

19 October 2020
Committee Secretary
Senate Foreign Affairs, Defence and Trade Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

**Re: Response to questions on notice—Australia's Foreign Relations (State and Territory Arrangements) Bill
2020 Senate inquiry public hearing.**

Dear Committee Secretary,

Please find enclosed a brief note to the following questions taken on notice from the Committee public hearing, 12 October 2020.

Senator Ayres: "If we take Sydney, Melbourne and the other capital cities, to what extent has DFAT had a program up to now of working with cities to achieve common objectives?"

Senator Patrick "Most of your concerns seem to focus on resourcing, as mentioned previously. In making your submission—and I would understand if this were not the case—were you aware that in the PBS for the department of foreign affairs the government has allocated in this financial year \$9.8 million for this particular function—consistency of Australia's Foreign Relations (State and Territory Arrangements) Bill—for the department and \$5.17 million in capital associated with this task for this year. In that context, [...] Do you have a view as to whether or not your concerns are addressed by that piece of information?"

In response, we would advise that:

1. To date, DFAT's engagement with Australian cities to advance common objectives has only been *ad hoc*. In the current organisational structure, there is no single area with responsibility for engaging with local governments. The 2020–21 DFAT Corporate Plan only stipulates engagement with domestic state and territory governments and does not mention local governments. We find the budgetary allocation flagged by Senator Patrick encouraging, however, note that currently there is no specific function or coordination unit/initiative in place within DFAT with the capacity and relevant internal expertise to systematically and strategically engage with Australian and/or foreign local governments. Additionally, the new funds committed to the implementation of this legislation in the 2020–21 Budget are only for the 2020–21 and 2021–22 financial years and to date there is no funding committed to supporting the function in a more ongoing capacity. A key ally of Australia, the United States, has moved to recognise and formalise this role in the State Department role with its recent *City and State Diplomacy Act*.
2. DFAT has, however, engaged with Australian local governments to drive shared foreign policy/engagement objectives in a limited topical capacity. Some project examples include the recent [ASEAN–Australia Smart City Initiative](#), with an explicit focus on utilising urban expertise from within Australian cities to support urban development in our region. This is an apt example of the type of program where direct DFAT engagement with local governments could assist in advancing Australia's foreign policy objectives. Other national governments have recognised this and have cities-based units and programs in their DFAT equivalents, such as the Future Cities Global Prosperity Fund program in the UK Foreign, Commonwealth and Development Office (FCDO), that present a rationale for institutionalisation for these functions in DFAT.
3. Limited DFAT work in this area demonstrates the value of a more explicit engagement by the Department and the Commonwealth in supporting 'city diplomacy'. Through the Australia–China Council, DFAT funded a [small research project in 2018–19](#) to examine how Australian cities and regions have benefitted from 'Sister City' arrangements with China. This research found educational and social benefits to the programs, however, indicated that a lack of resourcing and skills at the local government level is a barrier to maximising the

potential economic benefits of these relationships. This aligns with broader international research conducted by the Connected Cities Lab, as well as an analogous program of work [conducted by the UK's Foreign and Commonwealth Office in 2016](#).

4. Some of this ad hoc engagement with local governments has been driven by DFAT state offices drawing on third party expertise (e.g. universities). Examples include DFAT Queensland's work with Brisbane City Council as part of the well-established [Asia Pacific Cities Summit \(APCS\)](#) and Mayors' Forum platform.
5. Urbanisation is identified in the *2017 Foreign Policy White Paper* as a key regional trend for the future of Australia's foreign policy. At the same time our region is being transformed by large scale urban infrastructure programs, such as China's Belt and Road Initiative. As [noted by the Australian Council for International Development](#), "Given the wealth of Australian practitioners and academic experience in urban planning, city and infrastructure management, it is a missed opportunity that DFAT does not have a dedicated team on urban poverty and development". Beyond guiding critical foreign policy considerations, establishment of a strategic focal point within DFAT would connect these capabilities with existing transnational city networks.

On the basis of this evidence we would indicate that our advice for the Bill's content should also consider how:

- **The Australia's Foreign Relations (State and Territory Arrangements) Bill 2020 could be an opportunity to design a specific purpose function/section in DFAT delegated to local government relations and support, and to create a formal engagement mechanism between DFAT and local government in relation to coordinating international activities.**

We remain at the Committee's service should further evidence and information be required as to our submission, testimony and on notice response, or indeed any other relevant part of the proposed Bill.

Thank you for your attention,

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