



Submission No 29

## **Inquiry into Australia's Overseas Representation**

**Name:** Professor John Langmore  
Secretary

**Organisation:** School of Social and Political Sciences  
University of Melbourne

445 Dryburgh St  
North Melbourne, Vic 3051

[langmore@unimelb.edu.au](mailto:langmore@unimelb.edu.au)

03 9329 2216

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Committee Secretary  
Joint Standing Committee on Foreign Affairs, Defence and Trade  
Dept of House of Representatives  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Sir

The Committee's inquiry in Australia's Overseas Representation is particularly welcome because it addresses a severe anomaly in Australian foreign policy, the starvation of funding and staffing for diplomacy. The Lowy Institute has performed a vital service to Australian security and international participation by presenting rigorous evidence of this and a strong case for greatly improving Australia's international representation. The Foreign Minister has also drawn attention to this problem in a speech he gave in the Department on the 75<sup>th</sup> anniversary of DFAT's establishment. He said then that Australia had 18 per cent fewer diplomats posted overseas than in 1996, and that Australia has fewer overseas diplomatic missions than any other member of the G20.

Yet diplomacy is the prime means of avoiding conflict as well as of representing Australian interests overseas. Despite the dramatic improvement in electronic communication, the expenditure patterns of other states shows that they still judge that person to person contact continues to be vital in both ensuring effective understanding between states, and also in discerning and interpreting the meaning of communications from others. By failing to have sufficient overseas diplomatic representation, Australia risks failing both to communicate its own positions effectively and also to fully understand the policies of others. It also guarantees that fewer countries, organisations and people will be presented with Australian positions and proposals. To these comments should also be added the failure to adequately recognise the substantial increases in consular work which missions have been required to undertake during the last ten or fifteen years.

It is therefore vital to quickly and substantially increase funding for DFAT so that the number of missions can be increased, and that substantially increased numbers of staff be recruited for them and to improve representation in existing missions.

The sections of the papers submitted as exhibits in support of this brief submission which are of relevance to the inquiry have two themes.

First, the review of the 2009 Defence White Paper proposes that foreign policy financing should be considered holistically, that is that diplomacy and consular representation, defence, intelligence and aid should be reviewed and planned together. It was astonishing that in the budget in May 2010, the year after the White

Paper was published, Defence funding was budgeted to increase by \$1.57 billion to \$26.8 billion. This was close to 50 per cent more than the *total* annual budget for the Department of Foreign Affairs and Trade (DFAT) of \$1.1 billion. Despite the claim in the Budget Overview paper to be presenting 'the first coordinated approach to national security funding' the only information provided was a graph and a brief note on initiatives. There was no definition of what outlays were included in 'national security', neither were any aggregate figures published. It is impressive that the intention existed to make a holistic review of national security spending but the process had barely begun.

The publication of the *Independent Review of the Intelligence Community* on 25 January this year indicates another anomaly for it reports that 'the combined budgets of the intelligence agencies grew by \$753 million from 2000 – 2010 at a compound annual growth rate of 14.6% a year to a total of \$1.07 billion'. That is, the intelligence community is now being financed at about the same level as DFAT. The point of this submission is not to question that, but to simply point to the potential inconsistency of such fiscal largesse to intelligence while diplomacy was being starved. Perhaps recent governments have reasons to judge that diplomacy is ineffective, but it is striking that other comparable countries have not come to that conclusion.

The second paper includes material which could be of interest to this inquiry relating to Norwegian foreign policy and lessons from it which could be of value to Australia. Norwegian diplomats are actively engaged in supporting and initiating policy in many areas of international relations including multilateral cooperation, development, conflict resolution, disarmament and human rights. For example, when employed in the UN Secretariat I was frequently impressed by the focused but unobtrusive engagement of Norwegian diplomats in resolving disputes by suggesting alternatives or seeking compromises. They have a long tradition of such peace-making activity, which was most publicised in relation to the Oslo Accord between Israel and Palestine. They now have a Peace and Reconciliation Section in the Ministry of Foreign Affairs which in 2010 had a staff of about 14 and an annual budget of about \$100 m to support conflict reduction activities including development programs in about 20 countries. There would seem to be value in modest steps to support such activity in Australia and the third paper suggests one way in which it could be established.

I would be happy to enlarge on these brief remarks by appearing before the Committee if that would be of interest. For example, I could reflect on problems I observed while working in the UN Secretariat from understaffing in the Australian Mission in New York.

Yours sincerely

Professor John Langmore