by Australian missions overseas.

Consular matters generated significant media interest, as did the department's support for Australians affected by major incidents overseas, such as the downing of flight MH17. We encouraged media outlets to include messages on safe travel in their reporting on these matters.



*Ambassador to Poland, accredited to Ukraine, Jean Dunn (centre), with Minister for Foreign Affairs, Julie Bishop (right), briefing press on MH17 developments, Kyiv, July 2014. [DFAT]*

In challenging environments, the department provided on-the-ground assistance to Australian media covering the Government's humanitarian response to natural disasters overseas, such as Tropical Cyclone Pam in Vanuatu and the earthquakes in Nepal.

We managed media arrangements for high-level visits, including the Prime Minister's attendance at the Anzac Centenary in Turkey, and the bilateral visit of the Prime Minister and Trade and Investment Minister to India. We also managed media for the Foreign Minister's visit to New York, Ukraine and the Netherlands following MH17.

We prepared over 360 media releases and public statements for the department, portfolio ministers and parliamentary secretaries.

The department's strategic communications effort supported key foreign, trade and development policy initiatives. These included Australia's year as G20 host, the China–Australia Free Trade Agreement and the Great Barrier Reef Taskforce, as well as the launch of the innovationXchange, the *Strategic Framework 2015–19* and *Values Statement* and the new disability-inclusive development strategy, *Development for All 2015–2020*.

An innovative approach to public diplomacy communications in 2014 was the department's cooperation with Embassy Productions on a four-part observational documentary series set in Australia's embassy in Bangkok. Aired on Channel 9 in October and November, *The Embassy* was often the most watched program in its timeslot and reached at least one million viewers per episode. (See also, p. 198.)

The department's internal communications focused on supporting the Secretary and executive on the post-integration agenda. We encouraged awareness of the department's policies and provided training on media engagement and the use of social media to improve skills and capabilities in these areas across the integrated department.

## Publications

In 2014–15 the department updated its key public diplomacy publication, *Australia in Brief*. The 50th edition provides an authoritative overview of Australia's history, the land, its people and their way of life. It also looks at Australia's economic, scientific and cultural achievements and its foreign, trade, development and defence policies. The publication was distributed to all overseas missions and is a popular public diplomacy tool, particularly for school students. It has so far been translated into six languages. An e-book version is also available on Apple iBooks and Google Play.

More than 180 publications were added to the DFAT website and are available to download from <http://dfat.gov.au/about-us/publications/Pages/publications.aspx>.

## Historical publications and research

The department maintained its commitment to research and publication on the history of Australia's external relations.

Work continued on volumes in the *Documents on Australian Foreign Policy* series, including *Australia and Southern Rhodesia/Zimbabwe, 1950–1980*; *Australia and the Western Pacific, 1950–1980*; *Australia in the interwar Period, 1920–1936*; *Australia in War and Peace, 1914–1919*; and *Australia and Resources Diplomacy, 1960–1980*. The department is continuing the program to digitise 28 previously published volumes of historical documents, scheduled to be completed in 2015–16.

The department continued to collaborate with the Australian National University, the University of Melbourne and the Crawford Fund on a biographical study of Sir John Crawford and with the University of Tasmania on a history of *Australia and the OECD*, the latter due for publication in 2015–16.

To assist policy officers from the department and other agencies to gain deeper historical insights into Australian policymaking, the department held a seminar series, 'Historical Perspectives on Contemporary Policy Challenges', featuring presentations by leading academics and practitioners of diplomacy.

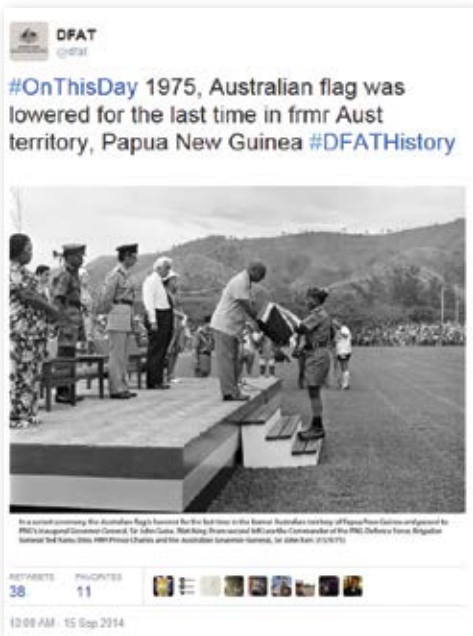
A social media campaign was launched on Twitter, using the #OnThisDay and #DFATHistory Twitter handles to disseminate historical images and draw public attention to Australia's more than one hundred years of international engagement.

## Australia Network

In the 2014–15 Budget, the Government ended the Australia Network contract with the ABC. The Australia Network ceased operating on 28 September 2014.



Director, Online Communications Section, Nicholas Kittel, presents a staff public diplomacy workshop, Suva, June 2015. [DFAT]



*#OnThisDay history tweet, Papua New Guinea's independence celebrations 1975, 15 September 2014 (100,000 users reached).*

**Table 9: Records examined under the Archives Act 1983**

	2012–13	2013–14	2014–15
Number of records examined	971	1,015	1,056
Number of folios contained in these records	196,171	231,597	202,306
Number of records released through the 'fast track' process*	-	159	744
Records subject to review or legal appeal*	-	34	38

\* Additional information provided for the 2013–14 reporting period.

Archival examination

During the year the department continued to develop efficient processes for providing advice to the National Archives of Australia on the release of Commonwealth records subject to access requests under section 40 of the Archives Act 1983.

Treaties

The department maintained the Australian Treaties Database, an online public resource for researching treaties to which Australia is a signatory or party. The database can be accessed at [dfat.gov.au/treaties](http://dfat.gov.au/treaties). We also maintained the Australian Treaties Library, which makes available the texts of all treaties Australia has entered into, and conducted treaty training for Commonwealth and state officials.

Sanctions

The department maintained the Consolidated List, an online public list of all persons and entities who are subject to targeted financial sanctions or travel bans under Australian sanctions laws. The list can be accessed at [dfat.gov.au/sanctions](http://dfat.gov.au/sanctions).

Additional resources were allocated to meet a 39 per cent increase in public demand for departmental files and the legislated transition of the closed access period from 30 to 20 years.

An ongoing partnership with the National Archives of Australia helped to improve referral and examination processes. We also worked to streamline examination methods and adopt a more efficient referral system.

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## Freedom of information

The department finalised 334 freedom of information (FOI) applications in 2014–15—a 25 per cent increase since 2013–14.

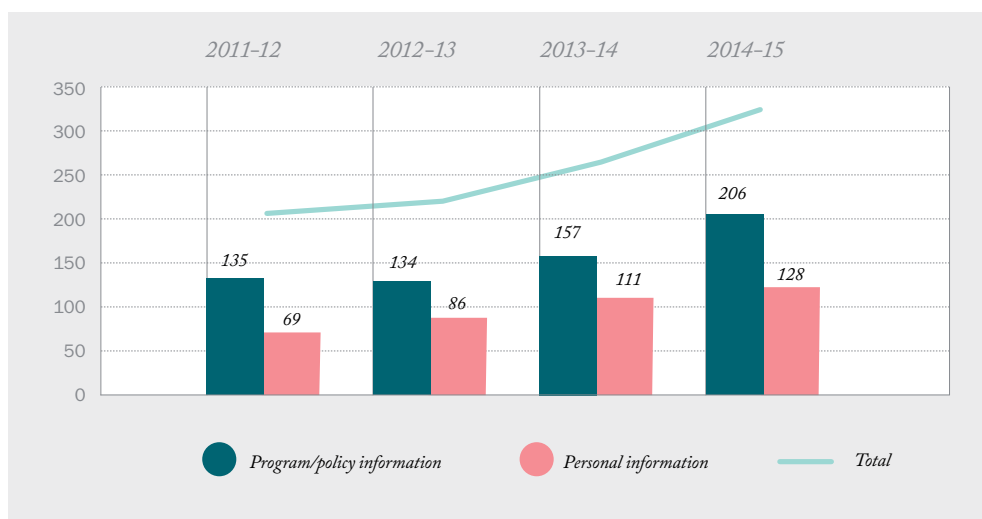
Detailed information on the department's management of FOI requests can be found on the Office of the Australian Information Commissioner's website at [oaic.gov.au/freedom-of-information/foi-resources/freedom-of-information-reports/](http://oaic.gov.au/freedom-of-information/foi-resources/freedom-of-information-reports/)

We continued to publish information under the Information Publication Scheme contained in Part II of the FOI Act. The content is available at [dfat.gov.au/foi/ips.html](http://dfat.gov.au/foi/ips.html)

## Library

The HV Evatt Library continued to support departmental officers by providing research and reference services and enabling access to a collection of over 40,000 items, including over 2000 online resources, specialising in foreign relations, trade, aid and development.

*Figure 26: Freedom of information cases completed 2011–12 to 2014–15*



## Outlook

The department will support activities that promote Australia's national interests, economic diplomacy agenda and people-to-people links in culture, sport, innovation and science. We will emphasise Australia's engagement with the Indo-Pacific region and build understanding of the Government's development agenda including the innovationXchange and promoting the economic empowerment of women and girls.

The department will develop an evaluation framework to guide the monitoring and evaluation of public diplomacy activities and improve the design and delivery of our programs.

Our cultural diplomacy will build links in key Indo-Pacific markets as well as focus on Australian science, design and fashion. The 2016 Focus Country Program will be Brazil and will demonstrate the sophistication, energy and diversity of contemporary Australian culture.

We will develop a digital media strategy to support the department's expanding social media presence and to build our digital capabilities.

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# New Colombo Plan

## Program 1.5

○ Not Met    ◐ Partially Met    ● Met

### > Deliverables

Implementation of the New Colombo Plan (NCP) pilot phase in Indonesia, Japan, Singapore and Hong Kong in 2014.	●	●
Successful design and implementation of the wider rollout of the NCP across the Indian Ocean Asia Pacific region from 2015, informed by robust evaluation of the pilot phase.	●	●

### ✓ Key Performance Indicators

2013–14    2014–15

The KPIs for Program 1.5 reflect the metrics developed for the NCP pilot phase. These indicators are subject to review in 2014 at the conclusion of the pilot phase.		
– Provision of around 40 scholarships and a mobility grants program that will benefit more than 700 Australian undergraduate students during the pilot phase.	●	●
– A substantial number of NCP awardees undertake an internship, mentorship or other similar arrangement as part of their NCP experience.	●	●
– Satisfaction of undergraduate students and universities participating in the NCP.	●	●
– NCP students, universities and other stakeholders are engaged in public diplomacy, outreach and alumni activities. <sup>1</sup>	●	●

<sup>1</sup> KPI for 2013–14 did not reference alumni activities.

## Overview

In 2014–15, the department demonstrated its ability to lead and deliver on the second year of the Australian Government's signature foreign policy initiative, the New Colombo Plan (NCP). We continued to implement the pilot phase in Indonesia, Japan, Singapore and Hong Kong. Pilot phase activities led to strengthened links between universities, businesses and government organisations in Australia and the region.

Drawing on the achievements and lessons learned during the pilot phase, the department rolled out the NCP across the Indo-Pacific region to 38 eligible locations from January 2015. While managing the concurrent 2014 and 2015 rounds, we also prepared the way for next year by opening the 2016 NCP Mobility Program for applications.

Through a wide range of domestic and regional outreach activities, we worked with, sought feedback and gained increasing support from the many partners critical to delivering the NCP.



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*Key facts*

- Around 1300 Australian undergraduate students are expected to complete mobility projects in Indonesia, Japan, Singapore and Hong Kong under the 2014 pilot phase.
- By the end of June 2015, all of the 40 students awarded 2014 scholarships had at least begun their programs in one of the four pilot locations, with 19 of these completed.
- At least 47 per cent of pilot phase mobility projects included an internship, mentorship, placement, practicum or industry engagement component.
- 32 host locations across the Indo-Pacific region are receiving students under the 2015 round.
- 69 scholarships were awarded to Australian undergraduate students for study across 17 locations in the 2015 round.
- Some 3150 undergraduate students from 37 Australian universities and five university consortia are undertaking mobility programs in the 2015 round.
- 38 of Australia's 41 universities across all Australian states and territories have participated in the first two years of the program.

## Key achievements/ challenges/results

### Pilot phase

The department continued to lead implementation of the pilot phase, which commenced in 2013–14. By the end of June 2015, over 1000 Australian undergraduate students who received pilot phase NCP mobility grants had either completed programs or departed for study in Indonesia, Japan, Singapore and Hong Kong. Students undertook study and work-based learning opportunities which counted towards their Australian degree, including short and

longer-term study and research, internships, clinical placements and practicums. By the end of June 2015, all 40 students awarded 2014 scholarships had begun their programs in one of the four pilot locations, with 19 of these completed.

Feedback on the pilot phase has been extremely positive. Interim research on student experiences found that 97 per cent of pilot phase mobility students and 100 per cent of scholarship recipients surveyed would recommend their NCP program to other students. A similarly high proportion of respondents said that they had had a rewarding program experience and had become more knowledgeable about the Indo-Pacific region as a result.

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## 2015 round

Building on the successes of the pilot phase, the department led the expansion of the NCP in 2015 to incorporate 34 new Indo-Pacific host locations, in addition to the four pilot locations. (See [dfat.gov.au/people-to-people/new-colombo-plan/2015-round/Pages/host-locations.aspx](http://dfat.gov.au/people-to-people/new-colombo-plan/2015-round/Pages/host-locations.aspx)). With the Department of Education and Training, we developed and released the 2015 program guidelines. The department launched the 2015 round in September 2014, at an event hosted by the Foreign Minister and attended by government, business and university representatives from across Australia and the Indo-Pacific region.

Together with the Department of Education and Training, we assessed 312 mobility applications from Australian universities and shortlisted 224 scholarships applications from Australian undergraduate students for study in the 2015 round. The outcomes saw 69 scholarships awarded to high-performing Australian undergraduate students for study in 17 NCP host

locations in 2015. Mobility grants were awarded to support some 3150 students to undertake study and internships across 32 locations between January 2015 and June 2016. By the end of June 2015, more than 350 mobility students and 21 scholars had departed for the region to begin 2015 programs.

## 2016 round

The department will further expand the NCP in 2016 to offer around 100 scholarships and \$20 million in mobility grants. We cooperated with the Department of Education and Training to develop the 2016 program guidelines, which were released in April 2015. The 2016 round encourages longer-term study, language acquisition, private sector engagement and internships. Applications for the 2016 mobility program closed on 5 June 2015. With the Department of Education and Training, we began assessing more than 800 mobility project applications for 2016, with bids totalling more than \$34 million.



*2014 New Colombo Plan student from Charles Sturt University answers questions from local Indonesian media as part of their Indonesian Agriculture and Veterinary Science project, Cimaung village, Java, 30 August 2014. [DFAT]*

**STAFF PROFILE****CAROLINE MULAS**

ASSISTANT DIRECTOR, NEW COLOMBO PLAN SECRETARIAT, CANBERRA



As Assistant Director for Policy and Regional Strategy in the New Colombo Plan Secretariat, I am helping a new generation of Australians engage with our regional neighbourhood, the Indo-Pacific.

I joined the team when the New Colombo Plan commenced in 2014 and it has been rewarding to be part of the program's exciting expansion. In the first two years alone, the initiative has enabled thousands of young Australians to live, study and intern in over 30 locations in our region.

In 2014–15, I worked with our overseas offices and partner governments to roll out the program in North Asia. I facilitated interview panels comprised of senior business and education representatives to select the best and brightest students to receive 2015 scholarships. I also commenced work on strategies to encourage further Indigenous student participation in the program.

## Engagement with universities, business and other stakeholders

To seek feedback on the progress of the pilot phase and prepare for the 2015 and 2016 rounds, the department conducted a series of outreach sessions with Australian universities across all Australian states and territories. We continued to issue regular e-bulletins to Australian universities to inform them about program developments and NCP activities across the region. To facilitate the efficient implementation of the program, with the Department of Education and Training, we conducted webinars with Australian universities about the information technology systems which support the NCP.

The private sector responded enthusiastically to the NCP's objective to help build a future Australian workforce with the skills and experience needed to boost productivity and innovation and facilitate further economic integration with the region. To build support for internships and mentorships, the department engaged with over 480 private sector organisations in Australia and the region, which resulted in a significant number of work-based learning offerings being made available for students. These opportunities are being incorporated into an online portal facilitated by the department, through which Australian

universities, students and the private sector will be able to take forward internship arrangements.

In the first example of a major private sector sponsorship under the NCP, the department is taking forward a partnership with the Bennelong Foundation. Announced by the Foreign Minister in December 2014, the Bennelong Foundation, with the Myer Foundation and Asialink Business, are contributing a combined \$885,000 to develop and deliver cross-cultural awareness training to NCP students over the next five years.

The department launched the NCP Twitter presence in May 2015 to communicate with a growing audience. We also raised awareness about the program with stakeholders in Australia and overseas by participating in six domestic and six regional forums and conferences and working with Universities Australia at careers fairs in Australia.

Fostering an engaged and inspired community of NCP alumni that maintain personal and professional ties is an important objective for the program. During the reporting period, a number of alumni were engaged in events in Australia, relevant to their study locations or academic fields of study. We also established, in consultation with NCP students and stakeholders, a framework for an alumni network and progressed planning for its launch.

## Host locations

The department worked closely with regional governments to advance the NCP in host locations. In 2014–15, the program was formally launched in Cook Islands, India, Kiribati, Tonga and Thailand. We held bilateral discussions with receiving authorities to ensure appropriate mechanisms were in place to receive students. We convened forums in Japan, Malaysia and Indonesia with local authorities, Australian and overseas universities and private sector representatives to facilitate the development of programs and discuss implementation arrangements for students. The department also marked the departure, arrival and return of students to Indo-Pacific locations. Australia's representatives in a range of locations held events to welcome and engage with NCP students.

## Reference Group

The NCP Reference Group continued to provide high-level advice on the rollout of the program. Over two meetings hosted by the department and through other events, the group provided advice on the policy settings for the program in 2016 and 2017 and the Government's proposed approach to alumni, private sector engagement and promotion of the program.

### *The New Colombo Plan partnering with the private sector*

The private sector is bringing great value to the NCP by supporting interns, mentoring students or otherwise partnering with universities to help develop regionally-aware, work-ready graduates with experience in the region. The program is supporting a new generation of Australians to test their skills and create enduring professional and personal networks.

During 2014–15, the department conducted an intensive outreach campaign in Australia and the region to promote NCP opportunities to the private sector. The NCP and Mentorships Network is facilitating opportunities for students to access rewarding work-integrated learning opportunities made available by private sector organisations. The private sector can also use the network to promote opportunities to students and identify the best talent.



*New Colombo Plan Japan Scholar, Patrick Gan, University of Western Sydney, meets with Mitsui & Co. Ltd official, Masayuki Kinoshita, Tokyo, 8 May 2015.*  
[DFAT]

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*Secretary, Peter Varghese AO (second left), Deputy Secretary, Gary Quinlan (left), Assistant Secretary New Colombo Plan Branch, Kate Duff (third right), and Minister for Foreign Affairs, Julie Bishop (centre), host the New Colombo Plan Reference Group meeting, Canberra, 17 June 2015. [DFAT]*

## Outlook

As the program gains further momentum, we will continue to reflect on lessons learned to date to inform future growth. In 2015–16, the outcomes of the 2016 NCP round will be announced and students will begin departing on scholarships and mobility projects from January 2016. Implementation of the 2015 round will continue until August 2016 and any remaining pilot phase students on location will complete their programs.

The department will take forward a range of initiatives to cooperate with the private sector, including hosting the NCP Internships and Mentorships Network online portal, expanding the Mobility Partners program and working with Business Champions to promote the program among the private sector. Other priorities will include finalising strategies for engagement with alumni, the schools sector and members of Parliament; continuing to launch the program in locations across the region; opening the 2017 round for applications; and preparing for a further significant scale-up of the program in 2018.



# Progress against Australia's development policy and performance framework

Program 1.9 and ODA departmental

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverable	2013-14	2014-15
To assist developing countries by contributing to reducing poverty and lifting living standards through sustainable economic growth	●	●
✓ Key Performance Indicators	2013-14	2014-15
Achievement of significant developments results including progress towards performance benchmarks, achieving value for money and results on the ground. <sup>1</sup>	●	●
Demonstrated organisational effectiveness, including against relevant strategic targets under the <i>Making Performance Count</i> performance framework. <sup>2</sup>	●	●

<sup>1</sup> The performance rating provides an assessment across the department's whole aid program. Detailed reporting on progress against performance benchmarks will be included in 2014-15 Aid Program Performance Reports to be published by 1 November 2015.

<sup>2</sup> Reporting against the strategic targets under Making Performance Count is aggregated across the department's whole aid program.

## Overview

The department's aid program contributed to sustainable economic growth and poverty reduction by driving private sector and human development, primarily in the Indo-Pacific region.

We have made strong progress in implementing the Government's aid policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability* and performance framework, *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*.

Country, regional and global programs are being reshaped in line with the policy's two development outcomes: strengthening private sector development and enabling human development. We have also been working with stakeholders to manage revised budget allocations for 2015-16.

The department developed strategies to guide investments in priority areas of the aid policy. These strategies cover investments in agriculture,

fisheries and water, aid for trade, disability inclusive development and health.

Gender equality is a priority area of investment in Australian aid, and all investments are required to address gender equality considerations, measured through the whole-of-aid program target in *Making Performance Count*. In 2014-15, investments made progress towards addressing gender equality, with 78 per cent doing so effectively. (See Fig. 28, pp. 170-1.)

Development assistance in areas such as infrastructure, trade facilitation, access to finance, and capacity building in agriculture and fisheries has helped create conditions for the private sector to grow. The department increased engagement with this sector recognising its role as the driver of economic growth and poverty reduction. We held wide-ranging consultations to increase awareness in business of Australian aid activities and of the opportunities for business to contribute to international development objectives.

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We established formal partnerships with the UN Global Compact Network Australia, Fairtrade Australia and New Zealand, and major Australian banks operating in the Pacific. The department entered into a research partnership with the

International Finance Corporation, part of the World Bank Group, to identify potential new partners and platforms for strengthening engagement with the private sector through the aid program.



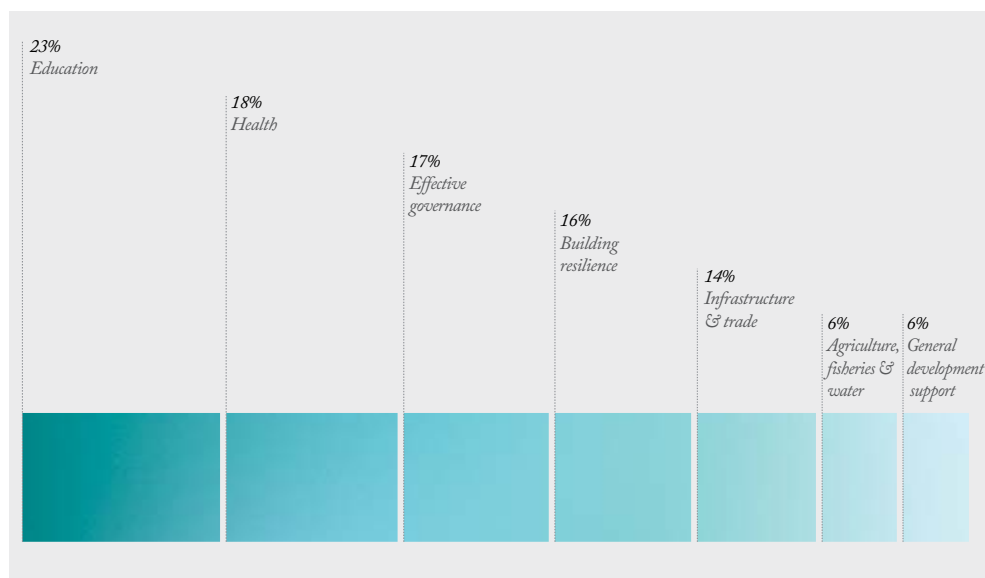
*DFAT Disability Strategy team with Foreign Minister, Julie Bishop (third left), Canberra, 25 May 2015. (L. to R.): Director Disability Section, Mika Kontiainen, First Assistant Secretary Development Policy Division, Blair Exell, Ms Bishop, Katie Magee, Shelly Thomson, Anne Rigby and UK DFID Secondee, Carrie Netting. [DFAT]*

### *Development for all—new disability strategy*

Ensuring our aid investments include people with disabilities will contribute to poverty reduction, boost sustainable economic growth and create better development outcomes.

*Development for All 2015–2020: Strategy for strengthening disability-inclusive development in Australia's aid program*, launched in May 2015, aims to support people with disabilities in developing countries to find pathways out of poverty and realise their potential.

Australia will continue to promote disability-inclusive education, help remove physical barriers through our infrastructure investments, and work with partner governments to enhance access to vital services. We will help build resilience to disasters and conflict through inclusive humanitarian assistance. Australia will also continue to support disabled people's organisations in developing countries, which play a vital role in giving a voice to people with disabilities.

*Figure 27: Estimated department ODA by sector, 2014–15*

## Aid program investments

In 2014–15, the department was responsible for managing an estimated \$4.621 billion of official development assistance (ODA). Aid investments produced strong results in all six priority investment areas.

### Infrastructure, trade facilitation and international competitiveness

The department invested \$630.4 million of ODA in infrastructure development, trade facilitation and international competitiveness. Aid investments provided better infrastructure to reduce the cost of doing business and improve international competitiveness, while our support for trade facilitation helped businesses access international markets and global value chains. (See also, p. 108.) Achievements included:

- helping Laos reduce the number of days to clear customs for imports by 69 per cent and export clearance times by 25 per cent;
- creating a better regulatory and institutional framework for Public Private Partnerships in the Philippines, which leveraged approximately \$650 million of private sector investment in infrastructure;

- construction of the Cao Lanh bridge in Vietnam, now almost 50 per cent complete; and
- 7000 kilometres of roads constructed, rehabilitated or maintained.

### Agriculture, fisheries and water

The department invested \$277.2 million of ODA in agriculture, fisheries and water. These sectors support livelihoods for millions of workers and underpin food security and nutrition. Our support improved the functioning of agriculture value chains, enhanced productivity and promoted policy and institutional reform. Achievements included:

- increasing the value of agricultural and fisheries production by US\$46 million and enabling 637,291 poor women and men to adopt innovative agricultural and fisheries practices;
- facilitating technical cooperation by key Australian agencies for the ‘clean-up the Ganges River’ campaign and to improve water quality and management for the benefit of 700 million people in the river basin; and
- promoting more sustainable tuna fisheries in the Indian Ocean and assisting Pacific regional fisheries to increase tuna revenues to over US\$300 million.

## Effective governance

The department invested \$730.4 million of ODA to support measures to improve governance in developing countries. These investments helped our partner governments, the private sector and civil society to build institutions that have a direct role in promoting stability, inclusive economic growth and poverty reduction. Assistance included:

- supporting financial sector stability in Indonesia by assisting policy makers to plan for future shocks;
- ensuring transparent and accountable sub-national elections in target Indonesian provinces by training 6219 election observers;
- enabling around 459,000 people in Papua New Guinea to access better standards of justice, through the training of 992 village court officials with a revised village courts and land mediation curriculum; and
- reducing the time it took to hire staff in a Filipino public sector agency by 30 per cent.

## Education and health

The department invested \$1.04 billion of ODA in education. Investments in education are building the critical skills necessary for individuals to participate meaningfully in their societies and benefit from economic growth. Achievements included:

- 4498 new Australia Awards that enabled students and future leaders to study in Australia and the region through long and short course programs;
- provision of training for more than 98,000 teachers and support for over 4.96 million children to attend school through the Global Partnership for Education;
- increased incomes for 93 per cent of self-employed participants in a skills development program in Vanuatu, with improved participation of women from 28 per cent (2013) to 48 per cent (2014); and
- 85,000 children participating in early childhood education in Pakistan, which delivered a 44 per cent gain in reading comprehension and subsequent improvement in school retention rates.



*Deputy High Commissioner Samoa, Rosemary McKay (centre left), Program Manager, Elisapeta Kerslake (second right), with CEO Samoa Qualifications Authority, Fepuleai Sinapi Moli (centre right), deliver teaching materials funded through the Technical Vocational and Education Training Program to staff and students, Laumua o Punaoa Technical and Creative Centre, Faleula, Samoa, 23 July 2014. [DFAT]*





*Director, Office of the Ambassador for Women and Girls, Felicity Volk (right), supporting the Ambassador, Natasha Stott Despoja (third right), meeting women beneficiaries of a DFAT-funded WaterAid water and sanitation project, Delhi, 12 October 2014. [DFAT]*

The department invested \$785.2 million of ODA to improve access to quality health services, including clean water, sanitation and hygiene. Our investments in health enable participation in the economy and lift living standards. They also help build regional preparedness and capacity to respond to emerging health threats. Highlights of our support included:

- nearly 470,000 additional births being attended by a skilled birth attendant; over 2.8 million children being vaccinated; increased access to safe water for over 2.27 million people; and increased access to basic sanitation for 830,926 people;
- provision of life-saving treatment for Ebola for 36 patients at the Australian-funded Hastings Airfield Ebola Treatment Centre in Sierra Leone, with a further 120 patients being monitored and discharged after testing negative for Ebola; and
- provision of water and sanitation assistance to 116 local government areas in Indonesia, with approximately 152,707 water and 2423 sanitation connections to low income households from January to December 2014, attracting further funds from the Government of Indonesia to expand the model.



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## *Ebola response*

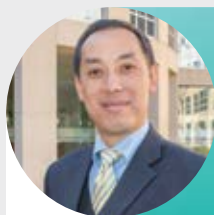
The 2014–2015 Ebola outbreak in West Africa was a health emergency unprecedented in scope and scale in modern times. In late September 2014, the UN Security Council declared the outbreak a ‘threat to international peace and security’. At the time, the number of new Ebola infections was doubling every three weeks. It was clear that a coordinated international response effort was required to help to contain the outbreak. Australia was a significant contributor to this global Ebola response, making a substantial, practical and timely contribution to help combat the epidemic.

Australia provided more than \$37 million towards the international Ebola response, including funding the operation of an Ebola Treatment Centre at Hastings Airfield in Sierra Leone, \$10 million to the UN Ebola Response Multi-Partner Trust Fund, \$5.8 million in support of the WHO’s consolidated regional

response for West Africa, and funding for an Ebola response and preparedness package in the Asia–Pacific region. The department also deployed 14 personnel through RedR Australia to priority non-clinical roles in the UN’s Ebola response.



*Aerial view of Australian Government funded Hastings Airfield Ebola Treatment Centre in Sierra Leone. [UK Ministry of Defence]*



### STAFF PROFILE

**THANH LE**

DIRECTOR, DFAT EBOLA TASKFORCE



As Director of the Ebola Taskforce, I was deployed to Sierra Leone in November 2014 to lead the establishment of the Australian Government’s Ebola Treatment Centre set up in partnership with the UK Government. The centre provided 50 beds for the treatment and isolation of Ebola cases and was staffed with Australian, New Zealand and local medical professionals. This treatment centre helped in the global fight to combat Ebola in west Africa.

In March 2015, I was deployed to Nepal to respond to the earthquake as a member of the United Nations Disaster Assessment and Coordination team (UNDAC). I am currently one of five Australian UNDAC members, who are part of the Government’s contribution to the global crisis response system.

## Building resilience: humanitarian assistance, disaster risk reduction and social protection

The department invested \$707.5 million of ODA in humanitarian assistance, promoting disaster risk reduction and resilience, and strengthening social protection measures. These investments saved lives, reduced economic and development losses and reduced vulnerability to crises. In particular, the department:

- responded to humanitarian emergencies in 21 countries across the Pacific, Asia, the Middle East, Africa and Europe and provided \$215.7 million to deliver lifesaving assistance;
- positioned eight specialists in disaster management or related agencies in Tonga, Samoa, Fiji, Vanuatu, Indonesia and Timor-Leste during cyclone season to support and strengthen disaster preparedness systems;
- pledged \$200 million over four years to the Green Climate Fund (GCF), which aims to direct a quarter of its total investments to supporting poor and vulnerable countries, such as the Pacific Island countries, adapt and build resilience to the impacts of climate change; and
- invested \$73 million in social protection and assisted over 1.7 million poor people by improving the effectiveness, efficiency and reach of national social protection systems.

## Gender equality and empowering women and girls

An estimated \$2.4 billion of the department's total aid investments contributed to promoting gender equality and women's empowerment. Significant benefits flow to whole communities from women's access to services and full participation in society and the economy. Australia played an active role in promoting gender equality and the empowerment of women and girls. (See also pp. 117–18.) Our investments:

- helped over 54,000 women survivors of violence access critical services such as emergency shelters, counselling and legal advice;

- provided 106,215 women in the Pacific with improved access to basic financial services for the period 2012–13 to 2014–15;
- provided loans to 3122 women in Khyber Pakhtunkhwa Province in Pakistan over the period 2011–2015, for livelihood activities, resulting in increased income for 90 per cent of recipients; and
- provided women in Myanmar with regular maternal health advice messages through the development of a smartphone application, with over 1250 active users as of end March 2015.

## Managing performance in the aid program

The department demonstrated organisational effectiveness through implementation of the performance framework for the aid program—*Making Performance Count: enhancing the accountability and effectiveness of Australian aid*.

At a strategic level, the aid program performance framework has 10 targets to assess the effectiveness of the aid program and ensure it is delivering on key government priorities. Good progress was made against the strategic targets as reported in Fig. 28.

At the country level, performance benchmarks tailored to countries' circumstances are part of the basis for assessing program performance.

As part of the performance framework, the Government committed to publish an annual *Performance of Australian Aid* report. The inaugural report was published in February 2015 and summarised the performance of the Australian aid program in 2013–14.

We have not yet designed a Performance Incentive Fund, foreshadowed in the 2013–14 Annual Report, because of revised budget priorities.

**Figure 28: Strategic targets for the Australian aid program: progress report**<sup>1</sup> Preliminary data; final data will be included in 2014-15 Performance of Australian Aid report.

6

Delivering on commitments

**TARGET**

From July 2015, progress against mutual obligations agreed between Australia and its key partner governments and organisations will form part of annual program performance assessments.

**PROGRESS**

The 2014–15 Aid Program Performance Reports, to be published in November 2015, will include reporting against initial mutual obligations agreed between Australia and partner governments. Longer-term mutual obligations will be articulated in new country and regional Aid Investment Plans and progressively included in agreements and discussions with partner organisations.

7

Working with the most effective partners

**TARGET**

By July 2015, design and apply new systems to assess the performance of key delivery partners and ensure stronger links between performance and funding.

**PROGRESS**

A new system for assessing the performance of NGOs, contractors and multilateral partners receiving non-core funding was introduced as part of the aid Investment Quality Reporting process. Reforms to systems for assessing the performance of multilateral partners receiving core funding have been finalised, and are being applied. Reforms to systems for assessing the performance of NGOs receiving funding through the Australian NGO Cooperation Program have been agreed and implementation commenced in 2014–15.

8

Ensuring value for money

**TARGET**

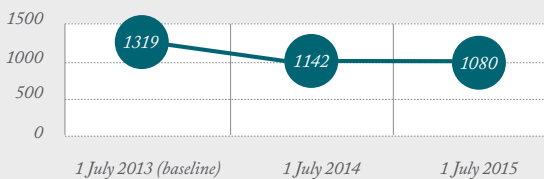
Deliver high standards of value for money in at least 85 per cent of aid investments. Investments rated unsatisfactory must be improved within a year or cancelled.

**PROGRESS**

In 2014–15, 91 per cent of aid investments were assessed as satisfactory for effectiveness and 89 per cent were assessed as satisfactory for efficiency. Fourteen aid investments were identified as not meeting these standards and will have one year to improve or be cancelled.<sup>1</sup>

9

Increasing consolidation

**TARGET**

Reduce the number of individual investments by 20 per cent by 2016–17 to focus efforts and reduce transaction costs.

**PROGRESS**

Since 1 July 2013, the number of aid investments has reduced by 18 per cent.

10

Combatting corruption

**TARGET**

Develop and implement new fraud control and anti-corruption strategies for all major country and regional programs by July 2015.

**PROGRESS**

Fraud control and anti-corruption strategies have been developed for all major country and regional programs.

<sup>1</sup> Preliminary data; final data will be included in 2014–15 Performance of Australian Aid report.

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## Investment quality reporting

The department introduced a new investment quality reporting process bringing together four separate requirements (aid quality checks, end of investment reporting, partner performance assessments and aggregate development results) into one integrated process. The new system provides a more efficient and proportional approach to reporting on the performance of aid investments and partners.

Investment quality reporting must be completed annually for all aid investments and agreements over \$3 million. There are greater requirements for investments above \$10 million.

Aid quality checks assess how well individual aid investments have performed against eight criteria: effectiveness, efficiency, relevance, sustainability, monitoring and evaluation, gender equality, risk management and safeguards, innovation and private sector. In 2014–15, over 99 per cent of eligible aid investments were assessed. These assessments are subject to peer moderation and independent quality assurance by the department's Office of Development Effectiveness (ODE).

Partner performance assessments review how well implementing partners (commercial contractors, NGOs, multilateral organisations) are delivering the services specified in aid agreements. Assessments are made against five standard criteria: deliver lasting results and impact; maximise value for money; collaboration, communication and responsiveness; policy alignment, risk management and innovation; and effective partner personnel. In 2014–15, over 92 per cent of eligible aid agreements were assessed.

## Aid program performance reviews

The department also assesses the performance of country and regional portfolios of aid investments against their strategic objectives and performance benchmarks. These assessments are published in annual Aid Program Performance Reports (APPRs) and subjected to independent quality assurance by the ODE.

During the year, 29 APPRs were published covering the most significant countries and regions where the aid program operated. ODE's independent review of the quality of APPRs affirmed that the reports were good quality and most provided frank and balanced performance assessments and served their accountability role well.

## Strengthening aid management capabilities

The department conducted 214 aid management training sessions for staff covering design of aid investments, management of risk and fraud, contracting and procurement, monitoring and evaluation, public financial management, and safeguards including child protection. Our workforce planning framework seeks to maintain and strengthen expertise in the department's core functions, including aid management.

## Efficiency and value for money

The department implemented a range of initiatives to ensure the Australian aid program was managed efficiently and delivered value for money.

### Value for money principles and targets

We continued to integrate value for money principles into aid management policies and processes. These principles build on the requirements of the *Public Governance, Performance and Accountability Act 2013* addressing:

- Economy—cost consciousness and encouraging competition;
- Efficiency—evidence-based decision making and proportionality;
- Effectiveness—performance and risk management, results focus and experimentation and innovation; and
- Ethical use—accountability and transparency.

Target 8 of the performance framework requires high standards of value for money to be met in at least 85 per cent of aid investments. Data to track progress against this target is drawn from the results of the department's annual Aid Quality Checks, in particular whether investments are assessed as satisfactory against effectiveness and efficiency criteria. Preliminary data indicates that, in 2014–15, 91 per cent of aid investments were rated as satisfactory for effectiveness and 89 per cent were rated as satisfactory for efficiency. Fourteen investments were identified as not meeting these standards and will have one year to improve or be cancelled.

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### Use of advisers in the aid program

The department contracts advisers to support aspects of the delivery of the aid program. The Aid Adviser Remuneration Framework requires fees for all internationally-sourced advisers to be set according to fixed remuneration tables and benchmarked against the practices of other international development agencies. The framework promotes transparency of adviser remuneration and benefits, ensures consistency across departmental activities, encourages a rigorous selection process with a strong focus on performance and ensures value for money.

The department conducts annual stocktakes on the use of advisers. The latest stocktake (covering the period from 1 July 2014 to 30 June 2015) found that the framework continues to successfully standardise adviser remuneration.

### Evaluating the effectiveness of Australian aid

Independent evaluation serves to complement the department's regime of aid quality checks and aid program performance reports. Evaluations are generally categorised as strategic or operational. Operational evaluations are commissioned by staff with direct aid management responsibilities and generally review the performance of a single aid investment. Strategic evaluations are undertaken by ODE and involve a multi-country, thematic or sectoral examination of aid program expenditure.

ODE is also responsible for quality assuring and verifying the assessments made in the department's annual Performance of Australian Aid report. In doing so ODE draws upon its annual spot check of the performance ratings assigned by aid managers to individual investments and a quality review which tests the robustness of Aid Program Performance Reports.

ODE published seven major publications in 2014–15 which provide detailed analysis of the performance of Australian aid across a range of important geographic and sectoral areas:

- *2014 quality review of Aid Program Performance Reports*, which assessed the department's reporting on bilateral and regional aid program performance;
- *Evaluation of Australia's humanitarian response to the Syria crisis*, examines both aid and diplomatic efforts since the

commencement of conflict in 2011;

- the *Evaluation of the Australia–Vietnam country strategy 2010–15* focuses on the Australia–Vietnam aid relationship;
- *A window of opportunity: Australian aid and child undernutrition*, highlights the critical importance of good nutrition in the first 1000 days of a child's life;
- *Research for better aid: an evaluation of DFAT's investments*, flags the importance of knowledge management systems and a culture of research use;
- *Working in decentralised service systems: challenges and choices for the Australian aid program*, noted mixed results in how Australian aid supports service delivery in decentralised environments; and
- *Smart Economics: Evaluation of Australian aid support for women's economic empowerment*, provides a number of recommendations, aimed at strengthening Australia's efforts to overcome barriers to women's economic empowerment.

In addition to enhancing accountability for aid expenditure, ODE contributes to the continuous improvement of the aid program by helping inform future directions and the design and delivery of aid investments.

In 2014, the Australasian Evaluation Society presented ODE with the best public sector evaluation award for its evaluation of Australian volunteers for international development.

### Transparency

The department maintained high standards of transparency and accountability in the management of the aid program. Policies, plans, results, evaluations, research and detailed statistics were published on the department's website. We fulfilled Australia's aid reporting obligations to the OECD Development Assistance Committee and International Aid Transparency Initiative. Through the AusTender website ([tenders.gov.au](http://tenders.gov.au)), we also published information on aid-related business opportunities, annual procurement plans, multi-use lists and contracts awarded.

The department will continue to demonstrate its commitment to transparency in the aid program. The department made available estimated aid allocations for country, regional and global programs for 2015–16.

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Performance reporting

Aid Investment Plans are scheduled to be published by 30 September 2015.

The first annual Performance of Australian Aid report was released in February 2015, meeting the Government's commitment to publicly report on progress against the ten strategic targets in the aid performance framework, and summarise country and regional aid program performance.

## Whole-of-government engagement

Delivery of the Australian aid program is a whole-of-government effort which harnesses specific experience, skills and knowledge across a range of Australian government agencies.

In 2014–15, an estimated \$392 million representing around 7.8 per cent of total ODA was delivered by other government agencies. This included support in the areas of public financial management, policing, legal systems strengthening, and agriculture and food security. The annual *Performance of Australian Aid* report includes aid spending of all government agencies.

The department recognises the critical role the public sector plays in developing countries in encouraging sustainable and inclusive economic growth and reducing poverty. To build public sector

capacity, we draw on the skills and expertise of Australian Commonwealth and state public sector employees. This is done through cross-regional programs such as the Government Partnerships for Development (see p. 175) and through bilateral aid programs. In 2014–15, the department funded capacity-building activities in developing countries by some 49 Commonwealth and state government agencies.

## Outlook

The department will continue to implement the aid policy priorities and performance framework, within its revised budget allocation.

We will work to make Australian aid more innovative and catalytic, by leveraging other drivers for development such as private sector investment and domestic finance. To reflect the dynamic growth in Asia and changing nature of aid, the Aid Investment Plans for particular Asian country programs, including Indonesia, the Philippines and Vietnam, will reflect new economic partnerships. New more effective ways to deliver aid will be identified through the department's innovationXchange, which is engaging creative thinkers from inside and outside the public sector.

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# Cross-regional programs

## Program 1.9

○ Not Met    ◐ Partially Met    ● Met

> Deliverable	2013-14	2014-15
To assist developing countries by contributing to reducing poverty and lifting living standards through sustainable economic growth.	●	●
✓ Key Performance Indicator	2013-14	2014-15
Achievement of significant development results.	●	●

### Overview

Cross-regional programs are funding allocations that benefit a number of regions and promote development outcomes in priority sectors for Australia's aid program. They are separate to programs managed under bilateral and multilateral arrangements.

### Direct Aid Program

The Direct Aid Program (DAP) is a valuable, development and public diplomacy tool. DAP has a wide geographical reach and supports local community efforts towards poverty reduction.

DAP provided \$22 million in ODA funding in 2014-15 to over 850 projects in more than 130 developing countries. These projects achieved a range of outcomes in fields including humanitarian relief, education, health, food security, gender equality, human rights and capacity building.

DAP was administered through 66 of the department's overseas posts and delivered by community groups, non-government organisations, not-for-profit private organisations and individuals. Posts' DAP strategies guide the selection of projects to ensure they provide practical development results and represent good value for money.

### Government and public sector support

The Government Partnerships for Development (GPFD) program completed a second call for projects, bringing the current number of approved projects to 24 with a combined value of \$41 million. GPFD supports capacity-building activities involving Australian government agencies and public universities working with their counterparts in the Indo-Pacific region. Projects run for a maximum of three years. Those commenced in 2014-15 included an Australian Maritime Safety Authority project to improve the capability of national search and rescue services in the Indian Ocean and a University of Canberra project promoting mathematics in Indonesia.

The Public Sector Linkages Program (PSLP) commenced in 2004 and has funded over 500 public sector capacity building initiatives in developing countries, involving Australian government agencies and public universities. At the beginning of 2014-15, there were 75 activities being delivered in partner countries. The PSLP is now drawing down and is scheduled to cease in June 2016.



*Professor Tom Lowrie, University of Canberra, and Indonesian counterparts launch the Government Partnerships for Development mathematics project in West Nusa Tenggara, Indonesia, January 2015. [Yogi Maulana Firdiyan]*

## Cross-regional health initiatives

The department supported Australia's leadership role in regional efforts to reduce malaria, through the Asia–Pacific Leaders Malaria Alliance (APLMA). This culminated in a commitment by leaders at the East Asia Summit (EAS) in November 2014 to an Asia–Pacific free of malaria by 2030. As an APLMA co-chair with Vietnam, we agreed to present a plan for achieving this goal at the next EAS.

Together with the innovationXchange, the global health program is contributing to Bloomberg Philanthropies on a 'data for health' initiative to help countries improve data on births, deaths and risk factors for early deaths. Better data will help governments target their public health resources more effectively. The Foreign Minister also announced funding of \$30 million over three years, from 2014–15, to support Product Development Partnerships, which are bringing new diagnostic tests and drugs to market to combat tuberculosis and malaria.

The department contributed more than \$37 million to the international response to Ebola in West Africa. (See p. 168.)

## Water, sanitation and hygiene initiatives

The department supported 13 civil society organisations to improve access to sustainable water, sanitation and hygiene for 3.5 million people in the Indo–Pacific region by 2018. Three grants were provided under an Impact and Innovation Fund to trial new approaches to sustainable water, sanitation and hygiene delivery. Two major learning events for fund partners were also held to improve their effectiveness in working with local governments and community committees, increasing the sustainability of results.

## Rights and services for people with disability

Australia's disability-inclusive development initiatives aim to improve the quality of life of people with disabilities in developing countries. The department provided support to the Disability Rights Advocacy Fund, the Pacific Disability Forum, and the International Disability Alliance.

We also work with UN agencies to support implementation of the Convention on the Rights of Persons with Disabilities. We commenced two new partnerships with the UN Statistical Division and the Washington Group on Disability Statistics to strengthen disability data collection and analysis globally.

## Maximising development benefits from energy and resources

The department supported developing countries to implement more effective policies and regulations to improve development outcomes

from their mineral and energy investments. We partnered with universities to share Australian expertise in mining governance through the International Mining for Development Centre, and funded the Extractive Industries Transparency Initiative, the World Bank Extractive Industries Technical Assistance Facility, the Natural Resources Governance Institute and a new APEC Mining Sub Fund.

### *Supporting African voices through the Direct Aid Program*

The African Children's Choir made a special appearance at the department in Canberra in April 2015 as part of a three-month tour raising awareness about education in their home continent. The choir presented a signed

photograph of classrooms built at the choir's primary school in Uganda with funds provided under the DAP through our high commission in Nairobi.





*Deputy Secretary, Ric Wells (left), accepts a photograph of new DAP-funded classrooms in Uganda from members of the African Children's Choir, Canberra, April 2015. [DFAT]*



# Emergency, humanitarian and refugee program

## Program 1.10

○ Not Met   ■ Partially Met   ● Met

 Deliverable	2013–14	2014–15
To assist developing countries respond to emergencies and assist refugees.	●	●
 Key Performance Indicator	2013–14	2014–15
Achievement of significant development results.	●	●

### Overview

In 2014–15, the department provided an estimated \$215.7 million to deliver lifesaving assistance to over 10 million people. We responded to emergencies in 21 countries across the Pacific, Asia, Middle East, Africa and Europe. Our humanitarian assistance helped communities struck by disasters, such as Tropical Cyclone Pam in Vanuatu in March 2015 and the earthquakes in Nepal in April and May 2015. We also provided critical relief to people who were displaced by conflict, persecution or armed violence.

The department used effective partnerships with Australian government, non-government and international agencies to deliver humanitarian assistance. Through our Humanitarian Partnership Arrangement, we worked with Australian NGOs to deliver emergency responses in Vanuatu, Nepal, Liberia, Lebanon and Sierra Leone. We also worked with New Zealand and stakeholders across the Pacific in preparation for the World Humanitarian Summit in Turkey in 2016 aimed at improving the responsiveness and effectiveness of the international system.

The department supported national governments in the Indo-Pacific region to increase their disaster response capacities, and worked with international partners to build the disaster resilience of vulnerable countries in the Indo-Pacific region.

### Responding to emergencies

The department maintained its capacity to respond quickly to humanitarian emergencies, including through its Crisis Response Team which was deployed to Vanuatu and Nepal within 36 hours, and through pre-positioning and delivery of emergency relief supplies.

We continued our investment in the Australian Medical Assistance Team (AUSMAT) to deliver emergency medical care. We deployed a 27-person AUSMAT as part of Australia's response to Tropical Cyclone Pam in Vanuatu. As part of contingency planning for a possible Ebola response in the Pacific, we supported AUSMAT to develop a deployable infectious disease treatment capability.

The department also supported a specialist urban search and rescue capability able to be deployed at short notice. We maintained two deployable teams from the Queensland Fire and Emergency Services and NSW Fire and Rescue. The NSW Urban Search and Rescue Team was also deployed within 36 hours as part of Australia's immediate response to Tropical Cyclone Pam.



*The Australian Medical Assistance Team (AUSMAT) prepare for departure to Port Vila on RAAF C-17A Globemaster III aircraft, Darwin, March 2015. [Department of Defence/Nicolas Gonzalez]*

The department supported RedR Australia to maintain a standby deployment capability. Drawing upon funding from the department, RedR deployed 99 humanitarian specialists (including engineers, protection officers and water, sanitation and public health specialists) to UN humanitarian operations in 34 countries.

### Tropical Cyclone Pam

The department's response to help Vanuatu following Tropical Cyclone Pam was swift and substantial, providing \$15 million of emergency assistance and a further \$35 million package of longer-term recovery support. We activated our crisis response mechanisms and worked closely with the Australian Defence Force (ADF), Attorney-General's Department

and Department of Health to ensure a coordinated and effective whole-of-government response. Within 36 hours, the department had deployed the first of its Crisis Response Team to provide surge capacity to the post in Port Vila across consular, humanitarian, media and policy functions. Our crisis response specialists were quickly on the ground and we delivered humanitarian relief supplies, including much-needed shelter, hygiene and kitchen kits.

Over the course of the crisis, we deployed 29 departmental officers to Vanuatu. In Canberra, the Crisis Centre and the Humanitarian Operations Centre operated for 10 and 19 days respectively, with the Emergency Call Unit handling over 1000 calls. (See also, p. 196.)

### Nepal earthquake

The earthquakes of 25 April and 12 May in Nepal created widespread destruction and left thousands without shelter or basic necessities. The department provided more than \$28 million in response to the crisis. This included funds for emergency food assistance, supplies and humanitarian personnel to respond to immediate humanitarian needs as well as support for NGO partners to provide access to safe water and sanitation, emergency shelter and protection programs. More than \$16 million was provided to support recovery and reconstruction efforts, with a focus on re-establishing livelihoods, access to education and safe schools, and supporting alternative dispute resolution and community mediation. (See also pp. 64–5; and <http://dfat.gov.au/news/news/pages/earthquake-in-nepal-2.aspx>.)



*Australian aid contributing to the relief effort for villagers most affected by the earthquakes in Nepal, May 2015. [DFAIT]*

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Emergency, humanitarian and refugee program

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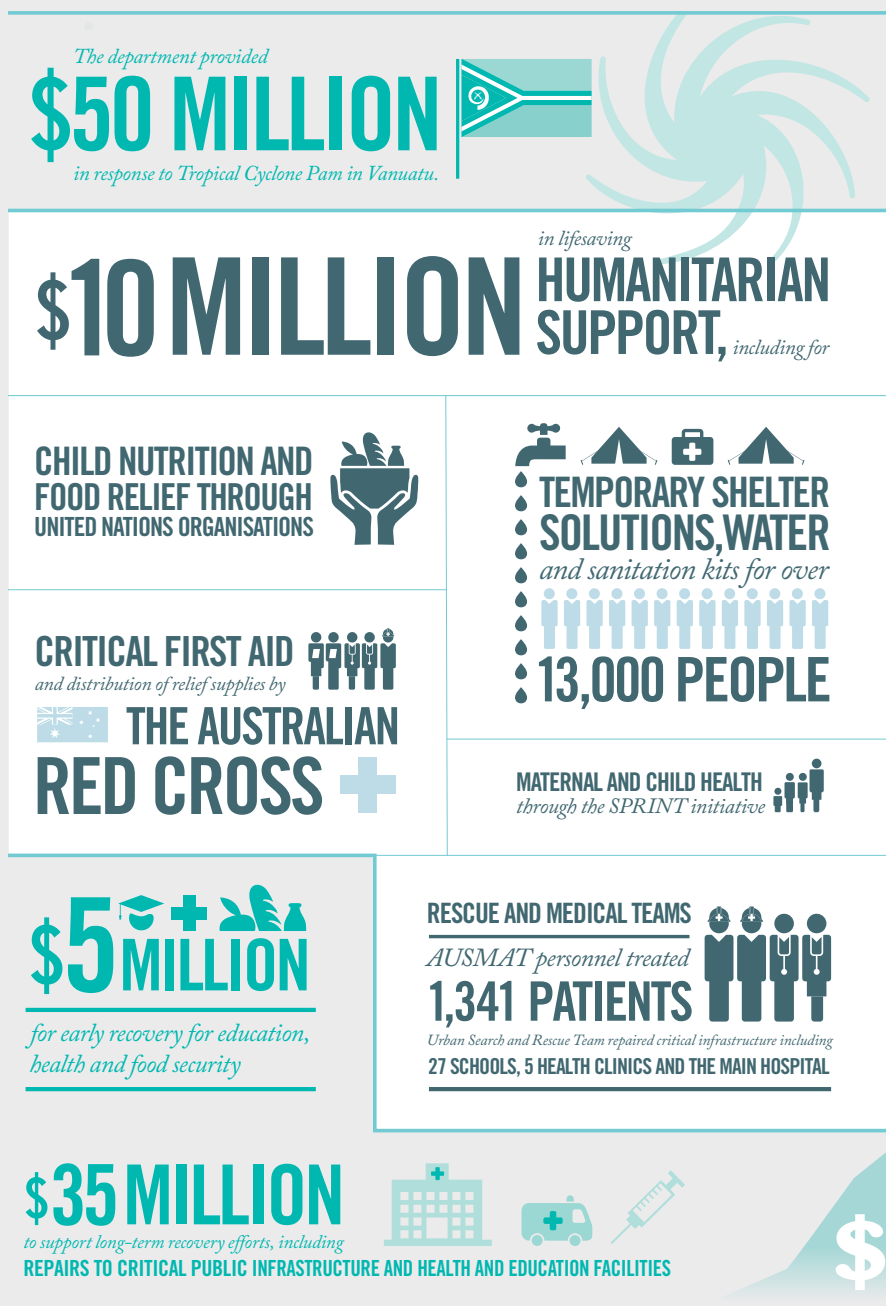
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Performance reporting

Figure 29: Australian Government response to Tropical Cyclone Pam



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Figure 30: Australian Government response to earthquakes in Nepal



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Performance reporting

## Working with our partners

The department partners with high-performing international organisations to extend Australia's global reach to deliver timely and effective humanitarian assistance to those most in need, particularly in the Indo-Pacific region.

### UN World Food Programme

The department contributed \$113.7 million towards the UN World Food Programme's (WFP) operations, including \$40 million in core funding, supporting WFP to provide food assistance to 80 million people. We also allocated \$10 million to support school feeding programs in the Indo-Pacific region, which helped WFP to provide food to 20 million children globally and improve school attendance rates, particularly among girls. In Vanuatu, we provided \$1.3 million to WFP to deliver emergency food assistance in the wake of Tropical Cyclone Pam, and \$2.7 million in response to the earthquakes in Nepal. Australia played an active role on the WFP Executive Board, including as the board's president in 2015.

### UN Office for the Coordination of Humanitarian Affairs

The department provided \$11.3 million to the UN Office for the Coordination of Humanitarian Affairs (OCHA), including \$9.3 million in core funding and \$2 million for its regional and country operations in the Indo-Pacific region.

We continue to work closely with OCHA to address humanitarian coordination challenges in the field to reduce duplication and ensure a rapid and coherent response to emergencies, particularly in the Pacific region.

### Central Emergency Response Fund

The department contributed \$11.3 million to the Central Emergency Response Fund (CERF). CERF plays an important role as an effective financing and coordination instrument for rapid onset disasters, maximising the impact of early action. It also supports under-funded emergencies, providing a lifeline for millions of people affected by armed conflict and long-term complex humanitarian crises. Our investment helped deliver funding to crises in 45 countries.

### UN High Commissioner for Refugees

We provided \$35 million, including \$21 million in core funding, to support the humanitarian work of the UN High Commissioner for Refugees (UNHCR). Our assistance helped provide shelter, water, food, health care and humanitarian protection to more than 46 million refugees and internally displaced people in 127 countries. We also supported UNHCR to find durable solutions for displaced populations, while safeguarding the rights and dignity of those affected. The department continued to support the implementation of UNHCR's *Action Against Sexual and Gender-Based Violence Strategy*, bringing our total contribution to \$4 million since 2012–13.

### International Committee of the Red Cross

Australia is a significant donor to the International Committee of the Red Cross (ICRC), providing more than \$46 million to support its operations in 2014–15, including a core contribution of \$26.6 million. In the last year, the department supported the ICRC to work in conflict hotspots in Africa and the Middle East, and to expand its efforts on the prevention of sexual violence in conflict. Our contribution assisted the ICRC to run programs in 73 countries and territories, provide food to over 9 million people worldwide and provide essential household and hygiene items to over 4 million people. The ICRC also supported 441 hospitals and 415 primary healthcare centres.

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## Investing in disaster risk reduction for resilience

Australia endorsed the Sendai Framework for Disaster Risk Reduction 2015–2030 on 18 March 2015 at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan. The Sendai Framework is a global blueprint to build disaster resilience, reduce disaster risk, prepare for and recover from natural disasters. The department, together with the Attorney-General's Department and Geoscience Australia, advocated a focus on how developing countries can mobilise and effectively use all sources of finance, including domestic revenue and remittances for disaster risk reduction (DRR).

The UN Office for Disaster Risk Reduction (UNISDR) coordinates the implementation of the Sendai Framework. Australia is the second largest bilateral donor to UNISDR in the Asia-Pacific region. We also support the leadership of the World Bank's Global Facility for Disaster Reduction and Recovery to help high-risk, low-capacity developing countries better understand and reduce their vulnerabilities to natural hazards in accordance with the Sendai Framework.

During 2014, we co-funded an Asian Development Bank program retrofitting schools in Nepal for disaster resilience. All 160 schools constructed with Australian funds withstood the April 2015 earthquake. We also supported development of the South Asia Women's Resilience Index, a tool to identify opportunities for women to participate in national resilience-building efforts.

## Australian Civilian Corps

The department manages the Australian Civilian Corps (ACC), a register of approximately 500 experienced specialists who can deploy into crisis- or disaster-affected situations at short notice as Commonwealth employees.

In 2014–15, the ACC deployed 70 specialists to 13 countries, providing 295 person-months of assistance. The ACC supported election processes in Bougainville, Fiji and Solomon Islands; assisted post-conflict stabilisation programs in Burma; supported national disaster management agencies in Fiji, Timor-Leste, Tonga, Samoa and Vanuatu; and assisted national recovery and reconstruction efforts in the Philippines after Typhoon Haiyan, in Solomon Islands after the 2014 floods, and in Vanuatu and Tuvalu after Tropical Cyclone Pam.

# Multilateral replenishments and global development partnerships

Programs 1.9, 1.11 and 1.12

○ Not Met   ◐ Partially Met   ● Met

➤ <i>Deliverables</i>	2013–14	2014–15
To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to multilateral organisations.	●	●
To assist developing countries reduce poverty and lift living standards through sustainable economic growth by providing contributions to UN and other international organisations. <sup>1</sup>	●	●
✓ <i>Key Performance Indicator</i>	2013–14	2014–15
Achievement of significant development results.	●	●

<sup>1</sup> Deliverable includes expenditure under Program 1.9 made through UN and other international organisations.

## Overview

The department works with multilateral development organisations and global development partners because their expertise, scale and geographic reach allow Australia to leverage results beyond what can be achieved through purely bilateral means.

These organisations play a critical role in delivering development outcomes. Our engagement with them ensures Australia's, and our region's, priorities are considered, reflected and acted upon in international agreements, priorities and assistance.

The department is introducing 'Multilateral Performance Assessments'—a new system for ensuring our multilateral partners deliver results and focus on issues of priority for Australia.

## Global development

Australia worked with international partners to develop and agree a global post-2015 development agenda (the 2030 Agenda for Sustainable Development). This will provide a set of international development goals and targets, which, while non-binding, will influence and drive development outcomes and financial flows to 2030 and beyond. The department focused on ensuring a set of goals and targets that emphasise economic growth, poverty reduction, gender equality and peace and governance.

We also contributed strongly to negotiations on an international development financing action agenda, to be agreed in July 2015 at the Third International Conference on Financing for Development. The framework emphasises the need to fully utilise the suite of finance available to support development, including increasing domestic resources (through effective tax systems), private sector investment and leveraging ODA.

## Policy coordination funding

The department provided \$373,000 to the UNDP-managed Asia Pacific Development Effectiveness Facility (AP-DEF) to help countries in our region develop strategies to manage development finance from a range of different sources. It also helps the AP-DEF facilitate regional dialogue and cooperation, and share experience between countries on development effectiveness and cooperation.

We provided \$50,000 to the Financing for Development Trust Fund. The fund helped governments from least developed countries and small island developing states attend the Third International Financing for Development Conference and helped ensure that the voices of the most vulnerable countries were part of this important event.

## Multilateral development banks and replenishments

### World Bank Group

The World Bank Group (WBG) is an important partner for meeting our objectives of reducing poverty and promoting economic growth. Australia contributed an estimated \$487.7 million to the WBG. This comprised \$211.7 million in core funding to the International Development Association (IDA), and a total of \$276 million in non-core funding to implement joint programs. Our advocacy has helped increase World Bank funding to our region.

Australia's engagement with the WBG is an important part of our economic diplomacy. Australia supports the WBG's 'Doing Business Reports', which measure government regulations that enhance or constrain business activity globally and foster competition among governments to create the most attractive business environments. Australia also partnered with the WBG on its Global Benchmarking of Public Procurement Program to help identify areas for reform and improve public procurement, an area on which governments spend trillions of dollars annually.

### International Finance Corporation

The International Finance Corporation (IFC) is the WBG's private sector financing arm, and its emphasis on private sector innovation in infrastructure, governance, education, health, gender equality and agriculture matches Australia's priorities. Australia provided \$34.5 million to IFC, a four-fold increase on last financial year's contribution. With Australia's support, the IFC implemented a three-year program (launched in 2013) to help the central banks of Pacific Island countries develop national 'payment system' laws. This will give 1.2 million people access to easy, safe and reliable electronic banking and remittances.

### The International Development Association

Australia contributed \$211.7 million to the IDA, the arm of the WBG that provides highly concessional loans and grants to the world's 77 poorest countries, 23 of which are in the Indo-Pacific region. The IDA's emphasis on gender equality and inclusive growth align well with Australia's priorities.

Our advocacy helped secure around US\$8.4 billion to South Asia and US\$2.1 billion to East Asia and the Pacific in IDA funding for 2013–14 (published October 2014). Since 2014, it also helped mobilise US\$50 million in ad hoc crisis support for Vanuatu and Tuvalu following Tropical Cyclone Pam, and US\$1.62 billion to halt the spread of the Ebola virus, improve public health systems, and mitigate the economic impacts of the disease in affected countries.

### Asian Development Bank

Our \$122.2 million core contribution to the Asian Development Bank (ADB) helped to increase access to finance for more than 44,000 poor women and men, train more than 36,400 teachers, and build or upgrade more than 530 kilometres of roads.

We also provided \$118.5 million in funding for joint projects with the ADB at country, sector and regional levels, mainly targeting infrastructure, health, education and private sector development in the Greater Mekong subregion and in the Pacific. Our advocacy and support helped to deliver an agreement to merge the ADB's two financial capital arms from 2017. This is a major reform which will increase the ADB's lending by 50 per cent.

## Asian Infrastructure Investment Bank

Australia signalled its intention to join the Asian Infrastructure Investment Bank (AIIB) in June 2015. The AIIB is a new multilateral bank that will invest in infrastructure in the Asian region. In the AIIB negotiations, Australia advocated high governance standards and robust environmental and social safeguards. Our advocacy will help make the AIIB more effective and has strengthened its governance, accountability and transparency. The AIIB is expected to be operational by the end of 2015. We will continue to work with China and other shareholders on its design and operations.

## Other multilateral development Funds

### Health

The department worked with the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) to stop the spread of these diseases in the Indo-Pacific region. We used our Global Fund board membership to promote the fund's effectiveness in the region. Australia has pledged \$200 million to the Global Fund's 2014–16 replenishment. In 2014–15, \$105 million of this contribution was disbursed, which helped provide antiretroviral therapy for 87,600 people with HIV/AIDS, treat 147,600 people with tuberculosis, and distribute 5,400,000 insecticide treated bed nets to prevent malaria.

The department continued to invest in Gavi, the Vaccine Alliance, to extend the reach of our health program and leverage funds from the private sector. Our \$50 million contribution helped immunise 2.3 million children in developing countries. We also contributed \$14.1 million to the International Finance Facility for Immunisation to raise funds for vaccines. We used our board membership to ensure Gavi was governed effectively. A priority issue was to reform Gavi's graduation and eligibility policies. We advocated a smoother transition for countries graduating from Gavi support to allow immunisation programs in those countries to become self-sustaining.

## Education

The department works with the Global Partnership for Education (GPE) to cultivate productivity and economic growth in our region by increasing access to education. We used our seat on the GPE Board to help design and introduce a new funding model. This will help recipient countries develop better education sector plans and strengthen the link between achieving results and funding. In 2014–15, Australia made its final payment to GPE's first replenishment (2011–14) of \$100 million. In 2014, GPE also launched its second replenishment (2015–2018) to which Australia pledged \$140 million.

## Environment/climate change

Australia committed \$200 million to the Green Climate Fund (GCF) to support action on climate change in developing countries, including private sector-led economic growth in the Indo-Pacific region. A first tranche payment of \$70 million was paid to the GCF in June 2015, along with a further \$75,000 to support a GCF regional workshop for representatives of Pacific Island countries. The GCF is expected to begin funding projects in November 2015.

We provided \$19.3 million to the Global Environment Facility (GEF) to provide a range of grants to the Indo-Pacific region that will improve agricultural productivity, sustainable fisheries and water management of poor communities dependent on the natural environment. The department also used its GEF Council membership to push for, and achieve, more streamlined systems and a better articulation of results and transparency by the GEF.

We contributed \$18.2 million to the Global Green Growth Institute (GGGI) to build resilience to climate-related shocks and manage the impact of climate change in the Indo-Pacific. This established Australia as a contributing member of GGGI until the end of 2016. Through 2014–15, GGGI partnered with developing countries to embed economic growth pathways that use natural resources sustainably, are less carbon intensive, and more resilient to climate change.

In partnership with the Department of the Environment, we renewed our commitment to the Montreal Protocol Multilateral Fund. Australia pledged \$13.9 million to the fund's ninth replenishment (2015–17) to support developing countries phase-out ozone-depleting substances from industry practices.

## Working with others to enhance multilateral effectiveness

The department has developed the Multilateral Performance Assessment process to assess the multilateral organisations to which Australia gives significant funding. This is in line with target 7 of *Making Performance count: enhancing the accountability and effectiveness of Australian aid*. We also pursued our effectiveness agenda through multilateral forums by maintaining our active role in the Multilateral Organisation Performance Assessment Network (MOPAN). MOPAN is a network of 17 bilateral donor countries with a common interest in assessing the effectiveness of the major multilateral organisations they fund. In 2015, the new MOPAN 3.0 methodology, with its greater focus on performance and development effectiveness, will begin with an assessment of 12 multilateral organisations.

### OECD DAC

One of the department's objectives is to extend Australia's influence and ensure development organisations reflect best practice approaches. To do this, Australia provided \$500,000 to the OECD's Development Assistance Committee (DAC) to modernise the way it defines international aid and the statistical system used to measure it. With Australia's support, the DAC also agreed to rules that encourage the provision by donors of concessional loans on more favourable terms for the poorest countries.

Australia chaired the DAC network on gender equality and co-chaired its networks on evaluation and governance. We also contributed to six DAC peer reviews of other donors that identified and disseminated good development practices.

We combatted international tax evasion through support to the OECD Tax and Development Programme. This program gives practical tools and guidance to help boost revenue collection. Developing countries applying such guidance have demonstrated considerable returns on investment. With Australia's input, the OECD's transfer pricing program gave advice to 10 developing countries, including Vietnam and Cambodia, which helped them collect over US\$140 million in additional revenue.

## Development partners

The department continued to maximise the leverage and reach of its development investments by partnering with other leading donors.

In April 2015, we signed a new Partnership Arrangement for International Development with the Canadian Department of Foreign Affairs, Trade and Development. The arrangement will facilitate further collaboration on economic growth and sustainable development, global health issues, gender equality and global development policy agendas. The department held senior development talks with Germany, the United States and the United Kingdom and participated in the inaugural Australia–EU Development Dialogue to discuss opportunities for coordinated action to enhance the impact of joint development assistance. These formal partnerships and dialogues underpin practical cooperation with our bilateral partners.

The department also continued to explore opportunities to engage with new partners who bring their own creativity and resources to bear in solving development problems. For example, we worked closely with the Bill and Melinda Gates Foundation on promoting financial inclusion, food security and health.



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Performance reporting

## Outlook

Australia's aid policy focus on growth-enabling areas, including aid-for-trade, infrastructure, women's economic empowerment and harnessing all sources of development finance, is well aligned with the 2030 Agenda for Sustainable Development. The department is positioned to work with our partners to incorporate this agenda, including the Financing for Development framework into development policies, processes and programs.

We will support the merger of the ADB's two financial capital arms and financial and structural reforms occurring in the World Bank to increase the resources they have available to support developing countries. We will push for successful replenishments of the development funding arms of the ADB and World Bank, and ensure that Australia's priorities, especially an Indo-Pacific focus, are reflected in the outcomes.

As a founding member of the AIIB, we will continue to work with others on its design and operation. Securing quality climate projects for developing countries in our region will be a focus of our board representation on the Green Climate Fund and membership of the Green Growth Institute. We will also continue our advocacy for Australia's priorities in other sectoral funds, with a strong focus on ensuring they work with partner governments to ensure sustainable financing and programs.

A priority across our work will be to promote development effectiveness throughout the global development system and in cooperation with other leading development partners.

03

04

05

06

# NGO, volunteer and community programs

## Program 1.13

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverable	2013-14	2014-15
To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to NGO, volunteer and community programs.	●	●
✓ Key Performance Indicator	2013-14	2014-15
Achievement of significant development results.	●	●

### Overview

The department works with a range of NGO partners in the Indo-Pacific region and around the world; in particular, through two significant global programs: Australian NGO Cooperation Program (ANCP), reaching 20 million people, and Australian Volunteers for International Development (AVID), with 1906 volunteers in 41 countries. We also work through our partnership with the Australian Council for International Development (ACFID). This work provides excellent people-to-people links and grassroots-level community engagement.

### The Australian NGO Cooperation Program

Through ANCP, the department provided \$134 million to 48 Australian NGOs to support over 600 projects in around 50 countries in economic growth, education, health, water and sanitation, food security and civil society, reaching approximately 20 million people. Over 71 per cent of ANCP programs contributed to the ability of poor communities to work with the private sector to achieve economic development, improve government services, and empower women and people with disability.

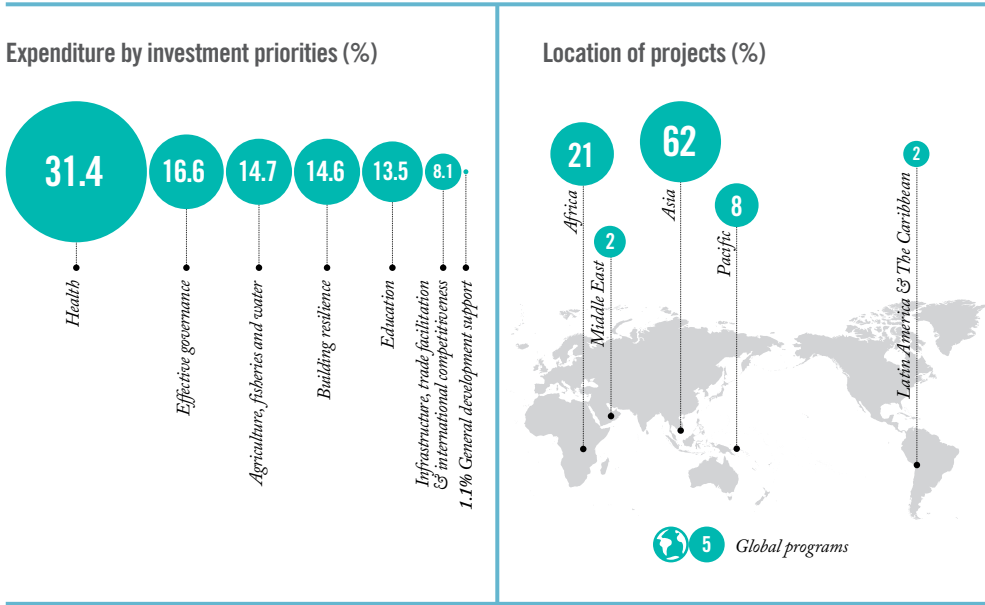


ANCP-supported community health worker, Zuhara Msesa, (centre) displays her training manual, Tanzania, April 2015. [World Vision]

ANCP celebrated its 40th anniversary with an event at Parliament House in March 2015 opened by the Foreign Minister. The occasion showcased 40 years of ANCP-funded activity through a photographic exhibition.

Of total ANCP projects, 116 projects had gender equality as their principal focus (approximately 19 per cent) with a total expenditure of over \$21.36 million. Gender equality was further identified as a significant objective of 403 projects (approximately 65 per cent).

Figure 31: ANCP location of projects



The department undertook a thematic review in the first half of 2015 that focused on gender equality and women's empowerment across ANCP activities in Timor-Leste and Vanuatu. Key findings included the importance of organisational commitment and engagement by senior levels on gender, strong local partners and participatory planning methods, and working innovatively with men and young people. We expect the report to be released in the second half of 2015.

## Volunteers

The Australian Volunteers for International Development (AVID) program successfully linked the Australian community with people and organisations in developing countries.

The annual program expenditure of \$57 million (estimated) resulted in substantial development, people-to-people and economic diplomacy returns.

In 2014–15, the program supported 1906 volunteers on assignment in 41 countries. Ninety-five per cent of volunteers were in the Indo-Pacific region.

Through the AVID program, members of the Australian community shared their skills and fostered strong and lasting linkages with people and organisations in developing countries. Volunteers worked in support of Australian and partner government country-level priorities in governance, health, social and infrastructure services and education.

Figure 32: AVID statistics

Total number of volunteers

1906

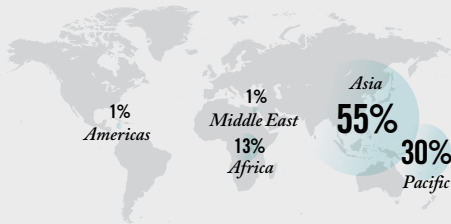
921 commenced new assignments<sup>1</sup>

985 continued assignments from previous year/s

Average length of assignment



Where they went



Countries which received the most volunteers:  
Indonesia, Cambodia, Fiji, Vietnam, Philippines

\$56.6M

Total expenditure on AVID (A\$)

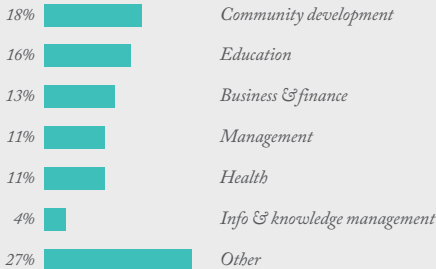
Average age of Australian volunteers

41

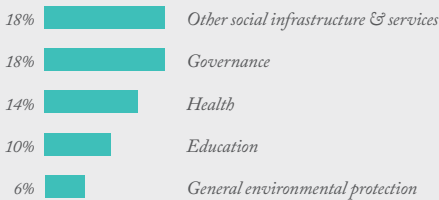
5 most common areas of volunteer expertise

- Community and social development
- Education
- Business & finance
- Management
- Health

Common areas of volunteer expertise



Key assignment areas



<sup>1</sup> Data presented is for new volunteers mobilised in the financial year.

01

02

Performance reporting

### *AVID: Fairtrade sweetens sugar production in Fiji*

Despite an increasingly competitive global market, the sugar industry remains a key component of the Fijian economy and is central to life in Labasa. In recent decades, the industry has undergone a significant downturn with the expiration of farm leases, the phasing out of trade agreements and the migration of younger generations to urban centres. To tackle these challenges, local growers formed the Labasa Cane Producers Association (LCPA) in 2010.

An Australian volunteer works as a Project Development Officer at LCPA and assists in maintaining Fairtrade accreditation. Fairtrade accreditation secures higher prices for crops and has been central to the organisation's aim of alleviating poverty and improving the economic and environmental sustainability of sugar production.

## Partnership with the Australian Council for International Development

The department worked closely with the Australian Council for International Development (ACFID) to strengthen the standards and performance of Australian NGOs. ACFID members provided valuable contributions for the design and application of the new Partner Performance Assessment procedures. These will mean that the performance of NGOs can be consistently assessed for the first time and assist the department meet Target 7 of *Making Performance Count: working with effective partners*. The department and ACFID cooperated in over 130 events and policy discussions, including consultations in the department's state offices on updating the department's NGO engagement framework.

## Outlook

The department will implement the management response to the Office of Development Effectiveness independent evaluation of the ANCP, due for release in 2015–16. This will include work to formalise a transparent funding model, finalise a program-level performance framework, and test new approaches to sharing lessons among agencies.

A range of initiatives will continue to improve cost-effectiveness and build on a successful AVID program improvement agenda including reducing the number of countries covered and improving in-country volunteer management. We will seek better links between volunteers and programs like Australia Awards and the Direct Aid Program. We will launch the Returned Australian Volunteers Network. The network will enable the department to engage with returned volunteers in events across Australia, highlight how Australian volunteers have contributed to the Australian aid program and encourage returned volunteers to continue to share their experiences to encourage others.

We will continue to collaborate with ACFID in reaching out to the sector, supporting learning and development of Australians involved in small and medium NGOs, and engaging on new policy and programming directions. An independent mid-term review of the ACFID partnership has begun and will report next year.

03

04

05

06



# Consular services

## Program 2.1

○ Not Met    ◐ Partially Met    ● Met

▶ <i>Deliverables</i>	2013-14	2014-15
High-quality consular services to an increasing number of Australian travellers and Australian citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers emergency loans to Australians in need.	●	●
High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through the continuation of the Smartraveller campaign and effectively managing an online travel registration service.	●	●
Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments.	●	●
Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.	●	●
✓ <i>Key Performance Indicators</i>	2013-14	2014-15
The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.	●	●
Travel advisories are accurate and timely and provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance; public use of the Smartraveller website and the online registration service continues to grow.	●	●
Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.	●	●
Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.	●	●

## Overview

The department provided assistance to 15,824 Australians in difficulty overseas in 2014-15. The downing of Malaysia Airlines MH17 and our response to assist the families of the 38 victims who called Australia home was a major focus of our consular work during the period.

The department concluded work on a Consular Strategy, launched by the Foreign Minister in

Canberra on 3 December. The strategy sets a three-year framework for the delivery of world class consular services and is the first of its kind for the department. At the same time, Ms Bishop launched an updated Consular Services Charter.

We also worked with the Australian National Audit Office (ANAO) over the course of its 12-month performance audit of the delivery of consular services. The ANAO concluded that the department's administration of the consular function was appropriate and effective.

We expanded our public messaging in innovative ways, including cooperation with the production of an observational documentary series *The Embassy* and an expansion of social media activities. The successful launch of the new Consular Information System was a major achievement.

## Consular services

At 30 June 2015, Australians had access to consular services through 166 diplomatic and consular missions and honorary consuls managed by the department and Austrade. Australians also had access to consular services from Canadian diplomatic missions in a further 16 countries, under a reciprocal consular sharing agreement.

The department's Consular Emergency Centre (CEC) received 50,525 calls, a five per cent decrease from 2013–14. The centre provides public access to consular services from anywhere in the world, 24 hours a day, seven days a week. In addition to calls received by the CEC, our Emergency Call Unit took 5516 calls over the year in relation to the downing of MH17,

Tropical Cyclone Pam in Vanuatu and the earthquakes in Nepal.

## Assisting Australians overseas

In 2014–15, consular staff managed a total of 15,824 cases of assistance to Australians in difficulty, an increase of nine per cent from the previous year.

The department continued to provide strong consular support to an Australian journalist imprisoned in Egypt, and engaged intensively with the Egyptian authorities on his case until his release and departure from Egypt on 1 February 2015. We provided extensive consular assistance to two Australians sentenced to death for drug offences in Indonesia and to their families.

## Travellers' emergency loans

We reviewed procedures for managing disbursement of emergency financial assistance to Australian travellers and tightened our debt recovery procedures, including updating and simplifying the legal documentation which underpins the loans.



### POSITION PROFILE

**ZORAN KOSTOVSKI AO**

HONORARY CONSUL IN SKOPJE

FORMER YUGOSLAV REPUBLIC OF MACEDONIA



I have been the Honorary Consul in Skopje since 1998—and no two consular cases have been alike. The large number of dual citizens residents here provides a flow of consular and passport work. Consular cases often are very challenging, requiring strong coordination with family members and local authorities. My goal is to focus on the client needs and provide the best possible service in difficult situations.

I enjoy working with the Embassy in Belgrade to identify good grass-roots projects for the Direct Aid Program and liaise with NGOs and people in the community to better understand their needs.

Representing Australia at events and the resulting network of contacts enables me to provide strong support to the embassy, especially when hosting high level visitors. Keeping the embassy up-to-date on domestic issues relating to political and economic stability, and ethnic tensions is an important part of my role.

Table 10: Travellers' emergency loans

	2011-12	2012-13	2013-14	2014-15
Number of Australian travellers assisted by emergency loans	365	298	239	211
Amount provided in emergency loans	\$218,470	\$209,126	\$144,648	\$144,641
Amount recovered in debt recovery activities	\$207,963	\$242,415	\$154,183	\$112,121

Consular emergency services

The department also granted payments totalling \$443 to two Australian travellers under the consular emergency services financial support mechanism. This enables the extension of financial assistance when it is not practical or legally possible for individuals to sign an undertaking-to-repay.

International dialogue and cooperation

We continued work with consular partners to strengthen multilateral, regional and bilateral cooperation and information exchange on consular matters, including as a member of the Steering Committee of the Global Consular Forum. We participated in the forum's second officials' meeting in Mexico in May, with a particular focus on the international legal and policy framework for consular work, including family law.



Minister for Foreign Affairs, Julie Bishop (left), and UK Foreign Secretary, Philip Hammond, sign the MOU on crisis cooperation, Sydney, 2 February 2015. [Department of Defence/Lauren Larking]

The department enhanced crisis cooperation with Canada under our bilateral consular sharing agreement, added new countries to the consular sharing schedule and improved guidance to Australian and Canadian posts delivering consular services on behalf of the other country.

We also strengthened crisis cooperation with the United Kingdom. At the AUKMIN meeting in February, the Foreign Minister and UK Foreign Secretary signed an MOU on the reciprocal use of diplomatic facilities at times of crisis or major international incident. This step built on our close cooperation with the United Kingdom in response to MH17.

We hosted the 10th annual bilateral consular consultations with Vietnam in Perth on 10 December and the 13th Australia–China consular consultations in Adelaide on 25 June. These bilateral consultations provide important opportunities to address issues of mutual concern in the delivery of consular services in each other's countries.

Consular policy

On 3 December 2014, the Foreign Minister launched the department's first three-year Consular Strategy, together with a revised and updated Consular Services Charter. The strategy provides the framework to ensure that the department continues to deliver world class consular services to Australians overseas. This includes a stronger focus on those who are most vulnerable or involved in very serious cases. It also foreshadows strengthened messaging to promote a culture of self-reliance, personal responsibility and self-help among Australians travelling and living overseas.

By the end of the reporting period, we had begun or completed action on 90 per cent of the strategy's recommendations.

Another significant achievement was the rollout of the new Consular Information System underpinning the management of assistance to Australians in difficulty. The new system provides greater functionality in managing and recording our consular work, enabling us to further improve quality assurance. It will also significantly enhance the collection of relevant consular statistics, improving our capacity to model future consular trends and demands.



*Consular Information Systems Project Officer, Karen Collins (left), provides training on the new system to Consular Operations officers, Gail Banks (centre) and Nataly Miranda-Veloso, Canberra, May 2015.*  
[DFAT/Nathan Fulton]

We undertook a stocktake of Australia's network of honorary consuls, which led to new policies and procedures to strengthen our oversight of the network, improve recruitment processes, enhance training and strengthen reporting obligations. These changes will support efforts to ensure the network aligns with our foreign and trade policy priorities.

## Consular training

In keeping with the commitment in the Consular Strategy to have in place professional, trained consular staff to deliver services and assistance effectively, we developed a comprehensive consular and crisis management training strategy. We delivered over 120 training sessions to over 1600 staff in Canberra and overseas, a significant increase from 80 sessions delivered to just over 1000 staff in the previous period.

## Responding to and preparing for crises

The downing of MH17 over Ukraine was the most significant crisis to affect Australians and Australian interests overseas during the period and called for an extensive and complex response across the department. (See p. 201.) We conducted a 'lessons learned' exercise on our response and began implementing a number of strategic and procedural improvements to help guide future crisis responses.

As part of our ongoing contingency planning, we conducted Contingency Planning Assistance Team visits to five posts. We implemented a Single Crisis Response Protocol, combining consular, humanitarian and other elements from across the department, to maximise the department's crisis response capabilities. The effectiveness of the protocol was demonstrated in response to Tropical Cyclone Pam in Vanuatu and the earthquakes in Nepal. In each case, we deployed specialist consular, humanitarian and policy officers to support the posts in the affected countries. Our teams provided professional, timely assistance to those in need, supported in Canberra by our Crisis Centre and Emergency Call Unit and overseen by an Inter-Departmental Emergency Task Force chaired by the department. (See also pp. 26–8; 64–5; and 178–82.)

Following Tropical Cyclone Pam, the Emergency Call Unit handled over 1000 calls, helping us to confirm the welfare of approximately 1800 Australians and permanent residents. We updated travel advisories and issued regular travel bulletins for affected Australians, including on arrangements to depart the affected areas. With the assistance of the Australian Defence Force, we evacuated 242 people to Australia, including 208 Australians.



*Consular Officers, Lisa Hornsby-Scott (right) and Kelli-Ann Kerin (partially obscured), brief Australian evacuees before departure, Port Vila, March 2015.*  
[Department of Defence/Bradley Richardson]

After a 7.9 magnitude earthquake struck Nepal on 25 April 2015, we moved quickly to confirm the welfare of 1525 Australians who were in the country at the time and activated our Crisis Centre and Emergency Call Unit (which took 2422 calls). We deployed a Crisis Response Team (CRT) to help with the consular and relief effort on the ground, including in areas outside the capital, and assist with evacuating Australians to Bangkok. One Australian was confirmed dead and we hold grave concerns for a second.

We undertook comprehensive contingency planning and deployed teams to provide consular support for the Australian Government commemorations of the Gallipoli Centenary and other World War I anniversaries in France.

The department conducted a joint exercise with Qantas to test preparedness for the possibility of an international aviation crisis, including a mock activation of our Crisis Centre. This strengthened cooperative arrangements with Qantas and with a range of Australian government agencies.

We also pursued innovative strategies to enhance our international crisis response capacities. In March we signed an agreement with France that commits us to work towards stronger cooperation in consular crisis response, including by assisting each other's citizens during crises in certain locations.

## Keeping Australians informed

The department provided accurate and timely travel advisories and other travel information to assist Australians to make safe travel decisions. The Smartraveller website attracted over 16 million page views in 2014–15.

We increased the number of destinations for which we issue travel advisories to 171, adding the Republic of the Marshall Islands and the Seychelles. We issued 778 updates to travel advisories during the period. We also issued 62 travel bulletins on a range of subjects, including the Ebola outbreak in West Africa, the global terrorism threat and the Middle East Respiratory Syndrome Coronavirus (MERS).

We enhanced the readability of the travel advice by including colour-coded maps showing risk levels for all country-specific travel advisories. We also revised and updated our 'travel advice explained' page, to help travellers understand and use the information in the advisories. We published tailored advice for young travellers and Australians studying abroad.



*Crisis Response Team leader, Jeff Roach (right), briefs Australian officials at Tribhuvan International Airport, Kathmandu, April 2015. (L. to R.): Consul Kathmandu, Stephen Rowe; Lt Col Scott Hill ADF; LES Consular Officer Kathmandu, Kumudh Gurung, and Manang Air officials, Prem Prasad Swar, Yubaraj Neupane and Captain Hira Dabal.*  
[DFAT/Damien Dunn]





## STAFF PROFILE

**DAMIEN DUNN**

CRISIS RESPONSE TEAM, CANBERRA



Since December 2013, I have been the Divisional Coordinator of the Consular and Crisis Management Division where I manage a small team providing management support to a busy division.

I was also a member of the 2014–15 Crisis Response Team. In this role, I deployed to Port Vila in response to Tropical Cyclone Pam where I managed the logistics of a complex operation involving over 600 Australian government officials. In April, I was part of the consular team which served on the peninsula at the Centenary of Anzac Commemorations in Gallipoli. I then cross-deployed to Kathmandu where I worked on the consular response to the first Nepal earthquake which confirmed the safety of more than 1500 Australians.

In October, the Foreign Minister launched a travel insurance buying guide, which we commissioned from the consumer group CHOICE to assist travellers to identify the travel insurance policy that best suits their needs. This resulted in more credible, independent advice to consumers to guide their travel insurance purchasing decisions.

Another innovation was our cooperation with Embassy Productions on a four-part observational documentary series aired by Channel 9. *The Embassy* focused on the work of the consular section of our embassy in Bangkok, our busiest consular post. The series enables the department to convey key consular messages on travel safety, including the limits of our consular role. *The Embassy* won a People's Choice Award in 2014 and achieved consistently high ratings. We took advantage of the success of the series to host a live Facebook forum on 1 November. We reached an audience of 18,688 Facebook users, answering 60 questions and responding to many more comments.

We continued to enhance the Smartraveller social media presence, with Facebook 'likes' increasing by 20,000 to almost 60,000 and Twitter followers by 2600 to 8758. Social media was particularly important in providing information to Australians overseas and their loved ones back home during crises, with some individual messages during crises reaching up to 200,000 Facebook users.

Building on the success of the former Smartraveller Consultative Group, we hosted the first meeting of the new Consular Consultative Group. This group brings together a wider range of travel and industry representatives to promote dialogue between industry and the department on the Smartraveller campaign, consular policies and crisis management.



*Smartraveller Facebook post*

Our staff participated in a number of major travel expos across Australia in early 2015, providing an opportunity to promote key safe travel messages to around 100,000 intending travellers. We enhanced partnerships with volunteer groups such as Red Frogs and the Nicole Fitzsimons Foundation on outreach to young travellers, including during 'Schoolies Week' events in Bali and Fiji.

An interim Smartraveller print and digital campaign ran from February to May 2015 and work continued on the next phase of the Smartraveller campaign.

## Consular Services Charter

In conjunction with the Consular Strategy, we revised and updated our Consular Services Charter. The new version, launched by the Foreign Minister on 3 December, sets out more clearly the consular services and assistance provided by the department. We updated internal procedures for management of feedback on consular services, to ensure that any complaints are dealt with promptly and that both positive and negative feedback is shared with relevant staff.

We received feedback on our services through the Smartraveller website, via email, in writing, over the phone, in person and through social media channels. Most communications were requests for further information or comments. Use of social media increased: we received 264 Facebook messages seeking information, five providing comment, five complimenting us on our services, and two complaints. We also received 29 formal compliments and responded in writing to 42 complaints received, up from 34 received last year.

## Outlook

The department will report on progress in implementing the Consular Strategy 2014–16.

We will revamp the Smartraveller website to make travel advice more reader-friendly. We will start Phase IV of the Smartraveller advertising campaign and launch an Android app to complement the existing iPhone app. We will continue our cooperation with Embassy Productions in advance of the screening of the second season of *The Embassy* observational documentary in the latter part of 2015.

We will continue our program of Contingency Planning Assistance Team visits to posts, with a strong focus on regional crisis preparedness. We also will improve our CRT capability through the training, briefing and equipping of specialist officers, ready to be deployed to crisis locations overseas at very short notice.

The department will continue engagement with the private sector and increase cooperation with the Australian Defence Force (ADF) on evacuation planning, including utilising the new ADF Amphibious Task Group capability.

We will deepen cooperation with other countries to further improve consular services for Australians.

We will streamline the delivery of notarial services through our state and territory offices in Australia and implement changes to increase the number of staff able to issue apostilles at our posts overseas.

**Table 11: Consular services provided to Australian travellers**

	2010–11	2011–12	2012–13	2013–14	2014–15 <sup>1</sup>
Australian resident departures <sup>2</sup>	7,609,300	8,452,924	8,856,210	9,472,470 <sup>3</sup>	9,747,050
Cases of Australians hospitalised given general welfare and guidance	1,203	1,265	1,372	1,330	1,453
Cases of Australians evacuated to another location for medical purposes	28	24	28	27	11
Cases of next of kin of Australians who died overseas given guidance or assistance with disposal of remains	1,142	1,138	1,247	1,215	1,282
Cases of Australians having difficulty arranging their own return to Australia given guidance and assistance	478	46	53	47	50 <sup>4</sup>
Whereabouts—inquiries made about Australians overseas who could not be contacted by their next of kin	12,899	4,154	1,829	4,794	5,697 <sup>5</sup>
Cases of Australians arrested overseas	1,069	1,181	1,136	1,185	1,257
Cases of Australians in prison	313	326	343	339	371 <sup>6</sup>
Cases of Australians given general welfare and guidance	7,054	6,440	5,919	5,621	5,704 <sup>7</sup>
<b>Total number of cases involving Australians in difficulty who received consular assistance</b>	<b>24,186</b>	<b>14,574</b>	<b>11,927</b>	<b>14,558</b>	<b>15,824</b>
Notarial acts	177,474	188,149	195,470	222,042	243,103 <sup>8</sup>
<b>Total number of cases of Australians provided with consular services</b>	<b>201,660</b>	<b>202,723</b>	<b>207,397</b>	<b>236,600</b>	<b>258,927</b>
Australians in financial difficulty who were lent public funds to cover immediate needs (travellers' emergency loans)	345	365	298	239	211

<sup>1</sup> 2014–15 statistics are drawn mostly from the decommissioned Consular Management Information System. The new Consular Information System, effective from 15 June, includes better functionality and therefore reporting of consular statistics.

<sup>2</sup> Figures draw on ABS and DIBP data, and include permanent long-term and short-term departures of Australian citizens and permanent residents.

<sup>3</sup> Correction from 2013–14 annual report. (See App. 15, p. 290.)

<sup>4</sup> Figure does not include 65 Australians assisted to depart Nepal following an earthquake or 208 Australians assisted to depart Vanuatu after Cyclone Pam.

<sup>5</sup> Figure include crisis-related whereabouts cases, including for Nepal earthquake and Cyclone Pam in Vanuatu.

<sup>6</sup> This figure shows the total number of cases of Australians in prison during the year. The 'snapshot' of number of cases of Australians in prison overseas on 30 June 2015 was 245.

<sup>7</sup> Welfare and guidance figure includes the following sub-categories: general (1,350), welfare and other serious matters (2,841), theft (1,066), assaults (234) and welfare of children (216).

<sup>8</sup> Figures include notarial acts performed by overseas posts, in Canberra and at state and territory offices in Australia.

## MH17

Thirty-eight people who called Australia home lost their lives in the tragic downing of Malaysia Airlines flight MH17 on 17 July 2014.

The department responded quickly and decisively. Staff in Canberra and at our posts in Warsaw (then accredited to Ukraine), The Hague, Kuala Lumpur, UN New York, Moscow and elsewhere played a crucial role. The effectiveness of our crisis response mechanisms and commitment and professionalism of our consular staff enabled us to provide quick and compassionate consular assistance to the families of the victims, both in the immediate aftermath and throughout the year that followed.

One hundred and seventy-six staff volunteered for the Emergency Call Unit for the first 24 hours and the Crisis Centre, which operated 24/7 for three weeks. In Ukraine, our Ambassador, Jean Dunn, together with the Prime Minister's Special Envoy, Sir Angus Houston, provided exceptional leadership to a whole-of-government operation. In the two months following the downing of the plane, the department deployed 74 staff to Ukraine and The Hague, providing consular, media, political and technical support to the response.

The department established a task force to coordinate action in response to this

complex incident. The department's legal specialists were instrumental in negotiating and concluding legal instruments that enabled Australian personnel to deploy promptly to Ukraine and the Netherlands to contribute to both the search and recovery mission and international investigations. The department's ICT experts ensured effective communications on the ground in Kyiv and human resources, security and financial management staff all contributed directly to successful operations on the ground in challenging circumstances.

Staff in our mission in New York, capitalising on Australia's membership on the UN Security Council, assisted the Foreign Minister to garner support for the swift passage of UNSC Resolution 2166, drafted by the department. This resolution paved the way for the victims of flight MH17 to be identified, repatriated and returned to their loved ones. After securing adoption of this resolution, staff in New York engaged in a sustained campaign to ensure the international community remained focused on its implementation.

We worked with the Australian Defence Force and Qantas to arrange the dignified return of victims' remains to Australia. Departmental staff, including individual case officers for each family, worked closely with other government agencies to support families throughout the reporting period.



*Ambassador to Poland accredited to Ukraine, Jean Dunn (centre), and members of the DFAT Crisis Response Team, (L. to R.): Josh Young, Jenny Hobbs and Nigel Stanier, speak with Minister for Foreign Affairs, Julie Bishop (right), Kharkiv, July 2014. [DFAT]*

# Passport services

## Program 2.2

○ Not Met   ◐ Partially Met   ● Met

➤ Deliverables	2013–14	2014–15
High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.	●	●
Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within 10 working days, while effectively managing an increasing workload.	●	●
Ongoing implementation of the National Security—Improved Passport Integrity and Strengthened Issuance Systems program.	◐	●
Introduction of the new 'P-series' Australian travel document. <sup>1</sup>	●	●
✓ Key Performance Indicators	2013–14	2014–15
Public and travel industry clients are satisfied with the department's efficiency and effectiveness in delivering passport services, with routine passports issued within 10 working days and urgent passport issues dealt with in a timely and responsive manner.	●	●
Staged delivery of the National Security—Improved Passport Integrity and Strengthened Issuance Systems program within budget and against timelines.	◐	●
Successful introduction of the new P-series Australian travel document in mid-2014.	●	●
Prevention, detection and prosecution of passport fraud. <sup>2</sup>		●

<sup>1</sup> The deliverable for 2013–14 referred to the finalisation and production of the 'P-series' Australian travel document.

<sup>2</sup> New KPI for 2014–15.

## Overview

The department continued to provide Australians with a secure, efficient and responsive passport service, in line with the Client Service Charter of the Australian Passport Office (APO). We issued 1.83 million passports, most of them the new generation P-series document which was released in June 2014.

The department helped strengthen national security through its leadership in cross-agency efforts to improve the integrity of identity management and prevent identity fraud.

A review of the passports legislation culminated in the introduction into Parliament of the Passports Legislation Amendment (Integrity) Bill in June 2015.

We hosted the annual Five Nations Conference on passports in Melbourne in April 2015. The conference saw frank and productive discussions on efforts to address foreign terrorist fighters, border control, combatting fraud and identity crime, forecasting demand and resource modelling.



## Passport production

We issued 1,835,201 passports<sup>1</sup> in 2014–15, 1.78 per cent more than the previous year, and a record annual high. This increase was largely driven by higher demand for children’s passports, with only a small rise recorded in adult applications and renewals. Strong demand for passports coincided with an intake of new staff who needed training and time to become fully operational. This accounted for a lower figure than in previous years—90.9 per cent—of routine applications that were issued within the service standard of 10 working days.

Priority service was requested in 11.7 per cent of applications. We issued 214,238 priority passports, meeting the processing standard of two working days in 98.7 per cent of cases.

Some 95.5 per cent of all passport applications were lodged in Australia. Australia Post conducted 95.6 per cent of interviews of clients lodging applications in Australia at more than 1600 accredited outlets. The remainder were conducted at the nine passport offices across Australia.

More than 100 Australian diplomatic missions and consulates processed 93,258 passport applications and issued 8171 emergency passports to Australians overseas.

The fee for an ordinary passport increased from \$244 to \$250 on 1 January 2015. This was in accordance with the *Australian Passports (Application Fees) Act 2005* which provides for annual passport fee increases in line with the consumer price index.

In 2014–15, 37.8 per cent of clients used the electronic passport application forms available at [passports.gov.au](http://passports.gov.au), compared with 32.9 per cent the previous year. We continued to improve the passports website incrementally and used outreach initiatives to encourage client take-up of online services.

The Australian Passport Information Service (APIS) provided a telephone helpline to clients and arranged interviews with passport offices in Australia on our behalf. APIS handled 1,738,770 enquiries, a decrease of 4.5 per cent over the previous year.

In 2014–15, 38,718 passports were registered as lost or stolen, compared with 38,689 the previous year. As a percentage of total passports on issue, this is consistent with the annual rate in recent years.

A small number of passports—an average of six per month—were lost in the mail after dispatch from our production centres. This was a significant reduction compared with previous years, reflecting our work with Australia Post to minimise non-delivery.

During the year, the department issued, free of charge, 58 passports to replace those lost, damaged or destroyed as a result of crises and disasters including bushfires in Victoria and storms and floods in New South Wales.

Table 12: Passports<sup>1</sup> issued, 2012–13 to 2014–15

	2012–13	2013–14	2014–15
Total number of passports issued	1,703,850	1,803,143	1,835,201
% issued in Australia	98.7	98.6	99
% issued in 10 working days	98.8	98.6	90.9
Emergency passports issued by Australian diplomatic missions	8,020	7,857	8,171
Priority (PPF) passports issued	157,112	175,496	214,238
% of PPF passports issued in 48 hours	99.8	99.8	98.7
Documents reissued due to natural disaster	74	177	58

<sup>1</sup> Figures are for all travel documents, not just passports.

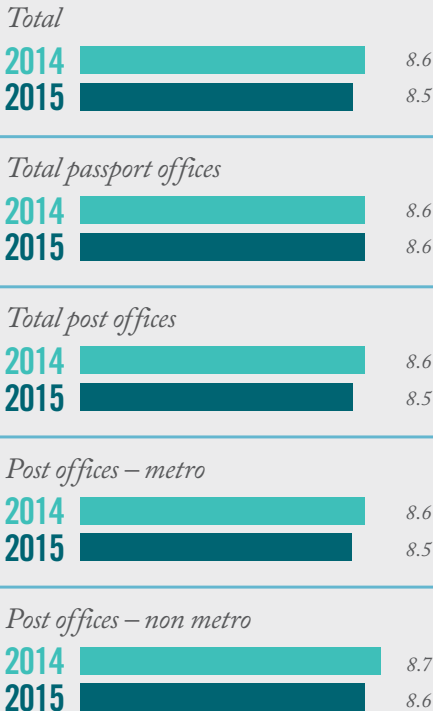
## Client service

Two client surveys showed that satisfaction with the department's passport services and processes remains high. Clients who reported a positive experience in their dealings with us cited 'good service and staff' and 'an efficient and straightforward process' as reasons for their satisfaction. Those who reported a negative experience attributed this to 'issues with form completion and documentation requirements', 'application process too complex or slow' and 'service and staff issues'. We will use the feedback to help us improve published information about passports and to develop more user-friendly application forms.

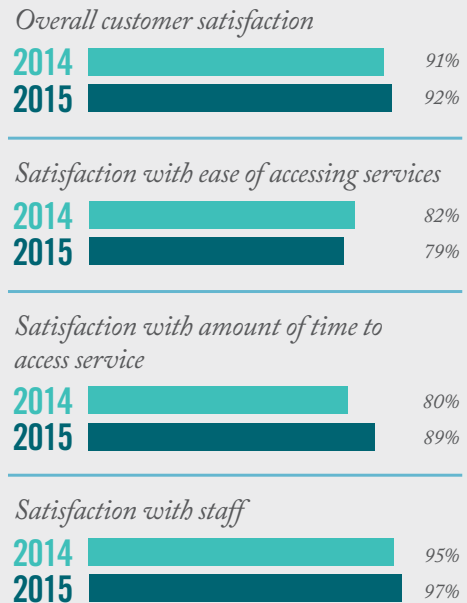
We responded to 78 legislative review requests (passport-related complaints), down from 84 complaints received last year. Of these, 58 were for an internal review of a passport decision and 20 related to investigations by the Commonwealth Ombudsman or claims under the Government's scheme for Compensation for Detriment caused by Defective Administration. (See also pp. 230 and 265.) The ombudsman has not issued any formal reports or section 12(4) notices to the department in relation to any complaint made by individuals.

We are implementing several suggestions made by the ombudsman in relation to child passport applications where all persons with parental responsibility do not provide consent.

*Figure 33: Overall satisfaction with the passport application process\**



*Figure 34: Overall satisfaction with the Australian Passport Information Service\**



\* Based on 6019 clients surveyed from August 2014 to April 2015.  
1 = Extremely dissatisfied 10 = Extremely satisfied

\* Based on 6568 clients surveyed over a two-week period.

## Passport security

The new P-series passport was smoothly rolled out in 2014–15. Its sophisticated security features, which further enhanced the trademark properties of the Australian ePassport, were well received by frontline border officials.

We began work on the next generation of travel documents, the R-series, which will reconceptualise all aspects of Australian passport design and functionality.

The department advanced the National Identity Security Strategy through broader use of the Document Verification Service; for example, to validate Change of Name certificates used by passport clients.

We played a leading role in the national effort to improve the integrity of facial biometric-based systems, particularly the development of strategies to improve human performance in face matching tasks, such as at border passport checks. We collaborated with the Defence Science and Technology Group and the University of New South Wales (UNSW) on cutting edge research on facial biometrics. Our work with UNSW was featured on ABC Television's science program, *Catalyst*, in February 2015, attracting wide domestic and international interest. We continued to work with partners at home and abroad to develop standards for facial comparison competencies and to establish facial examination as a recognised forensic science.

We finalised changes to the *Australian Passports Determination 2005* to boost membership of the APEC Regional Movement Alert System. We worked with the International Civil Aviation Organization to promote continuous improvement in traveller security through the development of international standards for travel documents and capacity building. We also participated actively in International Organization for Standardization technical working groups on biometrics and passport chip technology.

## Passport fraud detection and prevention, and national security issues

The department began 151 investigations into allegations of passport fraud including identity fraud, application fraud and improper use or possession of Australian passports. We referred 29 matters to the Commonwealth Director of Public Prosecutions. Passport fraud was proven in 18 cases prosecuted during the year.

The department continued to focus on high-risk identity fraud cases, further developing its capacity to resolve complex identity cases with facial recognition expertise, facial matching technologies and data analytics.

We built on our ability to prevent, detect, investigate and prosecute fraud under the *Australian Passports Act 2005* by working closely with law enforcement and intelligence agencies. Our work in partnership with the Australian Crime Commission, the Fraud and Anti-corruption Centre and the National Border Targeting Centre led to the disruption of serious and organised criminal activity. We also joined the National Disruption Group, further enhancing our ability to strengthen national security.

The introduction of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* engendered changes to the *Australian Passports Act 2005* and the *Foreign Passports (Law Enforcement and Security) Act 2005* which enable the Foreign Minister to take temporary action in relation to Australian and foreign travel documents. Specifically, the new provisions allow the Director-General of Security to request the Foreign Minister to suspend an Australian travel document for 14 days and/or to order the surrender of a foreign travel document for 14 days on security grounds. These changes highlighted the key role of the Australian passport in assisting to protect our national security. The Minister suspended nine passports in 2014–15.

The Foreign Minister cancelled 114 passports under the *Australian Passports Act 2005*. This 48 per cent increase from the previous year was due largely to an increased number of requests from the relevant competent authority to cancel passports on national security grounds.

01

02

Performance reporting

## Legislative reform, technical and other innovations

Completion of the department's review of Australian passports legislation culminated in the introduction into Parliament of the new Passports Legislation Amendment (Integrity) Bill in June 2015. Key amendments provide for the issue of a travel document on the Minister's initiative to facilitate a lawful requirement for a person to travel, closer alignment of the definition of 'parental responsibility' with that contained in the *Family Law Act 1975*, and the addition of a new offence to strengthen our capacity to respond to the fraudulent use of travel documents.

A revised delivery approach for the National Security—Improved Passport Integrity and Strengthened Issuance Systems (Passport Redevelopment Program) was implemented in 2014–15. This will enable progressive development and delivery of a new passport issuance system in 2015–16 and 2016–17.

As part of the support services offered by Intercountry Adoption Australia, we created a new position to manage passports aspects of international adoptions.

## Outlook

Passport applications are expected to increase to slightly over 1.9 million in 2015–16.

We will introduce two key processing improvements, namely bulk scanning of applications and high volume printing of passports. A new passport application form designed to replace four existing forms will be released in early 2016 and the passports website will be redesigned to streamline and improve customer experience. The *Australian Passports Determination 2005* and the *Foreign Passports (Law Enforcement and Security) Determination 2005* will be amended and remade in accordance with their sunset date of 1 October 2015. We will implement the full suite of changes contained in the new passports legislation.

After jointly winning the department's Ideas Challenge with a proposal for a 'Cloud Passport'—a virtual passport for travel between Australia and New Zealand—we will develop this innovative concept in collaboration with passport and border agencies of the two countries. (See p. 13.)

03

04

05

06

# Security and ICT services

## Program 3.1

○ Not Met    ◐ Partially Met    ● Met

➤ <i>Deliverables</i>	2013–14	2014–15
Enhanced protection through strengthened security measures in line with the evolving international security environment, particularly in high-threat locations.	●	●
Protection of classified information and ICT services through effective management of ICT systems and security vetting processes, as well as through staff security training to ensure high standards of awareness and vigilance.	●	●
Continued progress in moving the department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the Government's ICT Reform Program and ICT elements of the Government's national security policy and objectives.	◐	●
High-quality overseas ICT services to other government agencies.	●	●
Ongoing implementation of the International Communications Network—upgrade program. <sup>1</sup>		●
✓ <i>Key Performance Indicators</i>	2013–14	2014–15
Effective threat and risk mitigation strategies appropriate to increased security risks, including timely and effective responses to all security incidents overseas.	●	●
Security risks relating to classified information are minimised, as evidenced by a low number of sensitive security breaches.	●	●
Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.	●	◐
Staged delivery of the International Communications Network—upgrade program within budget and against timelines. <sup>1</sup>		●

<sup>1</sup> New deliverable and KPI for 2014–15.

## Overview

The department continued to counter threats from politically motivated violence, civil disorder, foreign intelligence service intrusion, crime and cyber espionage. We developed a stronger real-time security threat assessment and risk management capability. We continued to oversee the physical security of Australia's chanceries and residences and ensured that operational security measures were robust and matched the prevailing local security environments. We delivered appropriate

training, including for a stronger security awareness culture across the organisation. Posts in Afghanistan, Iraq and Pakistan were a priority, together with other high-threat posts in the Middle East and Africa.

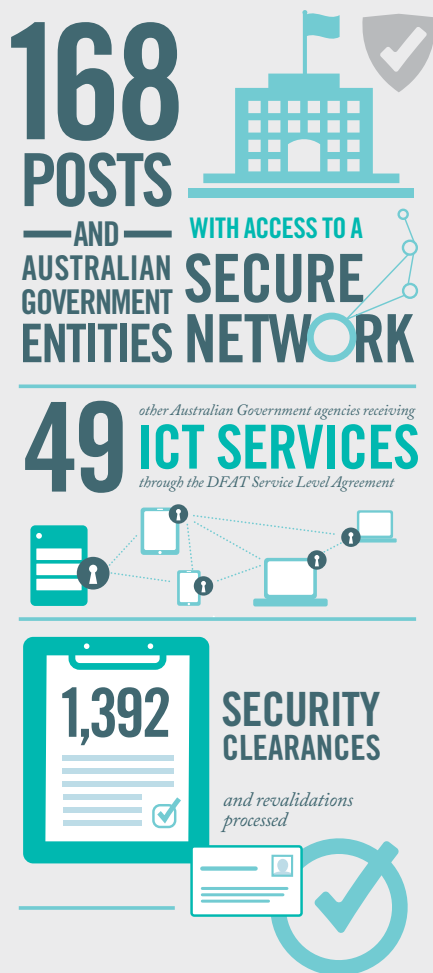
The department managed a major tender for new contracts for the delivery of private security services for our posts in Baghdad, Kabul and Jakarta, where current contracts are due to expire in late 2015.



01

02

Performance reporting

*Figure 35: Security and ICT services*

The International Communications Network (ICN) Program to modernise the department's global ICT services and infrastructure entered its major procurement and delivery phase and will run until the end of 2017–18.

We expanded mobile communications services, made it easier for staff to collaborate and improved the performance and reliability of our international network operations.

Following the DFAT–AusAID integration, the department consolidated its ICT systems, moving 24 of 35 former AusAID sites onto the SATIN network. The remaining sites will be moved by December 2015. To assist a smooth transition, 584 staff received training on ICT systems and services.

## Security threat assessment

In response to the increase in Islamist fundamentalism, the department enhanced its threat assessment capability for all staff irrespective of where they worked and travelled. We worked with the National Threat Assessment Centre to assess threats and to determine posts' security risk profiles and mitigation measures, operational procedures and contingency readiness. We provided up-to-date threat assessments of dangers to staff and dependants, security risks to government property and threats to the department's global ICT network and official information, including from foreign country and third-party cyber espionage.

These assessments were used to inform decision-makers about the deployment of personnel from across government. Our diplomatic security team worked closely with our consular staff to ensure the most accurate and timely threat assessment advice was available internally and publicly. The department strengthened its links with like-minded countries to enhance our threat and risk collection and reporting capacity.

An effort to streamline incident reporting through a new database did not perform to expectations and we reverted to the previous reporting practice to reduce the administrative burden imposed on posts by the new system.

## Managing security at overseas missions

Departmental security personnel conducted 87 official inspections at posts to ensure security arrangements matched the prevailing threat environments, and to reinforce key security messages. Following the terrorist attacks in Europe, security liaison visits were undertaken to various posts to review post security and

provide on-the-ground support. Visits were undertaken to Ankara, Çanakkale and Istanbul to assist posts manage risks during the Anzac Centenary celebrations.

The department's network of Regional Security Advisers (based in Baghdad, Beijing, Jakarta, Kabul, Islamabad, New Delhi and Port Moresby) monitored and reported on threat changes in their respective regions, and provided practical support and advice where required.

The department engaged specialist security contractors to supplement and reinforce our capabilities, particularly in vulnerable locations such as Baghdad, Islamabad, Jakarta, Kabul and Port Moresby. The department worked on new contracts for private security services in Baghdad, Jakarta and Kabul to start in 2015–16, by managing an open market tendering process. The department continued to operate the armoured vehicle fleet program across Commonwealth agencies overseas.

We continued to ensure compliance with physical security standards for the new embassies being constructed in Jakarta and Bangkok.

The department completed security works for new posts in Addis Ababa, Chengdu and Kyiv, and the relocated chancery in Noumea. We also completed a physical security enhancement program as part of the Paris embassy mid-life upgrade. Physical security works for the relocation of the Melbourne state and passport offices were completed. A new Electronic Access Control System was rolled out to all Canberra sites. Based on threat and physical security assessments, initial advice was provided for embassy relocations planned for Athens and Rangoon. We finalised security infrastructure requirements for the new embassy in Nairobi. The department began to develop security advice for the new posts proposed for Doha, Makassar, Ulaanbaatar and Phuket.

The department provided security documentation and project oversight for other government agency works in a number of overseas locations. We improved communication links and physical security across a range of posts to protect against potential intrusions.

In response to the 2014 ANAO cyber security audit, we developed a new cyber security accreditation process to ensure security compliance and performance validation for our ICT systems. This included accrediting the new

cloud-based innovationXchange initiative. The department appointed a permanent specialist IT Security Adviser to reform ICT cyber security and to support the department's Chief Information Security Officer.

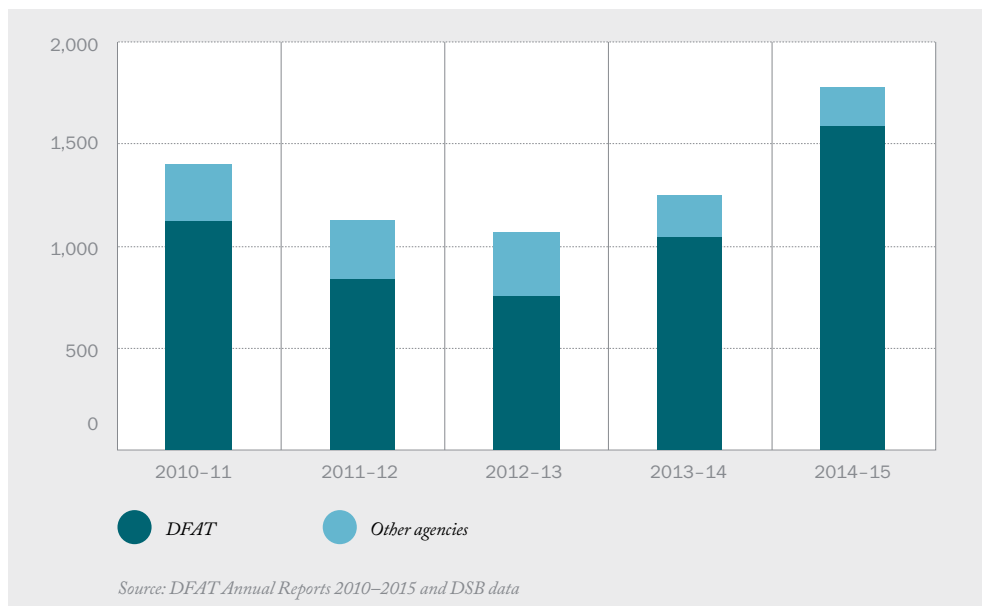
The Inter-Agency Overseas Security Forum (IAOSF) working group completed its review of a new Security Services MOU. The final draft will be considered at the next IAOSF meeting early in 2015–16.

## Security vetting, compliance and awareness

As an exempt vetting agency, the department managed security clearance processing for all staff in Australia and overseas. This included the granting of 238 initial clearances, recognition of 518 external clearances, approval of 457 security revalidations and the approval of 179 upgraded clearances (predominantly for former AusAID staff). We were unable to complete work on developing a proposed electronic revalidation system owing to resource and technical obstacles.

The department's Security Manual Change Management Committee considered a range of improvements to the manual resulting in 42 amendments. These covered measures to strengthen the department's clear-desk policy, security breach system and the use of mobile electronic devices. We replaced the hardcopy Annual Declaration on Protective Security form with an electronic system. We also introduced the mandatory completion by all staff and contractors of a formal security e-quizz to test staff about their knowledge and understanding of protective security requirements.

We minimised security risks to classified information through a strictly-enforced security breach monitoring and reporting system. Significant breaches were investigated and, where appropriate, sanctions applied. Pre-posting security briefings were held for sensitive posts. The department met all mandatory requirements of the Protective Security Policy Framework (PSPF) for security governance, personnel security and physical security.

*Figure 36: Security training, 2010–11 to 2014–15*

## Security training

We provided security training for over 1500 staff, including 229 staff from 17 other agencies. Pre-departure training was mandatory for all staff, including other government agency staff, going on long- and short-term postings. Training covered personal and overseas security awareness, post security officer responsibilities and defensive driving. Intensive training was mandatory for all staff visiting or going on posting to high-threat environments, such as Baghdad and Kabul. Training for armoured vehicle drivers and security guards was provided on the ground to over 80 locally engaged staff at a range of posts.

## ICT Capability Building

The ICN program is the scheduled replacement and modernisation of the department's SATIN network. The investment is essential to the department's and Australian Government's ability to deliver Australia's national security, service delivery and productivity objectives.

Significant progress has been made in improving network performance and reliability at 114 overseas and domestic sites. Upgrades to satellite communications infrastructure were completed at 16 overseas posts. The establishment of a modern data centre for the department's future needs further strengthened the reliability of our global network.

We provided new and improved ways to access the department's networks for those working outside the office. Mobile phones and tablet devices can now access a greater range of services such as cables and the department's intranet as well as email and calendar access. The fleet of laptops was modernised and increased with a new remote access capability provided for staff. ICN delivered an improved instant messaging capability to allow greater staff collaboration.

The launch of the innovationXchange on 23 March 2015 saw the department become the first department to adopt Microsoft's public cloud services in the Australian Government since the Cloud First policy was announced in October of 2014.



*Upgraded satellite communications infrastructure, Phnom Penh, 26 November 2014. [DFAT]*

We began a number of large procurements for global help-desk services, post communications infrastructure, and international telecommunications services. These activities will be essential for the department to deliver key ICN benefits from 2015–16.

A new Consular Information System was delivered on 15 June 2015. During the project, over 39 million records were migrated from the old Consular Management Information System. The system has been well received by its 1300 users since delivery.

We continue to support the whole-of-government entry level recruitment programs. During 2014, two ICT apprentices and one ICT cadet completed their certifications, while two ICT cadets are expected to complete their programs in late 2015. We recruited two graduates and one cadet this year. We established an ICT Women's Working Group to promote women's careers in ICT.

## Records management

The department has continued its drive to meet the whole-of-government Digital Transition Policy to reduce reliance on paper records by undertaking several bulk file scanning projects. These projects have resulted in the digitisation of more than 12,000 paper files. Overall, we successfully sentenced 96,000 records within Canberra, including aid records retrieved from posts. In Canberra, 58,131 files were created in EDRMS during the reporting period.

Following an extensive review, the department and the former AusAID disposal authorities were amalgamated and updated. This has reduced risks related to the incorrect disposal of departmental information.

## ICT training and development

To meet the needs of our global workforce, we developed alternatives to instructor-led classroom-based training. We published more accessible, digital guidance on ICT issues on the corporate intranet and initiated a strategic move towards e-learning. We trained 210 people to be local system administrators and over 2300 staff received training on a range of ICT services including the use of the diplomatic cables system.

## Cyber security

The department continues to collaborate with the Australian Signals Directorate (ASD) to assure the integrity and security of our systems and information in response to the continually evolving cyber threat environment. We are executing a program of continuous improvement to implement ASD's Strategies to Mitigate Targeted Cyber Intrusions across our ICT environments.

Responding to the ANAO's cyber security audit we continue to improve our ICT security compliance position through business-as-usual activity and project-based opportunities.

## ICT Client Services

We provided ICT services in support of AUSMIN (August 2014), the Trans-Pacific Partnership Trade Ministers' Meeting (October 2014), the G20 Summit held in Brisbane (November 2014), and AUKMIN (February 2015). We supported the 100th anniversary commemoration of Anzac Day in Turkey.

Our support to portfolio ministers, parliamentary secretary and ministerial staff included office relocations, office fit-outs and general ICT services.

We completed ICT fit-outs for new posts in Chengdu, Guangzhou, Houston and Kyiv. Relocation, refurbishments and expansions were undertaken in Ankara, Beijing, Canberra, Dubai, Hanoi, Kabul, Noumea and several state offices.

Our regional technical officers conducted 255 routine and emergency maintenance short-term missions, with all posts visited at least once in the year.

Two officers on deployment to Port Vila when Tropical Cyclone Pam hit responded quickly to the significant damage to the post's communications. They re-established communications early on the first afternoon and maintained effective systems operations, enabling the high commission to fulfil its emergency response and consular functions.

A further six agencies signed up to the MOU for DFAT ICT Services, taking the total number of agencies receiving ICT products and services to 49. (See App. 10, pp. 270–1.)

*Table 13: Security and ICT statistics*

	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15
Number of posts and Australian Government entities with access to secure communications network and secure telecommunications infrastructure	145	148	145	144	172	168
Number of client agencies receiving ICT services	42	44	42	42	42	49
Number of cables	166,580	160,137	145,021	149,090	142,945	136,642
Cables to overseas post	83,221	74,590	67,290	67,401	66,092	64,335
Cables from overseas posts	83,359	85,547	77,731	81,689	76,853	72,307
Number of security-related visits to overseas missions	187	127	106	111	131	87
Number of security clearances and revalidations processed	849	1,154	830	1,582	2,905	1,392





*The remaining portion of a large construction crane (still to be removed) that fell across the high commission, narrowly missing the post's satellite dish, Port Vila, March 2015. [DFAT]*

## Outlook

The department will continue to enhance its capability to respond effectively to security trends, incidents and security risks, especially at overseas posts. This will include strengthening security governance arrangements and introducing program reforms to meet performance and accountability requirements under the *Public Governance, Performance and Accountability Act 2013*.

We will continue the physical security fit-out for new embassies in Jakarta, Bangkok and Nairobi. We will conduct threat and risk assessments, and oversee physical and operational security standards for project works in Washington DC and new posts in Doha, Makassar, Phuket and Ulaanbaatar.

The department will work with the Australian intelligence community to assess threats across the global network. We will inspect a range of posts to ensure physical, operational and procedural security mitigation arrangements match assessed threat levels.

The department will strengthen security culture across the organisation to ensure staff fully understand and meet their individual and collective security obligations. A new cyber security awareness program with e-learning components will be rolled out. An internal ICT cyber security audit program will be introduced to measure compliance against the Government's Information Security Manual and PSPF policy and standards.

The department will begin implementing the new ICT Strategy in 2015–16, aligned with the delivery of high performance capabilities through the ICN program and its major procurements.

The ICN program will continue to deliver improvements in network operability, collaboration and mobility enhancements across the department, with partner agencies and whole-of-government.

We will deliver the ICT requirements of the new overseas posts in Doha, Makassar, Phuket and Ulaanbaatar.

We will need to find innovative ICT solutions and capability to make best use of the department's Ideas Challenge and ongoing efforts to remove red tape.



# Property services

## Program 3.2

○ Not Met    ◐ Partially Met    ● Met

➤ Deliverables	2013–14	2014–15
Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:		
– relocation of the chancery in Nairobi to secure, purpose-built accommodation; construction of a new chancery, residential accommodation and a Head of Mission residence in Jakarta; construction of a new chancery and Head of Mission residence in Bangkok; and a services upgrade of the chancery in Paris.	●	●*
Efficient and effective management of the overseas property estate to meet the Government's requirements and maintain conditions and service capabilities.	●	●
Effective management of outsourced property contract arrangements.	●	●
✓ Key Performance Indicators	2013–14	2014–15
Completion of construction and refurbishment projects within an agreed timeframe and budget.	●	●
Effective and accountable management of the property services contract and construction project contracts.	●	●
Achieve a portfolio condition and utility rating of good or better.	●	●
The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.	●	●
Asset management plans are in place for all owned properties in the estate.	●	●
Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned estate.	●	●

\* Construction work to complete projects in Nairobi, Jakarta and Bangkok, and the refurbishment of the Paris chancery is continuing.

## Overview

The Overseas Property Office and Services (OPO) is responsible for the strategic management of the \$2.4 billion Commonwealth-owned overseas estate, commercially leased chanceries and staff residences overseas, and the department's leased domestic property portfolio.

OPO manages a multi-year \$853 million budget for new constructions and refurbishment programs, and minor capital works programs for the overseas estate. Significant progress was achieved in

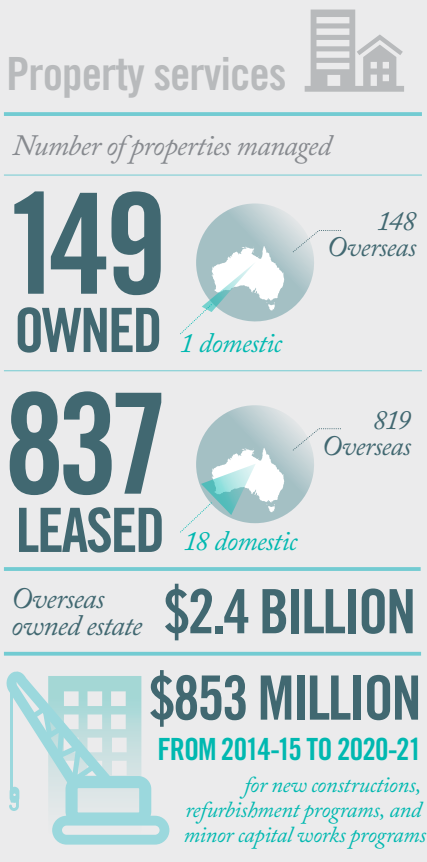
constructing new embassy complexes in Jakarta and Bangkok, and work has begun on a new embassy in Nairobi. Other significant capital works activities included continued refurbishment of the Paris chancery, establishment of a chancery in Kyiv, relocation of the consulate in Noumea and refurbishment of the Hanoi staff apartment complex.

Procurement for a new contract for outsourced property services was a priority. The tender began in July with a series of industry briefings before the release of the Request for Tender (RFT) in January 2015. An Evaluation Committee and Advisory Board are reviewing tender submissions.

Engagement with counterparts in foreign offices of United Kingdom, Canada, New Zealand, United States and the Netherlands allowed OPO to deepen cooperation on overseas estate management, including colocation where appropriate.

A major domestic priority was to bring together people and work places affected by integration through a property consolidation strategy. The consolidation was completed within the year. Twenty-two divisions were collocated, involving 2250 staff movements.

Figure 37: The overseas and domestic estate



## Management of the overseas estate

The OPO maintained its strategic property planning capability through individual asset management plans (AMPs) for each of its properties, and a Portfolio Strategic Plan (PSP). The PSP was used to forecast major capital works and refurbishment programs for the overseas owned estate and, in conjunction with the AMPs, it also informed investment decisions and performance monitoring of all owned properties.

The department achieved a management expense ratio (MER) of 1.2 per cent, which is appropriate to the unique nature of the overseas estate. The MER refers to management expenses expressed as a proportion of the portfolio value.

Satisfaction with the outsourced property services provider DTZ was measured by an annual survey of posts in June 2015. The survey, conducted by public sector research specialist Orima Research, showed that DTZ achieved a performance rating of 'good'.

## Major construction projects

The delivery of major construction projects in an overseas environment involves significant financial and non-financial risk. To enhance effective governance, strategic leadership and accountability, we have established governance boards, comprising department and private sector representatives, to oversee major projects. The board established for the Jakarta project also has oversight of the Bangkok project. Similar arrangements will be established for upcoming projects in Nairobi and Washington DC.

The project in Jakarta has gone well with handover expected in August 2015, delivering the building on time and within the \$407 million approved budget.

Completion of construction in Bangkok is scheduled for late 2016. The project is currently on time and on budget. The design for Nairobi has been completed, and work has begun on documentation for the construction tender.

The construction sites in both Jakarta and Bangkok require the application of Australian work health and safety standards, which OPO ensures are implemented.



*Bangkok embassy complex under construction, 9 September 2014. [DFAT]*

## Capital works projects

In Hanoi, refurbishment of the embassy residential compound was completed in May 2015. The works included a full refurbishment of all interior spaces, including reconfiguration where required, to provide a functional and modern outcome. The scheduled mid-life services upgrade to the Paris embassy was due for completion in June 2015 but underperformance by the Head Works Contractor combined with latent site conditions have significantly delayed completion, which is now scheduled for late 2015.

Works to establish an embassy in Kyiv were completed in mid-March 2015. The embassy is co-located within the Canadian Embassy in Kyiv as part of growing diplomatic cooperation with like-minded counterparts.

## Global outsourced property services contract

The delivery of acceptable property services to the overseas and domestics estate, by the outsourced provider DTZ is a core element of our

property management framework. Under existing arrangements, services are delivered through a network of DTZ facilities managers located at overseas posts and in Australia.

In preparation for procurement to replace existing outsourced global property services which expire on 30 June 2016, we engaged extensively with industry to review market capacity and capability. The RFT has expanded the scope of services to be delivered and amended the model through which services are delivered. A single provider will, in future, deliver services to both the overseas and domestic portfolios. We consulted extensively with posts to identify additional services of benefit to them and enhancements to reduce administrative arrangements. The potential efficiencies should improve service delivery and lower costs.

## Work health and safety

OPO's rolling program of auditing overseas properties against Australian Standards continued. To date 235 properties in 75 posts (both leased and owned estate) have been audited to measure local standards of building, plant, equipment and safe work practices against

Australian Standards by a panel of independent auditors. The major compliance issues found in the overseas estate (particularly leased properties) relate to fire safety, electrical and gas safety and also non-compliance with Building Code of Australia standards in areas such as stairs, railings and balustrade heights. Rectification works or site specific management plans are initiated to address these issues.

## Domestic property

The Overseas Property Office is responsible for managing office accommodation for the department's Australia-based operations. Office accommodation is provided through commercially-leased premises in state and territory capitals, Newcastle Passport Office, and an owned residence on Thursday Island to accommodate the head of the Torres Strait Treaty Liaison Office.

The department's Head Office is located in the RG Casey Building in Barton, ACT. This building is currently undergoing a \$25 million major refurbishment as part of a new lease negotiated with the building owners MTAA. The current lease expires in February 2017, and the new lease will commence once lessor refurbishment works are completed (expected by March 2016). The new lease will incorporate the remaining period of the existing lease. The lessor refurbishment will improve services to allow a higher occupational density and increase the NABERS energy rating of the base building services to 4 stars.

## Diplomatic mail service

A key part of our responsibilities is the management of the department's diplomatic mail service, which handles official communications between all government agencies and the overseas diplomatic network. Delivery of unclassified communications is managed by the department's service provider DHL Express and a Canberra-based regional diplomatic courier service hand-delivers classified diplomatic bags. To support the movement of diplomatic mail, the department maintains bilateral agreements with the United Kingdom, Canada, and New Zealand for the movement of classified material on each other's behalf.

*Table 14: Statistics on the diplomatic mail service, May 2014 to May 2015*

All agencies	
Total shipments	30,711
Total weight (metric tonnes)	521
DFAT diplomatic bags	
Total Shipments	9,328
Total Weight (Metric Tonnes)	92

## Outlook

The Government's decision to expand Australia's diplomatic footprint with the establishment of several new overseas missions will significantly expand OPO's forward work program. A process to identify suitable properties for the new overseas missions has begun.

In preparation for the construction of a new Washington DC embassy, OPO will shortlist interested architects with a demonstrated capability to undertake the design process, followed by submissions of concept designs and detailed cost estimates. Works cannot start until the Parliamentary Public Works Committee approves the project.

The International Energy Agency (IEA) has committed to a new long-term lease within the Paris chancery building. This will necessitate a major refurbishment of the leased space. The IEA tenancy will generate annual revenue of approximately \$4 million.

The major construction projects in Jakarta, Bangkok and Nairobi will continue to require attention as each move into a new stage. In Jakarta, we will focus on relocation to the new embassy complex. It will be a significant logistical exercise. Work in Bangkok will move into the final stages of construction and, in Nairobi, construction will commence on the new embassy.

# Report on financial performance

## Departmental operating result

The department demonstrated strong financial performance in 2014–15. The financial statements reported an operating deficit of \$106.9 million, including depreciation and amortisation expenses of \$147.5 million.

See also *Management of financial resources*, pp. 237–9.

## Revenue

The department reported \$1428.5 million of revenue in the Statement of Comprehensive Income, comprised of:

- \$1304.0 million of appropriation revenue from government; and
- \$124.5 million of own source income including gains.

This represents a decrease of \$8 million over 2013–14. The main factors contributing to this movement were a decrease in

appropriation revenue from realising efficiencies offset by foreign exchange gains on overseas bank accounts.

The department also reported \$473.7 million of other comprehensive income arising from asset revaluation movements in the Statement of Financial Position. This is recorded directly as equity and is not incorporated into the departmental operating result.

## Expenses

The department reported \$1535.4 million of expenses in the Statement of Comprehensive Income. This represents an increase of \$6.3 million over 2013–14.

The main factors contributing to the movement in 2014–15 were:

- the impact of the decrease in the value of the Australian dollar, particularly for contracts denominated in US dollars; and
- writedown and impairments of assets after a review of asset holdings including Assets Under Construction.

Figure 38: Departmental expenses, 2014–15

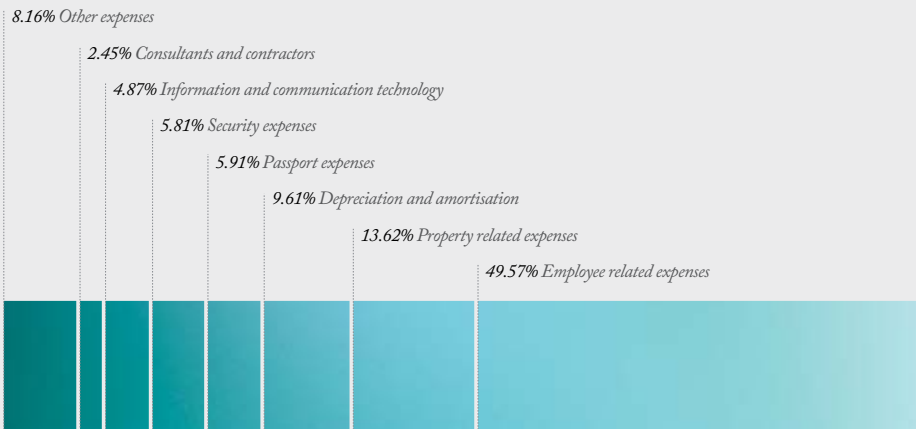
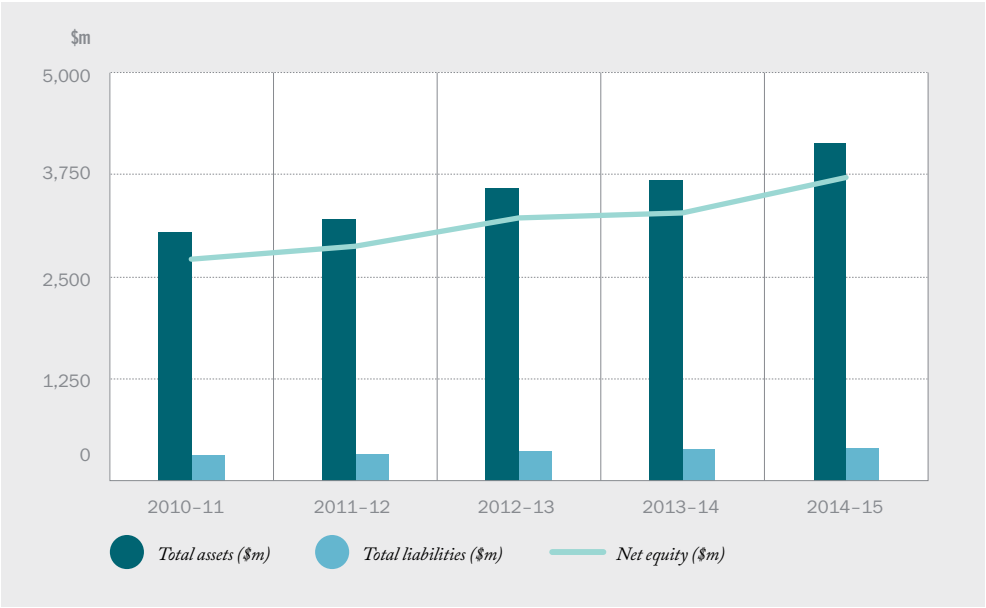


Figure 39: Assets and liabilities, 2010–11 to 2014–15



## Assets and liabilities

The department reported a strong net asset position of \$3728.1 million in the Statement of Financial Position, with liabilities equating to only 10 per cent of the total asset base.

This is an increase of \$434.3 million over 2013–14. The main factor contributing to the movement in 2014–15 was the significant increase in the value of Land and Buildings upon revaluation.

## Administered program performance

The aid program continued its focus on promoting economic growth, reducing poverty and lifting living standards in the Indo-Pacific region, providing predictability to partner governments and organisations. Program changes were implemented in consultation with partners.

The department's 2014–15 administered revenues were \$897.3 million, which is \$381.9 million greater than 2013–14. The movement is due predominantly to increases in passport revenue and gains from the changes in valuation at year end for International Development Association and Asian Development Fund subscriptions.

The department's 2014–15 administered expenses were \$4807.2 million, an increase of \$144.9 million over 2013–14. The majority of this was due to increases in international development assistance expenses, offset by a reduction in the loss in measuring financial liabilities at fair value.