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3 April 2007

Senate Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Attention: Dr Kathleen Dermody, Committee Secretary

Inquiry into the nature and conduct of Australia's public diplomacy

Australia must rebuild and relaunch its international public affairs capacity within a specialist organisation focused on whole-of-government public diplomacy. The organisation must be able to undertake the full gamut of international mass communication and public relations for national purposes, including support of traditional diplomacy conducted in public.

It must be a new organisation, with new direction, that will restore and update the national comparative advantages created by the specialist agency which successfully conducted Australia's public diplomacy for 57 years from 1939 to 1996. The former agency bore many names and several portfolio associations over its lifetime. Throughout its history, the agency enjoyed an international reputation, validated by independent research and analysis, for cost-effective, whole-of-government public relations. It remained throughout many changes an adaptive and innovative professional organisation which gave Australia a significant ability to 'fight above its weight' in public diplomacy. In its final nine years, until its abolition in 1996, the agency operated as a branch in the Department of Foreign Affairs and Trade.

The need for administrative restructuring of Australia's future public diplomacy is emphasised by difficulties with Department of Foreign Affairs and Trade reporting over the past 11 years on its conduct of public diplomacy. The vagueness and internal contradictions of this reporting, including DFAT's submission to the present Senate inquiry, raise many questions about the resourcing, costs and benefits of Australia's public diplomacy. These matters require independent expert evaluation under an Australian National Audit Office performance audit to baseline the future direction of Australia's public diplomacy.

An expert working group of seven former officers of Australia's former specialist international public affairs agency prepared this submission to the Senate inquiry. The final draft was circulated to all online members of our network with a recommendation for support. The members of the working group and our larger network have many years of experience planning and implementing Australian Government public diplomacy from Canberra, State and Territory capitals and at Australian diplomatic missions and overseas posts, as well as extensive media and public relations industry backgrounds. Many continue today in senior public and private sector public affairs management roles in Australia and other countries.

We thank the committee for the opportunity to make this submission.

Yours faithfully

Grant Thompson (SIGNED IN PDF VERSION)
International Public Affairs Network submission coordinator
(on behalf of 39 members listed on the next page)

The following members of the International Public Affairs Network endorse this submission.

(Names and city of residence, alphabetically ordered by first name.)

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Australia's public diplomacy
Submission to Senate Standing Committee on
Foreign Affairs, Defence and Trade

from the International Public Affairs Network*
Canberra, 3 April 2007

*The International Public Affairs Network is an informal association of former members of Australia's whole-of-government international public affairs organisation, which operated from 1939 to 1996.

Until its abolition in 1996, the organisation functioned under the names:

- Department of Information, 1939-1949
- Australian News and Information Bureau, 1949-1972
- Australian Information Service, 1972-1984
- Promotion Australia, 1984-1987
- Australian Overseas Information Service, Overseas Information Branch and International Public Affairs Branch (within the Department of Foreign Affairs and Trade, 1987-1996).

This submission responds to the Australian Senate's 7 November 2006 referral of the following matter for inquiry and report to the Senate Standing Committee on Foreign Affairs, Defence and Trade:

The nature and conduct of Australia's public diplomacy, with particular reference to:

- a. the extent and effectiveness of current public diplomacy programs and activities in achieving the objectives of the Australian Government;*
 - b. the opportunities for enhancing public diplomacy both in Australia and overseas;*
 - c. the effectiveness of and possible need to reform administrative arrangements relating to the conduct of public diplomacy within and between Commonwealth agencies and where relevant, the agencies of state governments; and*
 - d. the need, and opportunities for expanding levels of funding for Australia's public diplomacy programs, including opportunities for funding within the private sector.*
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Summary of recommendations

Reference (a)

Recommendation 1: That the Australian National Audit Office (ANAO) conduct a thorough independent performance audit of Department of Foreign Affairs and Trade public diplomacy programs. The Senate Foreign Affairs, Defence and Trade Committee could ask the Joint Committee of Public Accounts and Audit to exercise its authority under Section 16 (2) of the *Auditor-General Act 1997* to request this performance audit.

Recommendation 2: An ANAO performance audit of DFAT public diplomacy should have particular reference to:

- (a) Statutory financial management and accountability aspects of DFAT expenditure, business processes, staffing and other resources attributed to public diplomacy
- (b) Benchmarking of international best practice in public diplomacy *
- (c) Assessment of the alignment of DFAT public diplomacy with Australian Government objectives
- (d) Segmentation of DFAT public diplomacy costs and outcomes by cultural, media liaison, issues management, event management, protocol and visit support and any other categories and sub-categories that become evident during the performance audit
- (e) Independent market research and professional qualitative analysis to evaluate sample country and regional public diplomacy programs *
- (f) The effectiveness of current whole-of-government consultation and coordination, including the current biannual Interdepartmental Committee On Public Diplomacy and the State and Territory Officials Group (ref. DFAT submission pages 55 and 57)
- (g) DFAT actions to implement public diplomacy-related recommendations of the former Senate Standing Committee on Finance and Public Administration, published in December 1992 as part of its report, *Management and Operations of the Department of Foreign Affairs and Trade*
- (h) Recommendations for improving the management and administration, planning, implementation, evaluation and outcomes reporting of Australia's public diplomacy.

(* To be conducted by audit team members who are independent senior international public affairs specialists seconded from elsewhere in the Australian Public Service and engaged from the private sector.)

Reference (b)

Recommendation 3: Improve Australia's capacity to take up opportunities in public diplomacy by implementing recommendations of this submission under references (a) and (c).

Reference (c)

Recommendation 4: Australia must rebuild and relaunch its public diplomacy capabilities within a new agency specialising in whole-of-government international public affairs. It must have staff and resources to be able to work on specialist tasks internationally as a team. It must have overseas positions for specialist officers. It must have a structure and a recruitment and staff development program necessary for it to be the 'viable core of specialisation' envisaged in *Management and Operations of the Department of Foreign Affairs and Trade*, the report of the former Senate Standing Committee on Finance and Public Administration, published in December 1992. (See Attachment D for a draft organisation chart of an Australian Public Diplomacy Agency.) The agency must have clear whole-of-government objectives, autonomy in recruitment and assignment of personnel, and direct accountability to government for its budget, expenditure and outcomes. (See attachment E for a draft government directive to an Australian Public Diplomacy Agency.) If retained within the Foreign Affairs and Trade portfolio, the new specialist public diplomacy organisation must be a prescribed agency within the meaning of Section 5 of the *Financial Management and Accountability Act 1997* providing a separate annual report and financial accounts to Parliament (ref. Finance Circular 2003/01, 'Prescribing Agencies under the *Financial Management and Accountability Act 1997*').

Recommendation 5: Findings of the Australian National Audit Office (ANAO) performance audit recommended under reference (a) should inform detailed recommendations to the Government on the budget and resources required to implement administrative improvements in Australia's public diplomacy.

Recommendation 6: In addition to reform of administrative arrangements and structures and financial accountability, Australian public diplomacy must have effective whole-of-government high-level strategic guidance, and engagement with the wider non-government community. For these purposes examine:

- (a) the adaptability for Australia's needs of the models provided by the US Advisory Commission on Public Diplomacy, and the UK Public Diplomacy Board
- (b) the potential for extending the mandate of existing Australian bodies, such as the Ministerial Committee on Government Communication
- (c) the potential for an entirely new Cabinet sub-committee to sit above whole-of-government direction of Australia's public diplomacy

- (d) the potential for a permanent sub-committee of either the Senate or the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade to maintain permanent parliamentary oversight of Australia's public diplomacy.

Reference (d)

Recommendation 7: Findings of the Australian National Audit Office (ANAO) performance audit recommended under reference (a) should inform detailed recommendations to the Government on expanded funding and reallocation of resources required to improve Australia's public diplomacy, and opportunities for funding within the private sector and fees for service.

Detailed submissions on terms of reference

a. The extent and effectiveness of current public diplomacy programs and activities in achieving the objectives of the Australian Government

1. The Department of Foreign Affairs and Trade submission should be a reliable primary source for addressing this reference. However, the DFAT submission leaves too many unanswered questions. DFAT management used to insist in the 1990s that an age of ‘multi-skilling’ had arrived in which officers dedicated to the one skill (i.e., public diplomacy but not traditional diplomacy), no longer had a place in the department. DFAT supported the abolition of the former specialist Australian international public affairs agency by claiming that any non-specialist officer could carry out public affairs work overseas.
2. The Images of Australia Branch charged with administration of the entire global public diplomacy program has a total of only 13½ people (ref. DFAT submission 2.1.2). Yet the department also claims to have 229 staff (DFAT submission paragraph 2.1.2) ‘dedicated to public diplomacy’. Where are these officers located? What are their skill sets? What proportion of their time do they actually spend on delivering public diplomacy? As most are not specialists, how can they provide the expert advice required from posts on the local conditions for public diplomacy? How does the Department or the Government measure and monitor their effectiveness?
3. If the Department includes locally engaged staff at its posts overseas in its count of 229 public diplomatists, many if not most of these officers are not Australian nationals. Non-nationals have little firsthand knowledge or experience of the country they are promoting, and little capacity to turn the Australian Government’s objectives into effective public diplomacy strategies. Few locally engaged Australian expatriate staff, if any, can be expected to have the levels of security clearance needed to function effectively as members of a diplomatic mission’s senior management team.
4. Of the \$93.5 million the department claims to spend (2.1.1) a total of \$1.6 million in PD program funding is shared by 85 posts (2.2.1).

However, figures can be made to say anything, as I have found out to my dismay in the past. (The former Assistant Secretary International Public Affairs Branch, Chris Stewart, referring to DFAT’s misleading use of staff and expenditure figures in the early 1990s. The statement was part of Mr Stewart’s 18 August 1995 presentation to a DFAT committee set up to abolish Australia’s specialist international public affairs unit.)

Definitions: international practice of 'public diplomacy'

5. The term 'public diplomacy' needs examination and analysis, including benchmarking of international practice. A common understanding of the meaning of the term is essential because it is the pivotal expression in the Senate inquiry's terms of reference. The term slowly has gained currency as diplomatic jargon over the past 40 years, starting in the US and spreading through academic programs in international relations, media studies, and public relations. The term is so contestable that definitions and explanations precede most uses of it.
6. Crocker Snow Jr., the Director of the Edward R. Murrow Center of Public Diplomacy at The Fletcher School, Tufts University, Medford, Massachusetts, attributes the invention of the term to a former American career diplomat, Edward Gullion, in 1965. (Ref. *The Journal of Business Strategy*, Volume 27, Issue 3, 2006.) Gullion then was Dean of The Fletcher School of Law and Diplomacy. The year of its coinage was the year of the death of Gullion's friend, Edward R. Murrow, a famous journalist and broadcaster who headed the United States Information Agency (USIA) from 1961 to 1964. History records isolated mentions of 'public diplomacy' prior to 1965, but Gullion was the first to give momentum to the expression. Gullion set in motion a misappropriation of Murrow's name and professional standards to the activities of traditional diplomatists for which his old friend might not have thanked him, had he lived.
7. The Australian Department of Foreign Affairs and Trade concept of public diplomacy surfaced in a DFAT submission to the former Minister for Foreign Affairs, Senator Gareth Evans, in February 1990. He defined the concept in a speech to the Australia-Asia Association in Melbourne on 15 March 1990:

All diplomacy is an exercise in persuasion and influence. Public diplomacy differs only in its methodology and in terms of whom it sets out to influence and persuade. Traditional diplomacy seeks to influence the influential. Public diplomacy too reaches out to the decision makers and opinion formers, but it also casts its net much wider, beyond the influential few to the 'uninvolved many'.

8. The United States Government Accountability Office (GAO), counterpart of the Australian National Audit Office, gave the following succinct definition in evidence to Congressional sub-committee hearings on public diplomacy in May 2006:

The overall goal of U.S. public diplomacy is to understand, inform, engage, and influence the attitudes and behavior of foreign audiences in ways that support U.S. strategic interests.

9. The two-way communication element of this definition — 'to understand, inform, engage and influence' — is consistent with current public relations and communication theory. With minor editing the US GAO definition stands up better than DFAT versions as a universal definition:

The overall goal of public diplomacy is to understand, inform, engage, and influence the attitudes and behavior of foreign audiences in ways that support the strategic interests of a government.

10. In *Inventing Public Diplomacy: The Story of the U.S. Information Agency*, (Lynne Rienner Publishers, Boulder, Colorado, USA, 2004), veteran international public affairs specialist Wilson P. Dizard defined the role of the USIA from 1953 to 1999 as ‘a government agency with a mission to present a full and fair picture of the United States to the world’. USIA had its origins in the Office of Wartime Information, an agency established in 1942. USIA used methods known under the labels public relations and public affairs — and less comfortably as propaganda — long before ‘the new rubric of public diplomacy’.
11. Public diplomacy in the US and Australia followed a remarkably similar trajectory over decades of specialisation to de-specialisation. Paradoxically, de-specialisation in both countries occurred in the recent era of the greatest complexity yet known in public communication, when it should have been self-evident that specialists were more necessary than ever. However, traditional diplomats appropriated ‘the new rubric of public diplomacy’ as a mere extension of their field.
12. Australia established its first specialist international public affairs or public diplomacy agency, the Department of Information, in 1939. It had a Second World War propaganda role similar to the US Office of Wartime Information set up in 1942. The postwar restructurings of the USIA were paralleled in the Australian News & Information Bureau, Australian Information Service and successor organisations amalgamated with the Department of Foreign Affairs and Trade in 1987 and then abolished in 1996. (See Attachment A for an outline history and Attachment B for the Australian agency’s capabilities at the time of abolition.) USIA was abolished and its resources absorbed into the US Department of State in 1999.
13. Lord Carter of Coles’ 2005 *Review of Public Diplomacy* (see <http://www.fco.gov.uk/publicdiplomacyreview>) defined public diplomacy as:

Work aiming to inform and engage individuals and organisations overseas, in order to improve understanding of and influence for the United Kingdom in a manner consistent with governmental medium and long term goals.
14. Public diplomacy was defined in 2003 by the UK’s then Public Diplomacy Strategy Board (PDSB, now the Public Diplomacy Board) as ‘work which aims at influencing in a positive way, including through the creation of relationships and partnerships, the perceptions of individuals and organisations overseas about the UK and their engagement with the UK, in support of HMG’s overseas objectives.’
15. The following Chinese official definition of public diplomacy appeared in the *People’s Daily* newspaper on 7 August 2006:

Public diplomacy refers to exchanges carried out by organisations and people other than foreign ministries and leaders. Universities, companies, research institutions, media, cultural circles and important private citizens can all play a part.
16. UK public diplomacy for many years has been held up as a model of best practice by the Australian Department of Foreign Affairs and Trade and its predecessors. The UK never had a counterpart to the Australian or US public diplomacy

agencies with specialist officers occupying senior positions in diplomatic missions overseas. Britain's diplomatic service, the Foreign and Commonwealth Office (FCO), fenced off the turf of traditional diplomats behind a different rubric also employed by DFAT: that of 'cultural diplomacy', as practised by the British Council and traditional diplomacy posing as public diplomacy, as in the FCO-funded Wilton Park conferences. Consequently, former officers of the Australian international public affairs service have fond and friendly memories of running public relations rings around British diplomatic missions in the countries where they served, especially in obtaining media coverage and mass audience impact favourable to Australia.

But it was not all rivalry. In 1986, for example, when the Queen and the Duke of Edinburgh visited China, the British Embassy called on, and received assistance from, the First Secretary (Information) at the Australian Embassy, Beijing, in organising the public relations aspects of the visit, the British Monarch's first visit to China. — Rodger Skivington, formerly posted to the Australian Embassy, Beijing.

17. For many years the UK has had a viable core of specialisation in whole-of-government public affairs in its Central Office of Information (COI) agency. COI has been used from time to time to produce information material for overseas dissemination, but it has been distanced from the front line of public diplomacy. COI might have been turned to public diplomacy tasks with great effect for the UK if it had been mandated to plan and conduct whole-of-government international public affairs through specialist officers posted for that purpose to UK diplomatic missions.
18. The public diplomacy programs of the UK Foreign and Commonwealth Office have another factor in common with Australia's DFAT: neither has been audited thoroughly by the government audit office, and they have been relatively free from external scrutiny and evaluation. To a large extent, the FCO and DFAT are permitted to self-assess their public diplomacy performances. The UK National Audit Office (ref. <http://www.nao.org.uk>) lists one audit only in this field during the past 20 years. This was an audit of the management of the British Council published in May 1991.
19. This contrasts with the United States Government auditor, the Government Accountability Office (ref. <http://www.gao.gov>), which has published numerous reports on US public diplomacy before and after the State Department absorbed the former US Information Agency in 1999.
20. Neither the US GAO nor observers and scholars of public diplomacy have found much to recommend the de-specialisation practised by the US State Department. Their increasing exasperation shows in assessments of US-based non-government organisations such as the United Nations Foundation:

As has been widely reported, pollsters who regularly survey international publics, such as the Pew Global Attitudes Project, report a steady and alarming erosion in how foreigners view the US. Anti-Americanism is deeper and broader than at any time in modern history...
 ... for more than a decade we have allowed our public diplomacy resources to decline...
 Demoralized, under-funded public diplomats have been given a 1970s script for 21st century challenges; there is a conceptual hole where USIA once stood. — Timothy E. Wirth, president United Nations Foundation, address at the University of Southern California Center

for Public Diplomacy, 22 March 2005.

21. Unsurprisingly, the most effective elements of government-funded UK public diplomacy continue to be delivered outside the FCO. The FCO takes credit where enabling funding has passed through its hands:

The BBC World Service and the British Council are the two principal UK Government-funded bodies involved in public diplomacy. In 2004-05, they received £225 million and £172 million of grant-in-aid respectively. The Foreign Office's PD expenditure in 2004-05 (excluding British Council, World Service or Chevening scholarship funding) was around £165 million. The total UK grant-funded PD expenditure in 2005-06 is £617 million. (*Public Diplomacy Third Report of Session 2005-06*. HM Stationery Office, London, 2006)

22. The Australian Department of Foreign Affairs and Trade, regrettably, has shown a tendency to divert the issues management resources of public diplomacy to protecting its own interests. It shares this tendency with some other foreign services. Re-direction of resources to organisational self-interest was a natural consequence of placing whole-of-government international public affairs resources under DFAT from 1987. The former Assistant Secretary of the International Public Affairs Branch, Chris Stewart, complained to DFAT management in August 1995 of 'the confusion that I see in DFAT between public diplomacy and domestic public affairs'. The *Management Response to Allegations of Paedophile Activity within the Foreign Affairs Portfolio* (report to the Public Service Commissioner, Canberra, May 1997) referred to 'a commitment to the avoidance of bad publicity' and to priority for 'managing fallout' for the Department at the expense of decisive and proper action.
23. In similar vein, the DFAT submission to the present Senate inquiry does not refer in its overview of public diplomacy to national or whole-of-government objectives, but to 'the department's broader policy objectives' (page 7).

International practice: China becomes a world leader

24. China has transformed its public diplomacy in tandem with its 'opening to the world' and emergence as an economic superpower. China's current approach to building its international reputation is far ahead of its early ventures in 'pingpong diplomacy' and 'panda diplomacy'.
25. China is a case study in coordinated whole-of-government public diplomacy. In a few short decades it has successfully promoted itself to the world as:
- a worthy venue for the 2008 Beijing Olympics and the 2010 Shanghai World Expo, and so for other events of similar stature
 - a safe, friendly and culturally rich tourist and business travel destination
 - a reliable and competitive supplier of high-quality manufactured goods
 - welcoming to and with many opportunities for foreign investors (despite the mixed results, investors keep coming)

- a flexible and pragmatic administrator of the freewheeling capitalism of Hong Kong and, by implication in line with its national aspirations, Taiwan
 - a world-class venue for global broadcast coverage of major sporting fixtures from Formula One racing to international professional tennis matches — although these are new to China
 - ready, willing and able to broker peaceful solutions to the problem of North Korea and, by implication, a good international citizen.
26. While emphasising these positives, China's public diplomacy has minimised negatives, including international criticism of its political and civil rights performance.
27. Little of this increasingly sophisticated public diplomacy is directed or carried out by the traditional diplomats of the Chinese Ministry of Foreign Affairs. China's public diplomacy effort is mostly directed from the highest levels of the Government and carried out by specialists in specialist organisations, some of which have existed and evolved since before the founding of the People's Republic of China in 1949.
28. A signed article by the Chinese Premier, Wen Jiabao, in the official newspaper of the Chinese Communist Party, *People's Daily*, on 27 February 2007, signposted the high source and authority of China's new public diplomacy and its intention to influence international public opinion:

We should conduct public diplomacy in a more effective way. We should inform the outside world of the achievements we have made in reform, opening-up and modernisation in a comprehensive, accurate and timely manner. At the same time, we should be frank about the problems we have. We should be good at using flexible and diversified ways in conducting public diplomacy programs. We should use persuasive ways to communicate with the international community to ensure that our message is effectively put across. We should work to enable the international community to develop an objective and balanced view on China's development and international role, so as to foster an environment of friendly public opinion for China.

29. On 9 March 2007 *People's Daily* followed up by invoking public diplomacy in a commentary about the increasing openness of the political process in China, in part as follows:

Two annual sessions of China's top legislature and top advisory body, namely, the National People's Congress (NPC) and the National Committee of the Chinese People's Political Consultative Conference (CPPCC), have become increasingly open to the outside world in recent years. To a large number of reporters from overseas, they seem more like an 'international convention' this year, as the work report of the NPC has been interpreted in English for the first time, residences of the delegations of NPC deputies have been made known for the first time, and foreign reporters are also given direct access to deputies whom they would like to contact, and the English editions of major vital draft laws have also been available for the first time...

...In the present information age, China, a developing nation right on the road of peaceful development, has to present or portray its image accurately with the means of mature public diplomacy.

30. Among the striking features of these Chinese leadership pronouncements about public diplomacy is consistency with principles of public relations and communications theory, which distinguish public relations from propaganda. Truthfulness is an essential element of public relations. Good public relations tells good news, and emphasises the positive, but it must be truthful or risk damage to the credibility and reputation of the client/stakeholder. As Ed Murrow said, good news cannot be made out of bad practice. A client or stakeholder usually needs to act or change substantively before addressing significant negatives in public opinion with public relations tools, unless the negatives are untruthful and can be refuted. Public relations, of itself, cannot alter unfavourable facts: propaganda tries, but always eventually is exposed and then becomes evidence to justify and cement reputation damage. Propaganda in modern China peaked as the public face of factional power struggles during the Cultural Revolution of 1966-1976, with corresponding lows in the reputation of China and its leadership. The recent pronouncements on public diplomacy by Premier Wen Jiabao cited above would have been unthinkable in the era of Mao Zedong, his Premier, Zhou Enlai, the Gang Of Four, and *People's Daily* in earlier times. Chinese-style public diplomacy has not lost entirely the taint of propaganda but it is successfully presenting a much more complex and truthful picture of China than in the past.

Specialisation in Chinese public diplomacy

31. Five of the most powerful organs of Chinese public diplomacy are state-run media outlets: Xinhua News Agency, *People's Daily*, *China Daily*, China Radio International, and China Central Television. The specialist structures, resources and capabilities of these agencies are outlined at Attachment C.
32. In addition to its extensive state-run apparatus for public diplomacy, China has engaged well-known international public relations firms to add specialised expertise to particular campaigns. The oldest of these firms with a China base, Hill & Knowlton, was involved in the Chinese Government efforts to rebuild its reputation after the 1989 crackdown on Tiananmen Square demonstrators and the pro-democracy movement, and in China's campaign in 1991 for renewed most-favoured-nation status to maintain minimal tariffs on exports to the US.
33. Hill & Knowlton opened a Beijing office in 1984, followed by an office in Shanghai in 1993. The firm claims now to have resources nationwide and to date to have worked in more than 40 cities of China. (Ref. www.hillandknowlton.com.cn)
34. *The Wall Street Journal* reported on 15 December 2006 that the 2008 Beijing Olympic Games Organising Committee had engaged Hill & Knowlton and Ogilvy Public Relations Worldwide. Ogilvy is conducting media liaison training for officials to prepare them to deal appropriately with foreign journalists.

The Chinese Foreign Ministry and public diplomacy

35. The diplomats of the Chinese Foreign Ministry have a marginal role in projecting China's image to the world other than through the deliberative processes of traditional diplomacy. The prominent US journal *Foreign Affairs* (ref. Evan S. Medeiros and M. Taylor Fravel. 'China's New Diplomacy'. *Foreign Affairs*, November/December 2003) noted China's 'less confrontational, more sophisticated, more confident, and, at times, more constructive approach toward regional and global affairs'. This includes media conferences and briefings on and off the record for the large foreign press corps in Beijing. The methods are increasingly similar to common international practice. The Chinese Foreign Ministry has a more multilingual Internet presence than most foreign ministries, with websites publishing foreign policy information in full and short-form Chinese, English, French, Russian, Spanish and Arabic. (Ref. <http://www.fmprc.gov.cn/eng/>) As Medeiros and Fravel observed in the journal, *Foreign Affairs*, 'Such steps represent a dramatic departure for a nation once known for its secrecy on foreign affairs'.
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Conclusions under reference (a)

36. The International Public Affairs Network expert working group, which compiled this submission, believes that DFAT has failed comprehensively since 1996 to validate its claimed outcomes or justify its preferred methodology of conducting public diplomacy without either specialists or a specialist organisation. DFAT's largely part-time public diplomacy fails to place sufficient senior public affairs officers in countries and regions where expert judgment and implementation are needed on the ground. DFAT lacks the necessary expert leadership, technical skills, specialist structures and resources to plan and support effective country and regional public diplomacy programs.
37. Australia's voice is merely one among many clamouring for attention in an increasingly noisy international public communication environment. Only specialists in the category of public relations and organisational communication known as public diplomacy can best achieve Australia's objectives in this highly competitive field.
38. Neither the Department of Foreign Affairs and Trade submission to the Senate inquiry nor DFAT annual reports over many years contain data to validate the department's claims or fully analyse its performance under this reference. This information is likely to be obtained only by a thorough independent global audit and review of Australia's public diplomacy programs. DFAT public diplomacy never has been subject to thorough independent evaluation. In contrast, the former specialist agency had several independent evaluations.
39. Examination of the February 2007 DFAT submission to the Senate inquiry reveals that DFAT has not introduced any new initiative in public diplomacy since abolition of the former Australian Government specialist international public affairs capability in 1996. Some issues reported upon by DFAT are

contemporary, but close analysis reveals all of DFAT's current public diplomacy activities were developed and refined by its former International Public Affairs Branch or its predecessors back to 1939. (Compare the DFAT submission with Attachments A and B.)

40. Conclusions from expert study of the DFAT submission include:

a) DFAT appears to have noticed no changes in mass media, communication or technology globally in almost 11 years

b) DFAT management seems bereft of new ideas in public diplomacy. It appears not to know what to do next

c) DFAT lacks the expertise to monitor, review and innovate in public diplomacy space

d) Australia's former specialist public diplomacy apparatus, which DFAT recommended for abolition, not only was not broken but was functioning and innovating effectively at the highest international professional standards until 1996

e) As for DFAT cultural diplomacy, it is difficult to discern much, if any, verifiable public diplomacy benefit (see a possible exception in relation to the Middle East at paragraphs 96 and 97).

41. 'Public diplomacy' is a contestable term and concept. In practice it requires the skills of communication analysis, planning, management, procurement, writing, design, multimedia production, marketing and dissemination. These skills do not belong to the profession of diplomacy, but to the profession of public relations and communication. Therefore, 'public diplomacy' in its full sense *is* public relations — or more precisely, a category under public relations, government international public affairs.

42. Public diplomacy is a misleading concept to the extent that it is used to support the notions of traditional diplomatists that they, and they alone, deliver on government international objectives, and that 'generalist' or 'mainstream' diplomats can do all that needs to be done in public diplomacy. Plainly, the highest rates of success in public diplomacy are achieved by people with the necessary specialist skills and experience from the realm of the mass media and public relations, as well as specialist team structures and resources managed by specialists with whole-of-government guidance.

43. DFAT reporting on its public diplomacy is dominated by lists of activities rather than outcomes. The emphasis is on activity with no evidence of evaluation or validation of the impact on target audiences. Many activities listed are merely attempts to project traditional diplomacy in public. For example, the *DFAT Annual Report 2005-2006* highlights in its overview of public diplomacy 'the launch of the Asia-Pacific Partnership on Clean Development and Climate in Sydney in January 2006, the inaugural ministerial meeting of the Trilateral Strategic Dialogue in Sydney in March 2006, the launch of a Government paper

on weapons of mass destruction counter-proliferation in October 2005 and ongoing negotiations for bilateral free trade agreements’.

44. A global review and audit of Australia’s public diplomacy is required to fill information gaps, remove inconsistencies, and assess the outcomes, if any, of DFAT’s activities. The Australian National Audit Office (ANAO) is the proper Commonwealth authority to lead a review and audit. An ANAO-led investigation should include not only independent senior auditors for quantitative assessment and compliance with statutory requirements, but also seconded senior Australian Public Service specialist public affairs officers and contracted independent specialists in international public relations and market research for qualitative assessment.
45. A thorough ANAO performance audit of DFAT public diplomacy would add timely detail and follow-up to earlier audit reports touching on DFAT programs, such as *Human Resource Management* (ANAO, 1996-1997), *Coordination of Export Development and Promotion Activities Across Commonwealth Agencies* (ANAO, 1999-2000), *Administration of Consular Services* (ANAO, 2000-2001) and *Management of Bilateral Relations with Selected Countries* (ANAO, 2004-2005).

Recommendations under reference (a)

Recommendation 1: That the Australian National Audit Office (ANAO) conduct a thorough independent performance audit of Department of Foreign Affairs and Trade public diplomacy programs. The Senate Foreign Affairs, Defence and Trade Committee could ask the Joint Committee of Public Accounts and Audit to exercise its authority under Section 16 (2) of the *Auditor-General Act 1997* to request this performance audit.

Recommendation 2: An ANAO performance audit of DFAT public diplomacy should have particular reference to:

- (a) Statutory financial management and accountability aspects of DFAT expenditure, business processes, staffing and other resources attributed to public diplomacy
- (b) Benchmarking of international best practice in public diplomacy *
- (c) Assessment of the alignment of DFAT public diplomacy with Australian Government objectives
- (d) Segmentation of DFAT public diplomacy costs and outcomes by cultural, media liaison, issues management, event management, protocol and visit support and any other categories and sub-categories that become evident during the performance audit
- (e) Independent market research and professional qualitative analysis to evaluate sample country and regional public diplomacy programs *

- (f) The effectiveness of current whole-of-government consultation and coordination, including the current biannual Interdepartmental Committee On Public Diplomacy and the State and Territory Officials Group (ref. DFAT submission pages 55 and 57)
 - (g) DFAT actions to implement public diplomacy-related recommendations of the former Senate Standing Committee on Finance and Public Administration, published in December 1992 as part of its report, *Management and Operations of the Department of Foreign Affairs and Trade*
 - (h) Recommendations for improving the management and administration, planning, implementation, evaluation and outcomes reporting of Australia's public diplomacy.
- (* To be conducted by audit team members who are independent senior international public affairs specialists seconded from elsewhere in the Australian Public Service and engaged from the private sector.)
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b. The opportunities for enhancing public diplomacy both in Australia and overseas

46. Complex factors determine opportunities for reaching and persuading mass audiences in Australia and around the world. The take-up of new communication technologies by target audiences is among the most important generators of new opportunities. Opportunities in different environments may be constrained by factors subject to slower change than technology, such as culture, education and wealth.
47. New media and communication technology are among the factors non-specialists are least capable of understanding and exploiting. The general public took years to understand computers were more than electric typewriters or heavy duty calculators. It took even longer to achieve wide understanding that amateurs never would use new tools, like computerised desktop publishing, presentations and digital photography and video, as well as professionals.
48. The knack of properly using new media and communication technology is not necessarily to be at the cutting edge: it is to judge accurately the point at which a new technology achieves a critical mass of audience reach that makes it potentially useful. Only then is it possible to use the technology to exploit and turn communication strategy, knowledge of audience attitudes and behaviour, and production skills into an effective new channel of communication with target audiences.

Technological opportunities: Internet and e-mail

49. Australia's former specialist public affairs agency established the Department of Foreign Affairs and Trade website (see Attachment B). The concept, structure and range of content of the DFAT website have changed little since the specialist agency was abolished in 1996.
50. The advent of the Internet has been one of the most powerful changes in mass communication technology since the invention of movable type. It is an ongoing communication revolution arguably more significant than the introduction of radio or television. It has unprecedented low-cost global audience reach, capacity for two-way communication and enormous constantly growing traffic in virtually instantaneous information exchange.
51. The Internet is highly significant for the practice of public relations and therefore for public diplomacy. It has broken what used to be the mass media monopoly on cost-effective mass audience reach.
52. The public relations profession was founded in the late 19th and early 20th centuries mainly on principles for leveraging off the mass audience reach achieved first by print media and, later, by film, radio and television. Media liaison and event management for PR purposes were mostly aimed at gaining favourable media coverage, which in some cases could be more influential and persuasive, and far cheaper than advertising. Few clients or stakeholders with

broad agendas for influencing public opinion could afford to rely solely on either PR or advertising: they were and are complementary, and should be coordinated.

53. A breakthrough due to the Internet is that anyone — an individual or an organisation — with an agenda to influence public opinion now has access to the most cost-effective means so far of directly reaching global mass audiences.
54. Successful operators of the earlier print, radio, film and television variants of the mass media are among the leaders in exploiting the unprecedented global mass audience reach of the Internet. They have lost their monopoly of audience reach, but mass media are countering with one of their longstanding comparative advantages: expertise in creating attractive and useful content. This advantage for specialist skills and resources on the Internet resembles the earlier print media industry dominance over amateur desktop publishing. It is a similar situation for public relations practitioners adapting their body of professional knowledge to the new communication channel of the Internet.
55. The Internet is playing a major part in transformation of the global strategic environment. Terrorist groups use it as a recruiting tool and as a weapon of psychological warfare. It has played a major part in the rapid emergence and global and regional marketing strategies of the Qatar-based Arabic-language television and news network, Al Jazeera (ref. <http://english.aljazeera.net/>).
56. On the downside, so many voices clamour for attention on the Internet that they create enormous competition, making it difficult to be heard. The audiences do not have time to view or participate in everything available. Provision of more content for an essentially unchangeable level of audience attention makes audiences more selective and discriminating. More than ever, the audiences belong to whoever devises the most attractive, useful and accessible content.
57. Audience targeting via the Internet is challenging due to many factors. The first is that the Internet goes everywhere in its universe but its massive reach is not universal. Language and content are the most accessible means of targeting and compartmentalising Internet audiences — but these are blunt instruments in a world where languages such as English are widely understood across national boundaries, and where content benign in one cultural or political environment may be malign in another.
58. There is enormous disparity in Internet access and usage between and within countries, and between demographic segments such as gender and age groups. A Pew Global Attitudes poll in 2005 showed that 68% of Americans and Canadians regularly used the Internet to send and receive e-mail, compared to only 7% of Indonesians and 5% of Pakistanis.
59. Subscriber-based electronic mail and web-based variants such as Really Simple Syndication (RSS) offer channels of communication with potential for reaching target audiences within publics which have high levels of Internet access. As with many forms of media production and dissemination, quality output in these new and emerging media may be high cost, and can be exploited effectively only by

specialists. Their proposed use in public diplomacy requires expert case-by-case cost-benefit evaluation.

60. Audio and video streaming and podcasting have emerged as a significant new dimension to the Internet, but are not yet widely used by Australian Government agencies. CSIRO is notable as one of the few Australian Government agencies making effective use of podcasting potentially to enhance Australia's international reputation. CSIROpod's tagline, 'Listen to scientists from Australia's leading scientific and industrial research organisation discuss their work with our downloadable MP3 files', is backed up by a growing library of short tightly edited audio files on a broad range of subjects with popular science appeal. Similar principles apply to podcasting for public diplomacy purposes as to all earlier forms of electronic media production. Brevity and tight editing are essential in podcasting and all audiovisual electronic media products aimed at mass audiences. Such products consume bandwidth in delivery and then require real time viewing or listening. The relatively small audiences for 'diplomacy in public' conferences and seminars, for example, find full-text transcripts far more useful than full-length podcasts.
61. The implications of Internet activity for Australia's international reputation and objectives seem hardly to have been considered at all at whole-of-government level. Almost every Australian Government department and agency has a website visible to the entire Internet world. Is there consistency of message? Is there inconsistency between intent and effect among Australia's international audiences? Does anyone actually know? There is no guidance about international implications in the *Guidelines for Australian Government Information Activities* administered by the Government Communication Unit in the Department of the Prime Minister and Cabinet, or the *Government Online Strategy* administered by the Australian Government Information Management Office in the Department of Finance and Administration. There is no indication that the Department of Foreign Affairs and Trade either has sought or has the capability to influence the global implications and opportunities of the website content of agencies of the federal, state and local governments or non-government agencies.
62. The Internet has enabled many new channels of mass audience appeal that could be vehicles for high-quality textual and audiovisual material aimed at building Australia's international reputation. Wikipedia, Google Earth, YouTube and Second Life, for example, present untapped opportunities for planned communication with mass audiences.
63. The Internet and new communication technology will not wait for public diplomacy amateurs to catch up. More computer power, more bandwidth and new applications will further flood the Internet with badly designed and poorly conceived material, while opening up new public diplomacy opportunities that only specialists will be able to fully exploit. Microsoft founder Bill Gates made clear in an address on 7 March 2007 that continuing change and increasing complexity of the Internet are inevitable:

One of the great changes coming right now is the move of video onto the Internet. Five years ago, that was a very rare thing. Today, we're starting to take it for granted...

So the Internet, we're just at the very beginning. It will replace the telephony system, make it cheaper, make it better. We'll get rid of phone numbers. We'll make the quality higher. We'll make it easier for people to get in touch with you, where you control whether you get interrupted or not by determining who and what context you want to communicate with, independent of which phone or what place you are will make that very, very simple.

Many of these advances really touch on key issues related to democracy. Historically, economically it only made sense to have a few TV channels and a few newspapers. So there were – there was always the saying that you should never argue with somebody who buys ink by the barrel. There were only a few voices that had that kind of projection out into the public.

As the Internet is becoming widespread, as access is getting into more and more homes, people are understanding – particularly young people – how to connect up and find topics that they find of interest, literally anyone can publish information. And if it's interesting, you can see the traffic there, you can see the links to that traffic and people essentially vote by their activity about what they like, what's popular and other people see that, they join in. And it's an amazing phenomenon. It's much better at selecting topics that resonate with the public than simply the editor deciding exactly what those things will be...

Some of the changes that are not far away in terms of the use of the Internet include things like natural interface, speech recognition, visual capability. These are things we've been working on, many companies, for a long, long time. But they bring new power to the Internet.

Machine translation, taking documents from one language into another. There have been vast improvements in that. In fact, within a specific subject area, like technical documents, that already works extremely well and it can provide outreach to different kinds of languages. — Microsoft chairman Bill Gates, to Center for Democracy and Technology Annual Dinner, Washington, 7 March 2007

64. The last word on the skills required to exploit opportunities of communications technology should go to the ever-insightful Ed Murrow, reflecting on the importance of content, whatever the technology:

The newest computer can merely compound, at speed, the oldest problem in the relations between human beings, and in the end the communicator will be confronted with the old problem, of what to say and how to say it. — Edward R. Murrow, 1964, on receiving the Family of Man award from the Protestant Council of the City of New York.

National comparative advantages

65. National comparative advantages are factors defining opportunities, and strengths and weaknesses in public diplomacy. The United States has a degree of non-government global cultural influence which cannot be matched or countered by government cultural diplomacy even at the scale undertaken by leaders in the field such as France. A comparative advantage for China in public diplomacy is its level of central control over its media and a high volume of consistent message with which only other authoritarian regimes can compete on the same terms. Democratic nations such as Australia may exert greater influence, have more credibility and win more support of target audiences through planned engagement with independent media outlets exercising their freedom of speech.
66. Australia's comparative advantages in public diplomacy include:
- the credibility and trustworthiness of an open and representative democratic system based on the rule of law and individual rights
 - the English language, a lingua franca for much of the world

- regional ‘good neighbour’ and historical, trade, investment, humanitarian assistance and sporting affiliations
- a basically peaceful, friendly and safe domestic security environment and corresponding image
- the high international profile of certain corporate brands such as Qantas and personal brands of Australians notable in business, sport and entertainment
- a track record in high-quality media production with national and international appeal
- pluralist and multicultural values.

67. Australia’s comparative weaknesses include:

- under-resourcing of public diplomacy
- loss of specialised government-run capabilities which previously conferred comparative advantages in public diplomacy
- fragmented, uncoordinated public diplomacy
- perception in some societies as having alienating racial and cultural characteristics
- a follower rather than a leader in international popular culture.

68. National comparative advantages may play differently in different markets.

Australia’s cultural affinity and close strategic ties with the United States are advantages when seeking to influence American audiences — but not in most of the Islamic world.

69. Australia has not made the most of its comparative advantages. Radio Australia and its parent, the Australian Broadcasting Corporation (ABC) have a long track record in high-quality international broadcasting, especially in Australia’s near regions. Consequently they are strong brands, with audience trust and recognition built up over many years. The present arrangements for channelling government funding for international broadcasting through DFAT have overlooked these advantages. They have added a level of counter-productive uncertainty and upheaval for operators, and confusion and disruption for audiences. Funding is under the control of a bureaucracy that lacks the expertise either to broadcast or to be an informed buyer of broadcasting services.

70. The DFAT Annual Report 2005-2006 states that the Government’s five-year contract for international television (formerly called Australia Television) with the ABC expired in August 2006. The department conducted an open tender for a further five-year period (2006–2011). The ABC was selected to continue providing the service, renamed as the Australia Network, with a new logo, at the start of the new contract. (Ref. DFAT submission section 2.2.6.5 at page 23). The audience capital of established brands appears to have been overlooked. It takes time, money and product attractive to consumers to establish new brands, especially in crowded markets like international broadcasting.

Regional opportunities: Asia-Pacific region

71. If Australia ever needed a major public diplomacy effort, it is in the umbrella to our north — from East Timor through West Papua on to Papua New Guinea and

across the Solomons to Vanuatu, Fiji and beyond.

72. These countries once were serviced by Australian Government public affairs officers based in Jakarta, Port Moresby and Suva, supported by specialist print, radio, TV and photographic units at the specialist international public affairs service in Canberra.
73. Today, there is virtually no contact with the local media, apart from an occasional e-mailed handout. Compare this with the close — in some cases daily — relationship that existed between Australian specialist public affairs officers posted overseas and local journalists.
74. Australia is no longer popular in countries in our northern umbrella. Anti-Australian sentiments are expressed almost daily in places like Dili, Port Moresby, Honiara and Suva. Australia flounders because it has neither well-defined strategies nor specialists in place to help turn the tide of public opinion.
75. As Australia's influence declines, Taiwan and China are steadily increasing their presence in the region. Others are following in their wake. Cuba, for instance, is providing, or is about to provide, doctors to Timor Leste, PNG and Solomon Islands.
76. Australia must rebuild and relaunch its public diplomacy programs in the region. It has spent billions of dollars over the years in aid to the region and has much to be proud of. It cannot afford to continue to squander the benefits of its achievements.
77. The need for action applies equally to all countries where Australia has public diplomacy objectives. Each country requires customised analysis to align Australia's strategic objectives with public diplomacy opportunities shaped by socio-economic, political, cultural, technological and other factors.
78. For example, targeting and seeking to influence opinion in China requires on-the-ground specialist expertise to understand and adapt public relations practice to the institutional peculiarities of Chinese autocracy, as well as the social dynamics of its proud and ancient culture. Annabelle Warren, of international PR firm Hill and Knowlton, in a 2002 article for the International Public Relations Association magazine, *FrontLine*, explained,

PR in China is much more than publicity and press cuttings. Sometimes multinationals entering the market underestimate the importance of public affairs and community relations. Big mistake! A strong government relations program is needed to ensure that the company has a license to operate from all necessary departments and government organisations. This can be a complex process that requires specialist 'navigators'. Targeting the appropriate government body is easier in theory than in practice. It involves locating the decision-making departments in a vast bureaucracy and a subtle determination of who are the key influencers.

Regional opportunities: Europe

79. Australia can no longer afford the luxury of leaving its relations with, and its image amongst the peoples of Europe to the mercy of the ebb and flow of news

coverage, tourism promotions and DFAT's traditional style of massaging elites. The expanding European Union (EU) is exerting increasing influence on world affairs, including in our own region. Through its member countries, the EU holds strong voting power in international forums and adopts an increasingly effective, disciplined approach to imposing its economic views on the rest of the world. Competition for the attention of Europe's publics is keen, and Australia needs to pull its weight.

80. No one denies the EU represents a difficult public and traditional diplomacy target. Efforts to influence the whole simultaneously have to be directed at the parts. This poses a particular challenge for Australian public diplomacy, a challenge the department has effectively ignored. Rather than concentrate its efforts through cohesive, well thought-out strategies, it appears to have relegated public diplomacy to optional ad hoc approaches by individual missions, using relatively junior staff with inadequate, if any, qualifications for the role.
81. Public perceptions are as powerful in EU member countries as they are in Australia. EU citizens are well-educated and, on the whole, outward-looking and receptive to progressive ideas and policies. However, past experience has shown that large numbers of them can become engaged in relentless campaigns against what they may see as unenlightened or backward policies, such as (in Australia's case) discrimination against indigenous peoples, kangaroo and brumby culling, and sheep mulesing. Dismissing these campaigns as extreme is foolish, as they often are based on widely held public perceptions. Australia's relations with the EU could founder disastrously on the sea of public opinion. Australia places its influence in Europe and the level of take-up of its products in jeopardy because of its current low-key, largely unresponsive and grossly under-resourced public diplomacy effort.
82. Today the images and perceptions of Australia in Europe are directly related to world events. There is no better example than Australia's close relationship with the US. Australia's presence in Iraq and Afghanistan is a common topic which generates emotions ranging from dislike to open hostility in European communities. Australians living in Europe, including international public affairs practitioners formerly posted at diplomatic missions in the region, attest to this. They see no counter to this hostility in the public arena whereas in the past senior officers who specialised in public diplomacy at Australian missions in Paris, London, Bonn, Brussels, The Hague, Vienna and Rome would have been in a position to put the Australian Government's arguments directly to the public via the media in these cities.
83. Progressive, diverse and mature mass media operate in most European Union member countries, and many of its members have shown themselves in the past to be ready to respond to well-targeted and enlightened public diplomacy programs. The Department of Foreign Affairs and Trade has left this rich soil largely untilled because of its makeshift, minimalist arrangements.
84. A fully effective, professional public affairs strategy for Europe must be able to call on resources at least comparable to those currently being spent on traditional diplomacy in the region. At a minimum, the department should simultaneously

deploy professional public affairs specialists, with strong first-hand current knowledge of Australia, in the EU power centres and the member country capitals and media centres. They will not succeed, however, without the support of a strong and equally specialist public diplomacy policy and production base in Australia.

Regional opportunities: North America

85. The United States of America has one of the most competitive environments for any form of promotion of a public agenda — whether that is labelled public relations, marketing or public diplomacy. It is one of the most difficult places for another country to make its ‘voice’ heard.
86. Every channel for mass communication exists in the United States at or near the maximum current capacity, with among the least regulatory restrictions, anywhere in the world. Every mass communication channel in the US is crammed with messages seeking the attention of an overwhelmed public. The tumult drowns out little voices and tends to reinforce the characteristic self-absorption of American public opinion and popular culture. The American audience has many geographical and demographic segments which cannot be effectively addressed from afar. Despite its provincialism, the US continues to be the global trendsetter in new technologies that drive new opportunities in mass communication and therefore in all forms of planned opinion influencing, including public diplomacy.
87. An Ogilvy & Mather study in 1987 confirmed the value of better resourcing of the capability of Australia’s former specialist international public affairs service, then called Promotion Australia, to support the Government’s goals in the United States.
88. The Ogilvy & Mather study commended the publications produced by Promotion Australia (fact sheets, handbooks, newsletters and magazines) and the ability of its officers to obtain media coverage ‘...media relations is obviously Promotion Australia’s forte’. Ogilvy & Mather urged the Australian Government ‘to increase the budget allocation for Promotion Australia to give it a boost toward success in its efforts to gain broad US support for Australian interests’.
89. Australia’s campaign in recent free trade agreement negotiations would have been broader and more effective under the former representation of international public affairs specialists at key Australian posts in the US (Washington, New York and Los Angeles). A very sceptical Australian public and a somewhat hostile American public would have provided fertile ground for campaigns outside the purview of traditional diplomacy. The free trade agreement outcome shows considerable imbalance to the detriment of Australia’s interests.
90. Australia remains largely an unknown identity in American society. Apart from spikes of interest generated by Crocodile Dundee, shrimps on barbies and Steve Irwin, Australia is most imprinted in the American public mind as not much more than a good spot to go for a reef dive, a swim at the beach or a camel ride in the desert.

Regional opportunities: the Middle East

91. An Australian public affairs office to support trade promotion in the Middle East was based at the Australian Embassy in Cairo from 1983 to 1986. Cairo offered economically priced translation, printing and media monitoring services for regional coverage. The public affairs office produced Arabic language newsletters, media releases, feature articles, television and radio material and established, through regular visits, personal relationships with editors and journalists throughout the Gulf States and Saudi Arabia. When oil prices fell in 1986 and Austrade closed several offices in the Gulf, the public affairs office was also closed. Austrade has since reopened its offices, but the public affairs office has not been revived.
92. Since then, Australian public diplomacy has not had a high profile in the Middle East. Little Australian public affairs material has been produced in Arabic, although Australia has a major stake in achieving success in projecting trade and economic opportunities with the Arabic-speaking world – especially in the affluent areas of the Gulf States and Saudi Arabia. Of course, Australia also has a major stake in Iraq as part of the international coalition against terrorism.
93. The largest impact of Australia in Middle Eastern public opinion now is probably through English-language media and websites accessible to well-educated elites.
94. Kim Andrew Elliott, an analyst in the Office of Research of the United States International Broadcasting Bureau, which includes the Voice of America ('Is There an Audience for Public Diplomacy?' *The New York Times*, 16 November 2002.) wrote of the challenges and opportunities in the Middle East:

American decision-makers may wonder why on earth they should provide money to a radio or television station that merely tells the truth. For the answer, let us consider the Arab target audience. Arabs are largely opposed to American policies toward Israel and Palestine and to any possible American invasion of Iraq. No amount of spin will make a dent in the public opinion of the Arab world.

However, Arabs will listen to a radio station or watch a television channel that provides news that is more comprehensive and reliable than what they get from their domestic media. Well informed, they can make up their own minds about current events. They will be grateful to the United States for providing such a service.

95. These principles might apply to any Arabic language broadcasting and Internet services out of Australia as well as the US, and are likely to be reflected in the public diplomacy advantages the UK obtains from the longstanding BBC World Service transmissions in the region. Neither Radio Australia nor the Australia Network international television service broadcasts regularly in Arabic. As time passes, more of the vacuum is being filled by dynamic local and regional media outlets such as the well-resourced Al Jazeera news and television network.
96. It is impossible to discern from DFAT reporting so far what mass audience impact, if any, the department's public diplomacy has achieved or what evaluation is being undertaken in the Middle East. DFAT's submission to the Senate inquiry (pp. 44-45) creates an impression of a program of activities under the Council for Australian-Arab Relations, established in 2003 with an annual budget of

\$500,000, run by the department's Middle East & Africa Branch (ref. <http://www.dfat.gov.au/caar/>). The major reported activities include an education kit not for the Middle East, but in effect to further the goals of Middle Eastern public diplomacy through Australian schools. An Arabic language teacher resource kit called 'Explore Australia' is the only tangible product for the Middle East region reported in the DFAT submission. The DFAT submission omits mention that the teacher resource kit was not produced by the department, but by Ryebuck Media Pty Ltd, a specialist initiator, designer and publisher of educational multimedia material (ref. www.ryebuck.com.au). Furthermore, the kit is not a new or recent initiative.

97. The online Department of Finance and Administration tender and contract system, Austender (mandatory for reporting of Australian Government contracts costing \$10,000 and more), records that DFAT let a three-year contract to Ryebuck Media in June 2004 at a cost of \$616,100 for 'development and implementation of a Teacher's Resource Kit for introduction to schools in selected Arab countries' following an open tender process (ref. www.contracts.gov.au contract ID#1346810). At the date of this submission, the Ryebuck Media contract let in 2004 is the only identifiable public diplomacy outsourcing that Austender shows for DFAT since the year 2000. Neither the department's submission nor the three short sentences about the Council for Australian-Arab Relations in the 2005-2006 DFAT Annual Report provide any information about evaluation of the kit, performance of the contract, or of other outcomes for the considerable expenditure since 2003 of this one of many DFAT cultural bodies. This omission is most puzzling in the case of the 'Explore Australia' teachers kit because this standalone project appears ideal for performance measurement and evaluation, and may well be a demonstrable achievement of DFAT-funded cultural diplomacy.

Conclusions under reference (b)

98. Opportunities for enhancing public diplomacy arise in many dimensions requiring close, continuous and expert monitoring. These include the mass media, business, investment and trade links, social and cultural, technological, and geographical dimensions.
99. The present apparatus of Australia's public diplomacy lacks the necessary specialist staff, structures, resources and methodology to identify, plan and conduct programs to best exploit these opportunities overseas or within Australia.
100. Improved Australian Government capacity to take up opportunities for public diplomacy will depend mostly on the implementation of recommendations under references (a) and (c).

Recommendations under reference (b)

Recommendation 3: Improve Australia's capacity to take up opportunities in public diplomacy by implementing recommendations of this submission under references (a) and (c).

c. The effectiveness of and possible need to reform administrative arrangements relating to the conduct of public diplomacy within and between Commonwealth agencies and where relevant, the agencies of state governments

101. The professional whole-of-government approach of Australia's former international public affairs service was an important cost-effective methodology that enabled Australia to 'fight above its weight' in public diplomacy from 1939 to 1996.
102. But once it came under the direct control of DFAT its effectiveness began to wane. Prime reasons included a culture clash between public diplomacy professionals and traditional diplomats. Traditional diplomats envied the demonstrated achievements of the international public affairs agency (see attachments A and B). This envy was aggravated by the influence, out of proportion to their nominal rank, which many experienced public affairs officers on overseas posting could exert. Traditional diplomats perceived the achievements and resources of the international public affairs service as detracting from their own achievements and resources.
103. In 1995, the then Secretary of DFAT, Michael Costello, set up a task force of public affairs staff and management representatives to investigate whether International Public Affairs Branch should be divided, with most of its positions outposted to various policy divisions.
104. The task force met weekly over several months. During that time, it looked not only at the outposting issue, but also received submissions from departmental public affairs specialists, many of whom had come to the department as senior media and public relations practitioners. The submissions represented professional 'best practice' expert advice of the highest order, which would have cost 10s of thousands of dollars if commissioned from external consultants. The submissions contained advice that could have substantially improved the department's public diplomacy effort. The department did not properly consider or act on this advice.

Lessons not learnt: organisational culture clash

105. Professions and organisations develop their own culture, especially as they acquire a sense of their history and tradition. This is as true of the traditional practice of diplomacy and foreign policy as the practice of public relations, of which public diplomacy is a category.
106. Public diplomacy requires the organised application of a range of specialised competencies. The impact on morale of professional and organisational cultures can help or hinder effectiveness. The reason is simple, based on a universal fact of human affairs: strong morale — including all of the psychological factors of teamwork, peer identity, will to win, and *esprit de corps* — is the bedrock of organisational capability. An organisation with strong morale often retains

coherency and effectiveness even when leadership, resourcing and other elements fail.

107. Friction between the cultures of traditional diplomacy and public relations, with consequent degradation of effectiveness, is a recurrent theme in studies and reports on public diplomacy.
108. *Management and Operations of the Department of Foreign Affairs and Trade*, the report of the former Senate Standing Committee on Finance and Public Administration, in 1992 made extensive recommendations which the Government of the day accepted but never implemented. The first two of the Committee's 33 recommendations dealt with the international public affairs service, then known as the Overseas Information Branch (OIB) in DFAT:

Departmental reorganisation

1. if the Government decides to retain a specialist public relations capacity within DFAT, it should do so in such a way as to maintain a viable core of specialisation within a single branch;
 2. that branch be given clear and unambiguous objectives related to the undertaking of specific public relations campaigns and activities.
109. Referring to evidence that DFAT management had tried to abolish the international public affairs service, the 1992 Senate report said, 'The Committee is concerned that officers in senior positions who have not made good use of a specialised resource may not be the best judges of its value.'
110. The report also commented that '...if there is a significant requirement for overseas public relations activity, DFAT should use public relations specialists for the task'.
111. In October 2000, one year after the United States Government abolished the United States Information Agency and handed responsibility for public diplomacy to the State Department, the US Advisory Commission on Public Diplomacy reflected on the negative impacts of a clash of organisational cultures. It reported, inter alia:

The U.S. Advisory Commission on Public Diplomacy finds that the consolidation of the United States Information Agency (USIA) into the State Department has to date produced a mixed record. For former USIA employees, the transition has meant a very difficult adjustment; while moving to the State Department has afforded former USIA employees unprecedented career opportunities, it has also required them to conform to the procedures of a Department that is overly centralized and hierarchical. The Commission finds that morale among the Department's "new" employees is worryingly low, but morale is a major problem throughout the entire Department, not just among former USIA employees...

112. The US Advisory Commission on Public Diplomacy found that placing the public diplomacy resources of the former US Information Agency under traditional diplomats had impaired the former whole-of-government focus of US public diplomacy:

Since October 1999, public diplomacy has functioned as a part of State at (sic) the virtual exclusion of other agencies. In the past, State was one of several consumers of, and

contributors to, public diplomacy. Today, it is harder for public diplomacy to reach out to other Departments in the government...

113. The US Advisory Commission on Public Diplomacy found traditional diplomats unable to comprehend the contribution of public diplomacy to national goals:

In times of crisis, for example, as the Commission noted in its July 1999 report on the war in Kosovo, “wars have to be fought on two fronts— through the use of arms and the use of information.” Yet most traditional (i.e., non-PD) State Department officials do not think of public diplomacy as a tool to use in responding to the exigent needs of crisis management. That is because there is a prevailing lack of understanding of, and appreciation for, public diplomacy in the Department among traditional officials.

114. A non-partisan association of American public diplomacy specialists, the Public Diplomacy Council, reported in January 2005:

United States public diplomacy is in crisis. Buffeted by a decade of budget cuts, hampered by bureaucratic structures that marginalize it and call on its expertise too late in the policy process, public diplomacy as currently constituted is inadequate to perform the urgent national security tasks required of it — to inform, to understand and to influence world publics. America faces foreign hostility and misunderstandings that threaten to eclipse the positive legacy of U.S. leadership in World War II and the Cold War. Effective public diplomacy is vital to a successful American foreign policy. In the war on terrorism, public diplomacy can play a critical role combating misinformation, enabling us to better understand our world, providing accurate information about the U.S. and helping people around the globe to understand this nation, our values and our policies. The Public Diplomacy Council, a non-partisan group of professionals with extensive experience in public diplomacy, calls upon the Administration and Congress to revitalize public diplomacy efforts, to integrate them into all of our foreign policy deliberations, and to support them in contributing to the security and well being of the United States. — Public Diplomacy Council. *A Call For Action On Public Diplomacy*, January 2005.

115. Ex-marketer American academic Craig Hayden, of the University of Southern California Center on Public Diplomacy, has argued that one of the reasons America and its allies are losing the information war in the Islamic world is a failure to apply proven methodology that requires experts ‘on the ground’:

More audience analysis, more localized research into media consumption, and more attention to the “granular” nature of communication practice in local cultures is essential. (Ref. Public Diplomacy Blog, <http://usepublicdiplomacy.com> 15 March 2007. USC Center on Public Diplomacy.)

116. It is equally important to have specialists at all levels of leadership of the specialist public diplomacy organisation, to inject public affairs expertise at the start of strategic planning at all levels from Canberra to posts. Edward R. Murrow, when head of USIA, took this principle so far as seeking and obtaining a chair on the US National Security Council.

If they want me in on the crash landings, I’d better damn well be in on the take-offs. (Edward R. Murrow, 1961.)

Conclusions under reference (c)

117. In 1996, DFAT abolished ‘the viable core of specialisation’ in international public affairs, which had given Australia the ability to fight above its weight in public diplomacy from 1939 to 1996. DFAT has applied palliative terms, such as ‘mainstreaming’, to abolition of public diplomacy capability. Since then Australia has become one of the lowest performers in public diplomacy among developed nations. The new global leaders in public diplomacy are countries that do not rely on their foreign ministries for this capability. They pursue whole-of-government guidance and specialist management and conduct of public diplomacy based on national comparative advantages, which are much broader than traditional diplomacy.
118. DFAT’s retention after 1996 of a handful of international public affairs specialists, some in its 12 to 13.5 member Images of Australia Branch, fell far short of ‘the viable core of specialisation’ recommended in *Management and Operations of the Department of Foreign Affairs and Trade*, the report of the former Senate Standing Committee on Finance and Public Administration, published in December 1992.
119. Where thorough independent evaluation has been carried out of de-specialised public diplomacy, as in several reports by the United States Government Accountability Office since 1999, that evaluation has exposed major failures, loss of capability and lack of whole-of-government guidance and coordination.
120. Career diplomats operating within a traditional diplomatic service lack the skills required to plan or implement public diplomacy to the highest standards achievable by international public affairs specialists working within a specialist team structure. The mass communication dynamics and the personnel and resources needs of public diplomacy differ markedly from those of traditional diplomacy.
121. The present arrangements for channelling government funding for international broadcasting through DFAT are counter-productive. These arrangements have placed funding under control of a bureaucracy which lacks the expertise either to broadcast or to be an informed buyer of broadcasting services.
122. Foreign Ministries characteristically are ineffectual managers of public diplomacy. Traditional diplomacy centres on communication with peers in deliberative processes of negotiation and policy development. Some tools of traditional diplomacy translate fairly well to communicating with elites, but are unsuited to dealing with mass publics or the channels of communication to them, such as the news media and the Internet.
123. Australia’s public diplomacy always will be second rate while conducted without a specialist agency in international public relations. In the general community, the need for professionals to work within organisations structured to deliver high standards and accountability in specialist services is not questioned — it is demanded in many fields. The present structure of the Foreign Affairs and

Trade portfolio recognises the need for specialist agencies for trade promotion and international humanitarian assistance — but not for public diplomacy. The claim of traditional diplomats to be able to deliver effective public diplomacy without specialists is inconsistent and incongruous. The claim is not supported by evidence.

124. DFAT needs to concentrate on improving the standards and outcomes of its much-needed core competencies in traditional diplomacy. To this end it needs to be freed of the distractions and burdens of public diplomacy responsibilities for which its skills, culture and structure are unsuited.

Recommendations under reference (c)

Recommendation 4: Australia must rebuild and relaunch its public diplomacy capabilities within a new agency specialising in whole-of-government international public affairs. It must have staff and resources to be able to work on specialist tasks internationally as a team. It must have overseas positions for specialist officers. It must have a structure and a recruitment and staff development program necessary for it to be the ‘viable core of specialisation’ envisaged in *Management and Operations of the Department of Foreign Affairs and Trade*, the report of the former Senate Standing Committee on Finance and Public Administration, published in December 1992. (See Attachment D for a draft organisation chart of an Australian Public Diplomacy Agency.) The agency must have clear whole-of-government objectives, autonomy in recruitment and assignment of personnel, and direct accountability to government for its budget, expenditure and outcomes. (See Attachment E for a draft government directive to an Australian Public Diplomacy Agency.) If retained within the Foreign Affairs and Trade portfolio, the new specialist public diplomacy organisation must be a prescribed agency within the meaning of Section 5 of the *Financial Management and Accountability Act 1997* providing a separate annual report and financial accounts to Parliament (ref. Finance Circular 2003/01, ‘Prescribing Agencies under the *Financial Management and Accountability Act 1997*’).

Recommendation 5: Findings of the Australian National Audit Office (ANAO) performance audit recommended under reference (a) should inform detailed recommendations to the Government on the budget and resources required to implement administrative improvements in Australia’s public diplomacy.

Recommendation 6: In addition to reform of administrative arrangements and structures and financial accountability, Australian public diplomacy must have effective whole-of-government high-level strategic guidance, and engagement with the wider non-government community. For these purposes examine:

- (a) the adaptability for Australia’s needs of the models provided by the US Advisory Commission on Public Diplomacy, and the UK Public Diplomacy Board
- (b) the potential for extending the mandate of existing Australian bodies, such as the Ministerial Committee on Government Communication

- (c) the potential for an entirely new Cabinet sub-committee to sit above whole-of-government direction of Australia's public diplomacy
 - (d) the potential for a permanent sub-committee of either the Senate or the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade to maintain permanent parliamentary oversight of Australia's public diplomacy.
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d. The need, and opportunities for expanding levels of funding for Australia's public diplomacy programs, including opportunities for funding within the private sector

125. Establishing Australia's new public diplomacy agency as outlined in recommendation 4 and attachments D and E will require a combination of new investment and reallocation of existing resources within the Foreign Affairs and Trade portfolio. Setting the level of new funding will need to be informed by performance audit findings as recommended elsewhere in this submission. Some of the capabilities and structures required must be created from scratch. Among these are the means to support all of the streams of public diplomacy activity and production which require high-quality imagery and audiovisual material.

Disappeared images of Australia

126. It is ironic that the Department of Foreign Affairs and Trade chose the name Images of Australia Branch for the under-resourced team of 10-13.5 people who have run its public diplomacy programs since 1996. Few Commonwealth departments apart from DFAT produce less or make less effective use of imagery. The technical and creative ability to capture and effectively use high-quality imagery is among the defining characteristics of a versatile professional public affairs capability.

127. From the earliest days of the Department of Information and throughout its 57 years, Australia's former specialist international public affairs agency played a unique role in creating and maintaining a current photographic, audio and film record of the people, economy and landscape of Australia. The immediate purpose was production of high-quality up-to-date images for international publicity through the media, special publications and exhibitions, and video releases and documentaries that supported Australia's international objectives. The legacy is a unique record of national life, much of which, fortunately, now is preserved in the Australian War Memorial, the National Archives of Australia, and the National Film & Sound Archive.

128. The DoI/ANIB/AIS-etcetera photo library spanned 57 years of national life and contained the work of some of Australia's best photographers. The Australian War Memorial houses a large collection of World War Two photographs by Department of Information photographers, including Frank Hurley, Damien Parer, George Silk, William Carty and James Fitzpatrick.

129. Following the agency's abolition in 1996, DFAT ordered the dumping of the remaining post-World War Two photographic, radio and film library holdings. That any of these holdings were saved was due mainly to the initiative of ex-AIS Australian Public Service librarians, photographers and film directors.

130. They rescued irreplaceable photographs from trucks ordered by DFAT to dump a large part of the photo library at a Canberra rubbish tip in 1996. Nevertheless, a large amount of audiovisual material was lost in the DFAT cleanout of the former International Public Affairs Branch offices in the Edmund Barton Building, Canberra.

131. The order to dump the material seemed incongruous at a time when the department placed, as it continues to place, high priority on cultural diplomacy.
132. From 2001, the National Archives of Australia placed selections from the DoI/ANIB/AIS-etcetera photo collection online on its website (www.naa.gov.au) where it remains featured content today.
133. Some costs of a continually renewed official Australian photographic and video library established within a new public diplomacy agency could be offset by fees for commercial use. The library would have significant future heritage values.

Private sector funding of public diplomacy

134. Privatised and corporatised forms of diplomacy — including traditional and public diplomacy — are becoming more common. Some are outgrowths of a long tradition of business philanthropy. Some multinational corporations involved in setting up and funding their own quasi-diplomatic foundations have revenues exceeding the GDP of small countries. Some have more ambitious agendas for international influence than small countries.
135. Private sector funding of public diplomacy, private sector funding of private diplomacy and public sector funding of private diplomacy are common in international relations. The Department of Foreign Affairs and Trade and its predecessors entered the field many years ago, mainly through proliferation of cultural foundations and councils established under bilateral agreements and grants to institutions and other bodies. DFAT annual reports also demonstrate some successes in co-funding and corporate sponsorship of international public events.
136. No end to the privatisation and corporatisation of diplomacy is in clear sight, but it is a very long way from subsuming the continuing organisation of the world in nation states. National governments still need to be the major bankers of efforts on the world stage in their own national interest. There are limits to the extent to which corporate and private ventures in public diplomacy may be expected or relied upon to serve national agendas. Non-government organisations usually have their own agendas.
137. Many notable private, institutional and corporate bodies engage in public diplomacy. Among the newest and largest is the Bill & Melinda Gates Foundation (ref. <http://www.gatesfoundation.org/>) set up by Microsoft Corporation founder Bill Gates and his wife in 2000, and doubled in 2006 by businessman Warren Buffett. The Gateses and Mr Buffett want to change the world, and they have made a joint endowment of US\$33billion with which to do it. Their foundation employs two thirds as many staff as AusAID and spends about two thirds as much annually as AusAID (US\$1.55billion) on a broad international program of poverty alleviation, health and education.

138. Among other US-based NGOs with a high priority on public diplomacy, the United Nations Foundation was established in 1998 with a US\$1 billion gift from entrepreneur Ted Turner. Its mission statement says that the UN Foundation ‘builds and implements public-private partnerships to address the world’s most pressing problems, and broadens support for the UN through advocacy and public outreach’.
139. Prominent Australian businessman Frank Lowy established the Lowy Institute for International Policy (ref. <http://www.lowyinstitute.org/>) in April 2003. The institute quickly developed a profile as a foreign policy think tank along traditional lines. It is notable for the breadth of its engagement across business, academia and officialdom. The Lowy Institute describes itself as having two core tasks, first, ‘To produce distinctive research and fresh policy options for Australia’s international policy’ and second, ‘To promote wide discussion of Australia’s role in the world’. Commissioning of international attitudinal research (The Lowy Institute Polls) is an activity of the institute possibly suited on the basis of case-by-case evaluation to co-funding with a new Australian Government public diplomacy agency. Research findings could have significant benefits in planning and evaluating public diplomacy campaigns, and in early identification and tracking of attitudinal change in certain target audiences.
140. The first Australian Minister for Foreign Affairs to launch the concept of public diplomacy, Gareth Evans, now heads the International Crisis Group, ‘an independent, non-profit, non-governmental organisation, with over 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict’ (ref. <http://www.crisisgroup.org/>). The extent to which the Crisis Group is ‘non-governmental’ is somewhat semantic given that the group includes numerous other retired foreign ministers and senior diplomats, and depends on government funding. The Crisis Group identifies 24 of its 55 institutional donors in 2005 and 2006 as either foreign ministries or the international development assistance agencies mostly of countries with which its members have been associated in former official capacities, including Australia’s AusAID. The strong point of the Crisis Group is the multinational expertise of its membership in high-level traditional diplomacy. Its limited public diplomacy activities and capabilities are consistent with this background.

Conclusions under reference (d)

141. Additional funding will be required to establish Australia’s new specialist public diplomacy agency. The appropriate level of new investment, and the possibility of reallocation of existing resources, needs to be determined on the basis of findings of the ANAO audit and other recommendations under reference (a) and (c).
142. Future co-funding and sponsorship opportunities for public diplomacy will continue, as in the past, with major international promotional events such as the World Expo. DFAT reporting (see appendices of the 2005-2006 DFAT Annual

Report) shows that the department has achieved a significant level of corporate participation and support for such activity.

143. Co-funding with other governments and with non-government bodies has potential for sharing costs such as international attitudinal research to inform public diplomacy planning and evaluation. Co-funding possibilities and potential partnerships in public diplomacy need to be under continuous review in the operation of a new Australian public diplomacy agency.

Recommendations under reference (d)

Recommendation 7: Findings of the Australian National Audit Office (ANAO) performance audit recommended under reference (a) should inform detailed recommendations to the Government on expanded funding and reallocation of resources required to improve Australia's public diplomacy, and opportunities for funding within the private sector and fees for service.

Attachment A

History of Australia's public diplomacy

This is an edited form of notes researched for an audiovisual presentation by ex-Australian Information Service officer Grant Thompson to a Canberra luncheon of the International Public Affairs Network on 10 December 2001. This history of Australia's public diplomacy provides detail omitted from the 'historical backdrop' on page 7 of the Department of Foreign Affairs and Trade submission to the inquiry.

1939-1949: Department of Information

Australia established its whole-of-government international public affairs capability in 1939 in the Department of Information. The department included Radio Australia. Departmental responsibilities included wartime propaganda and censorship. The first Australian information officer posted overseas went to New York in 1940. By 1949, there were 20 public affairs officers at 10 Australian diplomatic missions and posts.

From its beginning, Australia's international public affairs agency employed senior specialists with the range of media skills needed to create product that could compete with the best for audience attention. The Department of Information's first head of photography was Frank Hurley, a world-renowned expert in photography in difficult and dangerous places. Early in his career, Hurley became the most famous expedition photographer of his day. He produced remarkable photographs and cine-film accompanying Mawson's Antarctic expedition in 1911, and Shackleton in 1914-16. He returned from Antarctica to be an official Australian photographer on the Western Front in the First World War. He photographed expeditions in Papua and produced travel films and books. Hurley was awarded an OBE in the 1941 New Year honours for his work as an official photographer.

1941-45: war documentary wins Australia's first Oscar

The Department of Information won Australia's first Oscar in 1942, in the documentary feature category, for Damien Parer and Frank Bagnall's film, *Kokoda Front Line*. In 1943, *The Argus* war correspondent, George H. Johnston, wrote of the department's cinecameramen doing 'one of the most magnificent jobs...ever done by a handful of young men' as they worked under difficult and dangerous conditions to shoot newsreel footage in the front lines.

Parer was killed in action in 1944, while working for Paramount News after leaving the Department of Information. His colleague George Silk went on after wartime service in the department to work as a photographer for *LIFE* magazine for several decades.

1949-1972: Australian News and Information Bureau (ANIB)

In 1949, the Department of Information became the Australian News and Information Bureau (ANIB) in the Department of the Interior. Radio Australia, previously part of the Department of Information, was separated from ANIB.

In 1949, ANIB had 17 journalistic staff overseas — in San Francisco, New York, Ottawa, London, The Hague, Paris, New Delhi, Bombay, Singapore and Cairo. Changes in 1950 reduced the number of overseas officers to 11— three in London, three in the United States and one each in The Hague, Bombay, New Delhi, Singapore and Jakarta. Within Australia, it had 25 journalistic staff.

1972–1976: Australian Information Service (AIS)

In 1972, the Australian Information Service (AIS) was established with overseas responsibilities, incorporating the Information Branch of the Department of Immigration, in the new Department of the Media.

1975: Research shows positive results of AIS work in Japan

Independent research findings in 1975 illustrated how well the Australian Information Service did its job in Australia's major trading partner countries.

In August and December 1975, International Research Associates (INRA–Asia) conducted for the Australian Government a study of Australia-Japan relations called Project Goshu. One of the study's objectives was to 'evaluate...the impact of Australian information activities in Japan'. The survey found that the Australian Information Service was a positive factor in Australia-Japan relations.

It found 'impressive evidence as to the effectiveness of Australian information activities in Japan'. Specifically, it noted that the 'accurate levels of knowledge and understanding are found nearly twice as often among elite (in Japan) who receive Australian information materials as among those who do not'.

It commented that it was 'highly probable that Japanese who are exposed to AIS materials are not only better able to recall recent news about Australia but are also better able to evaluate the significance of such news'.

1976–84: AIS moves to Administrative Services

AIS moved to the new Department of Administrative Services and the Immigration Information Branch returned to the Department of Immigration and Ethnic Affairs in 1976.

Under the Department of Administrative Services, AIS operated as a discrete organisation with a whole-of-government mandate and was not tied to any portfolio.

In 1977, AIS had 29 Australia-based officers stationed at 23 posts in 22 countries. The AIS budget in 1976-77 was \$4 258 000: one quarter was for salaries and operational expenses at overseas posts and the remaining \$3 million for salaries and cost of production of publications and public affairs material in Australia.

By 1984 AIS employed 150 officers, including support staff. There were 28 public affairs officers working in 24 countries and another 80 journalists, photographers, cinematographers and artists in Canberra and six State offices.

1984–87: Price Waterhouse study praises AIS

After the December 1984 elections, AIS was attached to the Department of Sport, Recreation and Tourism as the Australian Government's overseas information service. It was subsequently renamed Promotion Australia.

The organisation's officers remained mainly media specialists. They were journalists, photographers, artists, and television and radio producers and directors. This reflected the mix of skills required to place material with international news media, as well as produce material for effective direct public distribution. With headquarters in Canberra, Promotion Australia had an office in each State capital. Overseas, officers were located at 20 missions.

In 1984, Price Waterhouse was commissioned to carry out the first independent scrutiny of Australia's overseas information service in its then 45-year history. Price Waterhouse subsequently reported:

AIS is a unique information organisation. The uniqueness results from a capacity to research, obtain, develop and successfully place information in support of Australian interests with overseas print, radio and television media organisations. No other organisation in Australia and few in other countries have these capabilities, and fewer still have the capabilities within an organisation of 150 people.

1987–1996: Overseas Information becomes a branch of DFAT

Under the Machinery of Government changes in 1987, Australia's overseas information service (now called Promotion Australia) was merged into the Department of Foreign Affairs and Trade. Under DFAT, the organisation was renamed, in succession, the Australian Overseas Information Service, the Overseas Information Branch (OIB), and the International Public Affairs Branch.

In 1987, the department declared redundant 40 of Promotion Australia's then 138 positions allocated to global tasks. Eighteen senior public affairs officers were encouraged to take early retirement, creating a major loss of expertise and corporate memory.

1987: Ogilvy & Mather study confirms public affairs success in US

Independent sources provided ample and clear evidence that blunting Australia's professional edge in international public affairs was contrary to the national interest.

In 1987, Ogilvy & Mather conducted an inquiry, which confirmed the effects under-resourcing had on Promotion Australia efforts to meet the Australian Government's goals in the United States. The US is one of the most competitive public affairs markets, and one in which it is most difficult for another country to make its 'voice' heard.

The inquiry commended the publications produced by Promotion Australia (fact sheets, handbooks, newsletters and magazines) and the ability of its officers to obtain media coverage '...media relations is obviously Promotion Australia's forte'. Ogilvy & Mather urged the Australian Government 'to increase the budget allocation for Promotion Australia to give it a boost toward success in its efforts to gain broad US support for Australian interests'.

1992: Senate inquiry into DFAT

Management and Operations of the Department of Foreign Affairs and Trade, the report of the former Senate Standing Committee on Finance and Public Administration, was published in December 1992. It made extensive recommendations, which the Government of the day accepted but never implemented. The first two of the Committee's 33 recommendations dealt with the international public affairs service, then known as the Overseas Information Branch (OIB) in DFAT:

Departmental reorganisation

1. if the Government decides to retain a specialist public relations capacity within DFAT, it should do so in such a way as to maintain a viable core of specialisation within a single branch;
2. that branch be given clear and unambiguous objectives related to the undertaking of specific public relations campaigns and activities.

Referring to evidence that DFAT management had tried to abolish the international public affairs service, the 1992 report said, 'The Committee is concerned that officers in senior positions who have not made good use of a specialised resource may not be the best judges of its value.'

The report also commented that '...if there is a significant requirement for overseas public relations activity, DFAT should use public relations specialists for the task'.

1992: Video helps save game meat exports to Europe

An OIB video on wild pig hunting presented to the EU Nomenclature Committee helped save a \$20 million game meat industry and 500 jobs in rural NSW. (The video countered false allegations by EU agricultural competitors that the meat came from domestic animals and, therefore, was subject to tariffs.)

1993: Documentary counters discrimination claims in Taiwan

In response to concerns by the Australian education export sector, OIB produced and placed a documentary on TTV Taiwan's 'Hotline' program, which immediately doubled local student inquiries, and reduced threats to a billion dollar industry. (Using interviews with Taiwanese students on Bondi Beach and other scenic locations, the video showed that widely publicised complaints from one distressed Taiwanese student stemmed not from discrimination, but a short-lived condition known as culture shock.)

1995: PD campaign helps to end French nuclear tests

On 13 June 1995, French President Jacques Chirac announced he would break a three-year moratorium and resume nuclear testing in French Polynesia. France planned to conduct eight underground tests, particularly in Mururoa Atoll. Apart from causing geographical degradation of the atoll and exposing inhabitants of the South Pacific to potential health risks, France's actions jeopardised international security agreements for the Comprehensive Test Ban Treaty, which all countries were expected to sign by May 1996. OIB devised and oversaw Australia's international public response to the decision. A coordinated campaign, run largely through professional public affairs officers based at our overseas missions, highlighted the

reasons for Australia's opposition to the tests and built on other international protests. As a result of the international pressure, France stopped nuclear testing on 22 February 1996, three months short of the expected testing interval and after completing only six of the projected eight tests. International condemnations ended when France signed the NPT on 1 May 1996.

1996: Abolition of international public affairs

Within days of the April 1996 Federal election, the new Foreign Minister, Alexander Downer, approved a Department of Foreign Affairs and Trade recommendation to abolish the international public affairs organisation which had given Australia an edge in public diplomacy for 57 years.

The news media response was widely critical. P.P. McGuinness wrote (*The Sydney Morning Herald*, 11 May 1996):

...the abolition of the Foreign Affairs public affairs branch was planned long before the election and merely reflects the hatred of an incompetent and corruption-riddled department for journalists.

Asia-Pacific marketing consultant, economist and former senior Trade official Denis Gastin wrote (*The Australian*, 14 May 1996):

...the good news is that the Coalition Government has assigned the highest priority to furthering Australia's enmeshment in Asia. The bad news is that it is taking away the means to achieve it... It looks very much like bureaucratic vested interests have prevailed on ministers with the view that enmeshment with Asia is essentially a diplomatic function... The emphasis on diplomacy as the core instrument of trade policy is not a good sign.

Attachment B

Brief on public diplomacy to incoming government in 1996

The following document was a brief to the incoming government in 1996 from the International Public Affairs Branch (IPB) of DFAT. It is an historical document which shows the high quality of strategic advice which the former international public affairs agency provided to government. Formatting differs from original hard copies because the text was copied and pasted from archived electronic files.

BRIEF FOR INCOMING GOVERNMENT

SAVINGS POSSIBLE BY RESTRUCTURING PUBLIC DIPLOMACY IN THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

This briefing paper is designed to bring to the attention of the new Government, waste and duplication within the Public Affairs Division of the Department of Foreign Affairs and Trade (DFAT) which, if corrected, could provide significant savings. The action would also remove the threat under existing arrangements to the future viability of both professional public relations in the department and the successful international projection of Australia and the objectives of the Australian Government.

PURPOSE

Given the Coalition's policy statement on Departmental reform—where it notes the second primary policy of the department is implementation of the Minister's policy and the important public affairs function of projecting and explaining policies to the Australian public and overseas—this rationalisation will bring a leaner, more efficient professional public diplomacy operation to the Department.

RECOMMENDATIONS

- That the cultural relations activities of the Department be rationalised, including abolition of the Australia Abroad Council, bilateral foundations and institutes, cessation of multi-million dollar single country promotions and government funding of cultural tours abroad. Savings could amount to more than \$20 million over three years, including \$1.6 million in salaries.
- That management of international cultural relations activities be absorbed along with the department's international and domestic public relations functions into an *AusImage* Foundation or Institute, which would take on most of the activities of the current Public Affairs Division of DFAT. Excluded would be Protocol and Historical Documents Branches which would be absorbed into the Executive Branch area.

Attachment B - Brief on public diplomacy to incoming government in 1996

- That the Department not extend the Market Australia program beyond its present 30 June cut out date. Currently the Market Australia operation costs \$7 million a year including \$470,000 in salaries. Its \$21 million expenditure from 1994–1996 has not been justified by concrete results.
- That moves currently underway to abolish International Public Affairs Branch (IPB)—the repository of Australia’s body of professional knowledge of public diplomacy—be suspended pending consideration of the above proposals and an examination by Ministers of the decision making process that led to the ‘restructuring’ of IPB.

ISSUES

The proliferation of bilateral councils, institutes and foundations established within the International Cultural Relations Branch of the Department by the former Minister for Foreign Affairs, Gareth Evans, and run in the main by generalist officers with no professional qualifications, background or experience in international public diplomacy, has led to considerable duplication of effort, operational inefficiencies and wasted opportunities.

The considerable sums expended on these activities can be appreciated from the following table:

FOUNDATION	1992–93	1993–94	1994–95
Australia Abroad Council	642,000	689,268	1,000,000
Australia–NZ Foundation	105,000	105,000	105,000
Australia–China Council	686,000	686,000	686,000
Australia–Indonesia Institute	1,000,000	1,000,000	1,000,000
Australia–India Council	550,000	800,000	850,000
Australia–Korea Foundation	500,000	750,000	800,000
Australia–Japan Foundation—trust fund	968,000	968,000	968,000
—running costs	703,327	925,320	847,395
TOTAL	5,154,327	5,923,588	6,256,395

To these sums can be added the amounts spent as ‘seed money’ on integrated country promotions e.g. Celebrate Australia, Japan 1993 (\$2,000,000), Australia Today Indonesia 1994 (\$5,000,000), New Horizons Promotion, India 1996 (\$3,000,000) and smaller promotions e.g. Trade and Cultural Promotion, Hong Kong 1996 (\$100,000). The return from the large amounts spent on such projects is debatable.

This unfocused and non-professional approach to public diplomacy is also apparent in the establishment of the Labor Government-initiated Market Australia Unit. This unit, again staffed by generalist officers, largely duplicates the activities of IPB in the Department and conflicts with Austrade’s marketing activities. A critical and independent analysis of Market Australia Unit activities will show that it has been largely unsuccessful in its mission despite expenditure by the end of this financial year of \$21 million. It has failed to win extensive support from the private sector. On the other hand, IPB, which has worked apolitically under all governments for more

Attachment B - Brief on public diplomacy to incoming government in 1996

than 50 years, has been projecting positive images of Australia successfully for decades.

The proposal put forward in this paper would see the replacement of this unfocused and ad hoc approach to one aspect of public diplomacy with a proven established professional value for money service unit that delivers results—and one that would serve the whole of the Australian Government, not just one narrow portfolio.

The *AusImage* Foundation or Institute would operate under the Foreign Affairs Portfolio along similar lines to AusAid and Austrade. It would be a lean operation with some commercial activities, including the semi-commercial International Media Centre in Sydney—an IPB initiative. The Government-funded part of the Foundation/Institute's budget would be \$10 million compared with the current Divisional budget (less Protocol and Historical Documents) of about \$30 million.

Public Affairs units and their operations in 19 major overseas posts would be transferred (along with appropriate funding) to the Foundation/Institute. Cultural positions abroad would be withdrawn, saving around \$1.75 million, and their function carried out by existing professional overseas Public Affairs Officers. The details of the proposal—based on much of the evidence to the six-month long Task Force into Future Directions of Public Affairs in DFAT—would be finalised by an implementation team including senior professional public relations officers currently managing the International Public Affairs Branch in DFAT.

Abolition of International Public Affairs Branch

In addition to closely scrutinising the expensive duplication and inefficiencies in the area of Departmental cultural relations, the incoming Government should also be aware of the following situation in DFAT which threatens the future viability of public affairs operations in that Department and the successful international projection of the objectives of the wider Australian Government.

- the former Secretary of DFAT decided to abolish the International Public Affairs Branch (IPB) and disperse its resources around the Department;
- IPB is the main repository of professional expertise in international public affairs for the Australian Government with a history extending over 50 years;
- concerned officers believe that the former Secretary's decision will result in a diminution of the effectiveness of international public affairs in the Department and the wider Australian Government;
- the former Secretary's proposal repeats a similar experiment tried over a number of years in the Department which had been judged to be a failure;
- IPB was extensively restructured in 1994 to take account of the concerns expressed by the former Secretary, and that restructuring had led to significant positive results and achievements in the field of international public affairs.

A more detailed account of the threat to public affairs operations in DFAT is attached.

Attachment

RESTRUCTURING INTERNATIONAL PUBLIC AFFAIRS IN DFAT

The Department of Foreign Affairs and Trade (DFAT) is about to destroy a highly professional body that has over many years been significantly responsible for building a positive image for Australia internationally.

The former Secretary of the Department recently decided to abolish the International Public Affairs Branch (IPB) and replace it with a structure devised by his senior 'public affairs executives', not one of whom has any professional training in this field.

His decision came after a process that only too closely mirrors other so-called 'consultative' processes in the Department—the conclusion of six months of intensive discussions saw the former Secretary adopting the plan which he had suggested at the beginning of the process. The only change was one thrust upon him because the Department had allowed numbers of public affairs staff to run down to such an extent that the original scope of his plan could no longer be sustained.

The decision runs completely counter to the advice of numerous public affairs professionals with literally hundreds of years of combined practical experience that the new plan would not work, indeed had been tried before in the Department and had been found wanting.

The former Secretary's restructuring will abolish an organisation whose success rests upon the complementary nature of its staff's skills and the harnessing of the synergy that flows from professionals working together to solve problems and create opportunities.

In its place, the proposal will scatter these resources around the Department, with Public Affairs Officers (PAOs) isolated and answering to non-professional clerical staff whose priorities will reflect only their own bureaucratic agendas. A proposed review of public affairs product and production resources seems likely to deny these isolated public affairs officers the professional support they require to conduct credible international public affairs programs. A further review seems aimed at eliminating professional public affairs officers in overseas posts.

The result of this restructuring will almost certainly be the disappearance of the organisation that has helped for more than 50 years to make Australia and its policies known around the world through an integrated 'whole of government' approach. Its replacement will pay lip service to the international public affairs needs of the Department (and perhaps the wider government), but in fact operate simply to strengthen the Department's image with its domestic constituents.

What is public affairs?

Public affairs is the deliberate, planned and sustained effort to establish and maintain mutual communication with an organisation's many publics. DFAT uses public affairs to improve knowledge of, and support for, its policies, its programs and its services by modifying perceptions and attitudes and, hopefully, affecting the behaviour of target audiences.

DFAT public affairs activities abroad are managed by IPB, part of the Public Affairs Division. The Branch is staffed by public affairs officers and other communications specialists.

IPB officers are selected for their public communication skills. They support Government, business and industry clients through:

- analysing situations to determine communications issues (this might often include qualitative and/or quantitative research);
- developing strategies that define the audiences, messages, media and time-frames for communication campaigns;
- designing campaigns employing a range of communication techniques— direct and indirect—to reach target audiences in the most cost-effective manner;
- managing and, if appropriate, implementing campaign activities which may require extensive liaison with the media (including specialist media such as industry or ethnic), media conferences and releases, production of newsletters, publications, video and multimedia product, organisation and preparation of speeches, briefings, displays and exhibitions, community and other special events; and
- evaluating communication campaigns to ensure that objectives are achieved.

Some history

IPB and its forerunners have been responsible for Australia's public affairs and information activities overseas since the beginning of World War II. The organisation has operated under seven different names in six Departments since its inception 56 years ago.

The Branch traces its origins to the Department of Information which was established by the Menzies Government in September 1939. During World War II, the Department was the Government's news and information agency and its functions included:

- Production and dissemination of information about Australia overseas—through information offices in Australia's first overseas missions such as London and New York;
- Operation of short-wave international broadcasting (Radio Australia);
- Administration of the Australian National Film Board; and
- Production of immigration, trade and tourist publicity.

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On the abolition of the Department of Information in 1949—after the election of the Menzies Government—the Australian News and Information Bureau (ANIB) was established and placed under the authority of the Department of the Interior.

While losing Radio Australia, ANIB was given for the first time a domestic role in addition to its overseas role. The Bureau was responsible for the production of publicity material for use inside Australia on important matters of national interest and to provide information and publicity services to Government departments and agencies as required.

In 1972 after the election of the Whitlam Government, the ANIB was renamed the Australian Information Service (AIS). It was placed in the newly created Department of the Media as part of the Australian Office of Information which separated the information program into two branches—AIS with overseas responsibilities, including immigration promotion, and the Australian Government Liaison Service (AGLS) with domestic responsibilities.

In 1976 after the election of the Fraser Government AIS was moved to the newly formed Department of Administrative Services. Its immigration publicity component was transferred to the Department of Immigration and Ethnic Affairs in the same year.

In December 1984, AIS was transferred to the Department of Sport, Tourism and Recreation. In 1986 the service was renamed Promotion Australia (PA).

In August 1987, PA was transferred to the newly formed Department of Foreign Affairs and Trade (DFAT) as part of the Government's machinery-of-government changes which created mega departments. The new Department also included the former Department of Foreign Affairs and elements of the former Department of Trade.

In DFAT, PA's name was changed to the Australian Overseas Information Service (AOIS). In 1989–90 this was changed to the Overseas Information Branch (OIB). In 1994 the OIB became the International Public Affairs Branch (IPB).

In the eight years since amalgamation, the Department has:

- 1987—reduced the organisation's staff from 140 to about 60, including overseas PAOs, and progressively closed State offices and overseas posts
- 1989—retired 18 of the organisation's most experienced senior officers
- 1992—reviewed the Branch's operations and recommended abolition and dispersal of staff and functions to 14 separate public affairs units in divisions
 - this recommendation and the review's methodology were strongly criticised by the Senate Standing Committee on Finance and Public Administration in its 1992 Inquiry into the Management and Operations of DFAT. Senators recommended that the Department should maintain a viable core of specialisation within a single branch.

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- 1994—placed a freeze on filling PAO vacancies in the Branch despite salary funds to cover the positions
- 1995—the former Secretary announced his intention to restructure the Branch by dispersing 15 officers to Divisions and setting up a much reduced production unit
 - a Task Force was established to examine future directions of public affairs in the Department. After sitting for six months the task Force presented a series of models to the former Secretary, who selected his original proposal, slightly modified to account for there being not enough public affairs officers to staff the model he originally proposed.
- March 1996—staff recruitment freeze resulted in a total of 22 Public Affairs Officers left in the Branch (15 writing PAOs—including two on extended sick leave and three about to be made redundant; plus seven technical officers).

The proposal

The former Secretary decided that public affairs in the Department will henceforth conform to his model.

The former Secretary's proposal will see:

- The transfer of one PAO position to each of the other ten DFAT divisions, these positions to be filled by transferring officers currently in IPB.
- The abolition of the position of Branch Head, International Public Affairs Branch and two of the three director positions at the SPAO 2 level (all vital personnel in the Branch's strategic operations) and redeploy the occupants of the latter positions.
- The establishment of a Public Affairs Resource Centre (PARC) within Public Affairs Division under the direction of an SPAO 2 responsible for the production of public affairs material, special projects and the coordination of cross divisional public affairs issues. The PARC will also be responsible for the preparation of an annual public affairs plan for the department. On present staff numbers there will not be enough officers to fill positions in Divisions and adequately staff the PARC.
- The conducting of an external review of the public affairs material currently produced by the department and to complete the review within three months of its commencement.
- The transfer of responsibility for overseeing the visit program (media visitors, high profile political invitees, cultural exchangees) from IPB to the divisional administration unit, which currently has no history of expertise in managing visit programs.
- The review of the classification of the PAO position in Seoul with a view to deciding whether or not it may be more appropriately classified outside the scope

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of the public affairs stream and put on hold decisions about the structure of other overseas PAO positions until this review is concluded.

Arguments against the proposal

The main arguments against the former Secretary's model include:

- It winds back the clock to a devolved public affairs structure tried from 1988-1994 which the Department agreed failed. DFAT Executive, divisions and the branch endorsed and implemented a new structure to overcome this only last year.
- It has been shown to be grossly inefficient. Extensive evidence presented to the task force, in the form of a resource implication assessment, showed that this model, if applied to current tasks, would result in additional salary costs of half a million dollars a year above the existing structure. The inefficiency arises from the model's lack of co-ordination and the considerable duplication created by the decentralisation of the public affairs function through 10 divisions.
- It ignores evidence to the Task Force that no other Government Department has such a devolved structure for public affairs. The few departments that devolved have long since reverted to a centralised public affairs structure. This model also runs counter to the experience of private and public sector public affairs experts. It is based on assumptions by non-specialists with just weeks or months of exposure to public affairs operations.
- It requires the dismemberment of IPB and the dispersal of interrelated international public affairs functions and appears to be more about absorption and dispersal than promoting integration as claimed by its proponents.
- It ignores evidence before the Task Force of practical difficulties and disadvantage to public affairs officers which will have industrial ramifications. These relate to training, specialised supervision, careers, access to computer hardware and software essential to function, accommodation, and job classification levels.
- Contrary to the claim that the model is consistent with program management principles of the APS, it was made clear to the Task Force that program management principles do not require all functions to be dispersed and decentralised where this would be inefficient.
- Those proposing the model presented no empirical evidence to support assertions to the Task Force that this model would lead to closer integration of public affairs and other policy work, nor that it would lead to closer alignment of public affairs priorities and policy priorities. Yet evidence presented showed that procedures adopted from May 1995 have achieved substantially these two objectives without changing the Branch structure.
- Under this model divisional program managers will control only a small part of their public affairs programs and will not control the implementation phase of their public affairs program. They will have to rely on the cooperation and available

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resources of the Public Affairs Resources Centre (PARC) belonging to another division, therefore distancing outputs from desired outcomes.

Achievements of IPB

The proposal to abolish IPB and substitute the former Secretary's model should be seen in the light of significant achievements of the Branch achieved with its current structure during 1994–95. These include:

- Implementing the restructure of the Branch to make it more responsive to clients. This encompassed the early retirement of six officers to enable cost-neutral promotion/recruitment of 14 PAOs, including seven new PAO1 positions.
- Reviving the long shelved concept of an International Media Centre, promoting the concept to win Executive and Ministerial support, and planning to manage and operate the centre through the Year 2000.
- Conceiving, developing and successfully promoting to Executive a new approach to the coordination and development of the Department's overseas visits programs.
- Maintaining and improving liaison and support service provided to all Posts abroad including pictorial, reference and production.
- Revising, updating and re-publishing the range of basic information material used globally to introduce Australia, Australiana and Australian interests. As well, the Branch found a way to respond more effectively to Post requirements for localised product, in language.
- Pioneering within the Department the use of interactive international satellite television conferences and broadcasts providing Ministers with an opportunity to deliver their message to influential audiences in near regions (Thailand, Indonesia, Singapore, Kuala Lumpur, Manila, as well as ten South Pacific countries), then further afield to Latin America and South Africa.
- Completing the Australian/Japanese language CD-ROM *Australia Good for Business* and distributing it widely through posts to highlight wide-ranging reforms within Australia that made it a better partner with whom to do business.
- Initiating and driving the Department's entry to the Internet, capitalising on new technology to provide innovative and cost effective information dissemination channels as well as potentially powerful public affairs tools.
- Restoring the Special Visits Program to its highest level (42 visitors) since 1990–91.
- Providing media liaison support to more visiting Heads of Government, Heads of State and dignitaries than in any one year since the 1988 Bicentenary.
- Proving a concept of value added public affairs technique by securing rights to a \$1 million television series promoting Australian inventiveness and then placing

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the programs with television broadcasters in 15 key countries—all for less than \$30,000.

- Re-introducing annual post public affairs plans for 20 key Posts—giving clear indication to the Branch of the support required by those Posts in meeting Australia's objectives and providing an integrated work plan which reflected both Departmental and post objectives.
 - Opening a public affairs post in Shanghai to capitalise on opportunities to promote Australia in south-east China.
 - Promoting Australia's key environmental objectives internationally through support for the Department's multilateral agenda, the environment newsletter, the monthly environmental public affairs cable and the clean up the world campaign.
 - Providing extensive public affairs support for the South Pacific Forum, the Global Cultural Diversity Conference, the Market Australia launch, NTIOC '94, and Australia Today, Indonesia.
 - Developing and implementing a sector promotion project with Austrade, producing print, television and radio material on (five) nominated industry sectors for placement with media in target countries.
 - Publishing a series of publications on trade reforms (etc) as well as a number of products not associated with the Branch's core business, including the Annual Report, the Corporate Plan, the Department's Security Awareness Package, and the Department's domestic Corporate Identity package.
 - Achieving all this within allocated funding and in spite of a staff freeze that put the Branch 12 below funded strength.
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Attachment C

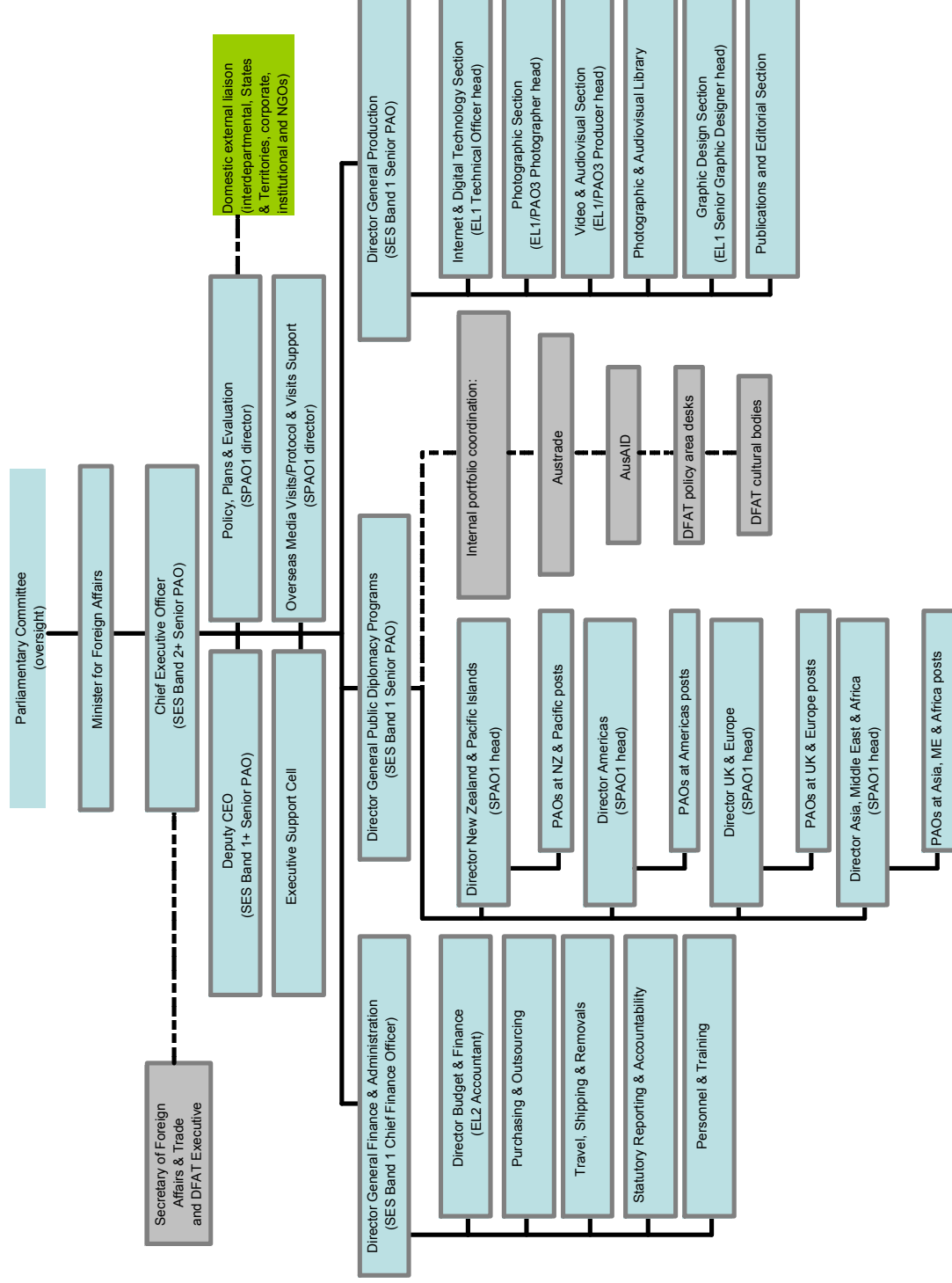
China's specialist public diplomacy agencies

Five of the most powerful organs of Chinese public diplomacy in 2007 are state-run media outlets. This illustrates the extent to which China's achievements in public diplomacy derive from a major investment in specialist government agencies. China's authoritarianism is largely irrelevant to the effectiveness of its public diplomacy: China's message is projected into a global environment beyond Chinese authority. The reason for China's success is its comprehensive and coordinated use of specialists in the media and public relations. China's strategic use in public diplomacy of specialisation in the mass media and international public relations contrasts starkly with Australia's abolition in 1996 of its former specialised international public affairs capability.

1. Xinhua News Agency (新华社) is the major state-run news agency of the People's Republic of China. It is China's largest news and pictorial organisation as well as its largest and best-resourced in terms of multilingual output and international representation and dissemination. It has built a significant global market share as a news service provider to news media outlets, using competition and reciprocity with international news agencies represented in China such as Reuters, Associated Press and Agence France-Presse. The agency was founded in 1931 as Red China News Agency and renamed Xinhua News Agency (New China News Agency) in 1937. The agency has more than 7,000 employees and branches in more than 100 countries and regions. (In comparison, the partly French Government-owned Agence France-Presse has around 2,000 staff, and the UK-based Reuters news agency has about 1,400). Xinhua comes under the direct control of the State Council, the highest organ of executive authority in the Chinese Government, which the Premier heads. The president of Xinhua, Tian Congming, is a member of the State Council (with minister-equivalent rank) and the Central Committee of the Chinese Communist Party. The agency produces up to 4,500 wire service news items every day in seven languages, Chinese, English, French, Spanish, Russian, Arabic and Japanese. It has a satellite telecommunications network, and computerised processing of text, photography, news communications, economic information and data indexing. Xinhua publishes almost 40 newspapers and magazines, and has a public relations arm. Xinhua correspondents often are embedded in official Chinese delegations for public diplomacy purposes. The agency's subsidiary Xinhua Publishing House publishes hundreds of book titles each year, mostly on current affairs and politics. *The Financial Times* (London) commented on 25 September 2006 on 'the contradiction between Xinhua's propaganda role and its ambitions to become an internationally competitive provider of news and economic data.' Xinhua maintains websites in Chinese, English, French, Spanish, Russian and Arabic. English-language website: <http://www.chinaview.cn/>
2. *People's Daily* is a state-run newspaper that has been the leading official newspaper of the Chinese Communist Party, run by the party's Propaganda Department, since 1948. The president and editor-in-chief, Wang Chen, is a

member of the Central Committee of the Chinese Communist Party. *People's Daily* claims a current daily circulation of three million, making it one of the 10 largest circulating newspapers in the world. Its masthead continues to be a brush-painted inscription dating from 1948 of the Chinese characters for its name, 人民日报, in the distinctive handwriting of Mao Zedong. *People's Daily* now accepts consumer advertising which never would have been countenanced in Mao's lifetime, and has editions and websites in English, Japanese, Spanish, French, Russian, and Arabic. The newspaper has some 70 offices around China and posts correspondents to more than 30 overseas bureaus. English-language website: <http://english.people.com.cn/>

3. *China Daily* is an English-language national daily newspaper published in Beijing. It was founded in 1981 as an offshoot of *People's Daily*. Its principal target audience was, and remains, the growing resident community of English-speaking foreigners and short-term foreign visitors in China. It began as a bland regurgitation of censored news and propaganda. *China Daily* is well on the way to becoming a quality newspaper within the latitude of China's increasingly subtle public agenda, and already compares well with any of the world's best English-language newspapers in predominantly non-English-speaking countries. The newspaper claims average daily circulation of more than 200,000, one-third of which is abroad in 'more than 150 countries and regions'. The State Council supervises the newspaper through the director of its Information Office, Cai Wu, and management of its corporate vehicle, China Daily Information Company. Website: www.chinadaily.com.cn
4. China Radio International (CRI — 中国国际广播电台) was founded in 1941 as Radio Peking. It is one of several organisations supervised by the State Council through the State Administration of Radio, Film and Television. CRI was a strident propaganda outlet during the Mao era but has evolved a more subtle programming mix of general news, entertainment and official line. It is the most multilingual of Chinese public diplomacy organs, broadcasting, webcasting and podcasting in more than 40 languages. In 2006 it began a new 24-hour 'Olympic Radio' medium wave service broadcasting on 900kHz to the Beijing area in Mandarin, Korean, English, Russian, French, Spanish, Arabic, Japanese and German in support of the 2008 Beijing Olympics. English-language website: <http://english.cri.cn/>
5. China Central Television (CCTV — 中国中央电视台) is the major national and international television network of China, with 16 channels. It is one of several organisations supervised by the State Council through the State Administration of Radio, Film and Television. CCTV began as Beijing Television in 1958 and was renamed China Central Television in 1978. CCTV International has global coverage via six satellites and webcasting. It is offered by major satellite television service providers including Foxtel. The network claims that its programs on three channels, CCTV-4, CCTV-9 and CCTV-E&F in Chinese, English, French and Spanish may be seen by 45 million subscribers outside China, 24 hours a day, seven days a week. English-language website: <http://www.cctv.com/english/>



Attachment E

Proposed government statement of expectations for a new Australian Public Diplomacy Agency

Following is a proposed directive from the Minister for Foreign Affairs for a new Australian Public Diplomacy Agency, drafted by the International Public Affairs Network for this submission. It is similar in concept to the Minister for Trade's current 'Statement Of Expectations' for Austrade.

Statement of expectations: Australian Public Diplomacy Agency

1. This statement outlines the Government's expectations concerning the operations and performance of the Australian Public Diplomacy Agency. It will be reviewed annually and renewed or updated as necessary.
2. The Australian Public Diplomacy Agency (hereinafter 'the Agency') is the Australian Government's peak whole-of-government agency for the planning, coordination and implementation of public diplomacy.
3. The overall goal of the Agency is to understand, inform, engage, and influence the attitudes and behaviour of foreign audiences in ways that support the strategic interests of the Australian Government.
4. The Agency will achieve this goal using all tools of public relations and communication appropriate to the international environments for its activities.
5. Through a public affairs specialist management and support structure in Canberra and specialist public affairs officers located at high-priority Australian diplomatic missions, the Agency will:
 - research, plan, implement and evaluate country and regional public diplomacy programs
 - advise the Government on new public diplomacy opportunities and proposals through the Minister for Foreign Affairs
 - provide public affairs support to high-level Australian Government overseas visits and delegations
 - work with other Foreign Affairs and Trade portfolio areas and other Commonwealth departments and agencies to seek a coordinated and collaborative whole-of-government approach to management of Australia's international reputation and other public diplomacy goals

Attachment E - Proposed directive for a new Australian Public Diplomacy Agency

- engage with State and Territory government, non-government, institutional and corporate bodies to pursue public diplomacy matters of mutual interest with the Australian Government
- support overseas media visitors to Australia
- provide media planning and publicity support for official visit programs of guests of government.

Governance and administration

The Australian Public Diplomacy Agency will function as a prescribed agency within the Foreign Affairs and Trade portfolio under Section 5 of the *Financial Management and Accountability Act 1997*. It will have autonomy in management of its budget and in the appointments, overseas postings and prescribed competencies of personnel.

The Chief Executive Officer of the Agency will report directly to the Minister for Foreign Affairs as the responsible Minister.

The Chief Executive Officer, Australian Public Diplomacy Agency, will be the senior adviser on public diplomacy of the Secretary of the Department of Foreign Affairs and Trade, and will keep the Secretary informed about major activities of the Agency.

Governance and administration of the Agency will seek the highest standards of governance and administration in accord with Commonwealth legislation, guidelines and principles including:

- the *Public Service Act 1999* and the APS Values and Code of Conduct forming part of that Act
- the *Financial Management and Accountability Act 1997* and the Finance Minister's Orders
- the *Commonwealth Procurement Guidelines*
- the *Commonwealth Fraud Control Guidelines*

Accountability

The Agency will develop key performance indicators to reflect and measure its success in meeting these expectations, and will present that material in regular reports to the Minister for Foreign Affairs, and in an annual report to be tabled in Parliament each year.

Attachment F

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