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Australian Government

Department of Foreign Affairs and Trade



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**Australian Government**

**Department of Foreign Affairs and Trade**





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# OUR POSTS AND PEOPLE



We have  
**6,134 STAFF**



**3,036**  
Are overseas



Including **2,180**  
locally engaged staff



**122**  
**85** Posts in  
countries



**9** Locations  
across Australia



Our posts include embassies, high commissions, multilateral missions, consulates-general, consulates and representative offices\*.

We also have 49 consulates headed by an honorary consul.

- DFAT posts
- State and territory offices
- Torres Strait Treaty Liaison Office
- Austrade-managed posts providing consular services

# HIGHLIGHTS 2020-21



## PROMOTE A STABLE AND PROSPEROUS INDO-PACIFIC

- Strengthened Indo-Pacific partnerships, including with the new US Administration, and by elevating the Quad to leader-level and securing annual leaders' summits with ASEAN
- Built on the Pacific Step-up to deliver COVID-19 vaccines and support to the Pacific and Timor-Leste, supported the largest cohort of Pacific labour workers to date, and signed a new Comprehensive Strategic and Economic Partnership with Papua New Guinea
- Signed a new Comprehensive Strategic Partnership with Malaysia and a Strategic Partnership with Thailand, and assisted COVID-19 recovery in Southeast Asia by supporting access to vaccines and investing in new health and economic initiatives



## PURSUE OUR ECONOMIC, TRADE AND INVESTMENT OPPORTUNITIES

- Agreed the core elements of a free trade agreement with the UK
- Removed discriminatory measures which disadvantaged Australian wine producers in Canada
- Helped Australian businesses secure new market access and diversify exports



## KEEP AUSTRALIA AND AUSTRALIANS SAFE AND SECURE

- Launched Australia's International Cyber and Critical Technology Engagement Strategy
- Drove international cooperation in our region and beyond to address evolving challenges such as COVID-19 disinformation, terrorism, and people smuggling and human trafficking
- Worked to strengthen international rules and norms to protect against threats involving space, cyberspace, terrorism and weapons of mass destruction



## DELIVER AN EFFECTIVE AND RESPONSIVE DEVELOPMENT ASSISTANCE PROGRAM

- Delivered almost 500,000 Australian-manufactured COVID-19 vaccines to Papua New Guinea, Timor-Leste, Fiji, Solomon Islands and Tuvalu
- Supported health security, stability and economic recovery in the Indo-Pacific through our reshaped development program
- Organised 361 flights and delivered over 420 tonnes of humanitarian supplies to 13 Pacific island countries and Timor-Leste



## ADVANCE GLOBAL COOPERATION

- Supported successful campaigns by high-quality Australian candidates to hold key positions in multilateral institutions
- Strengthened future pandemic preparedness and response efforts by contributing to the independent evaluations of the World Health Organization's global response to COVID-19
- Defended the universality of human rights and invested in gender equality and women's economic empowerment



## SUPPORT AUSTRALIANS OVERSEAS

- Assisted over 49,000 Australian citizens and permanent residents to return home since the start of the pandemic until 30 June
- Broke new ground in consular services with a program of facilitated commercial flights and a new Special Overseas Hardship Fund
- Met all passports service standards while adapting procedures in response to local circumstances during the pandemic



## PROVIDE A SECURE AND EFFECTIVE OVERSEAS PRESENCE

- Supported a large-scale shift to remote work across our global network to keep operations going throughout the pandemic
- Opened three new posts, in Alofi (Niue), Majuro (Marshall Islands) and Papeete (French Polynesia)
- Upgraded security measures, expanded our Regional Security Officer network and established a Global Security Operations Capability to support risk-based decision making in complex overseas environments

# Letter of transmittal

vii



Australian Government  
Department of Foreign Affairs and Trade

Kathryn Campbell AO CSC  
Secretary

Ref: 21/18289

Senator the Hon Marise Payne  
Minister for Foreign Affairs  
Minister for Women

The Hon Dan Tehan MP  
Minister for Trade, Tourism and Investment  
Parliament House  
Canberra ACT 2600

Dear Ministers

I am pleased to present to you the Annual Report of the Department of Foreign Affairs and Trade for the financial year 2020–21.

The report has been prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013*, which requires that an annual report be given to the entity's responsible ministers for presentation to the Parliament.

The report contains information as required under other applicable legislation including the *Work Health and Safety Act 2011*, the *Commonwealth Electoral Act 1918* and the *Environment Protection and Biodiversity Conservation Act 1999*.

As required by sections 10 and 17AG(2)(b) of the *Public Governance, Performance and Accountability Rule 2014*, I certify that I am satisfied that the department prepared fraud risk assessments and fraud control plans, had in place appropriate fraud prevention, detection, investigation and reporting mechanisms that met its specific needs, and took all reasonable measures to appropriately deal with fraud.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Kathryn Campbell'.

27 September 2021





## 01

## Overview

# Secretary's review

As Australia navigates a complex regional and international operating environment, the department is adapting and responding to effectively deliver outcomes for the government. We are using all our policy tools, combining diplomatic, development and economic expertise, to protect Australia's security, strengthen our prosperity and support economic recovery.

The COVID-19 pandemic remains a significant force shaping Australia's international environment. Over the past year, new outbreaks, deadlier variants and economic disruption have challenged our national interests, reshaped our priorities, and altered our strategic landscape.

The pandemic has compounded strategic uncertainty and set back economic growth in our region, the Indo-Pacific. But it has not altered our vision of a regional order underpinned by adherence to rules and a durable strategic balance, where the rights and sovereignty of all states are respected and where open markets support sustainable development and prosperity.

The department used its diplomatic, development and economic expertise to pursue Australia's interests in our region and beyond. We assisted our neighbours to respond to the pandemic and helped lay the groundwork for recovery through a large-scale pivot of our development program.

We facilitated the largest Australian consular response in history, supported Australian business in the face of an economic downturn, and provided timely advice to government on international pandemic developments to contribute to Australia's public health response. We enhanced relationships with partners within and outside the region to support our shared interests and values.

Delivering outcomes for Australia and Australians was challenging. The international environment has become more complex and less favourable to our interests, and the pandemic has heightened these challenges. The pandemic has also significantly impacted the operating environment of our 113 overseas posts and the global partners with whom we work. In some cases, we were not able to achieve the results we wanted and we have rated our performance as partially on track against these measures. In many areas, by innovating and adapting, we kept progress on track towards achieving our goals.

## The year in review

The department continued to lead the government's efforts to bring Australians home during the COVID-19 pandemic. We broke new ground to deliver the most comprehensive and complex consular operation yet. Since the start of the pandemic through to 30 June, the department directly assisted over 49,000 Australian citizens and permanent residents to return home. This included over 23,300 during the reporting period, with around 11,700 arriving on 80 government-facilitated flights. We established a new Special Overseas Hardship Fund to assist the most vulnerable Australians to secure flights and return home. We also maintained support for traditional consular cases, the number of which did not significantly decline, despite fewer Australians travelling overseas.

The Indo-Pacific is Australia's neighbourhood and the key driver of global economic growth. What happens here will determine our future security and prosperity. The department deepened Australia's collaboration with a wide range of partners in the face of COVID-19 and increased challenges to rules, norms and stability. We worked hard to shape the type of region we want – one that is open, inclusive and resilient, where countries are free to make sovereign choices in their interests.

Our alliance with the United States is of key importance to our foreign, strategic and economic interests, and we moved quickly to engage the new US Administration. We strengthened key Indo-Pacific partnerships, including with India, Indonesia, Japan, Malaysia, New Zealand, Papua New Guinea, the Republic of Korea and Thailand. We supported the first ever Quad leaders' summit (Australia, India, Japan and the United States), and secured annual leaders' summits with ASEAN. We worked closely with European partners to develop a shared vision for the Indo-Pacific and to deepen our collaboration in the region. We developed a safe-travel pathway with New Zealand.

The department worked across government and with the business community to manage an increasingly challenging relationship with China. In doing so we followed a clear strategy to protect and promote our national interests while maintaining scope for cooperation in areas of mutual interest, including through the National Foundation for Australia–China Relations. We joined with many others in expressing our shared concerns over challenges to universal human rights and international law, including to the UN Convention on the Law of the Sea.

The Pacific Step-up remained one of our highest foreign policy priorities, building on strong foundations to support our partners to manage the health and economic impacts of COVID-19. The department's Office of the Pacific coordinated whole-of-government efforts to strengthen regional engagement, support economic resilience, advance our shared security interests, and deepen community connections. We stood by our Pacific family and strengthened our shared interests in the sovereignty, security and resilience of our region. Our new posts in French Polynesia, Marshall Islands and Niue expanded our diplomatic network to every Pacific Islands Forum country.

The successful restart of Pacific labour programs in September 2020 enabled more than 7,000 Pacific and Timorese workers to arrive in Australia (as at June 2021), bringing the total number of Pacific and Timorese workers in Australia to over 12,000, the largest number of Pacific workers in Australia since the Pacific labour mobility initiatives began.

In line with the *Partnerships for Recovery* framework, we pivoted Australia's \$4 billion international development program to concentrate on health security, stability and economic recovery. We maintained our focus on supporting the most vulnerable, including women and girls and people with disability. We faced major challenges in implementing this work, including travel restrictions and lockdowns. But we stood by our neighbours to support the region's resilience and recovery from COVID-19.

We provided life-saving humanitarian assistance to our neighbours with COVID-19 emergencies, deploying emergency medical teams to four countries (Fiji, India, Papua New Guinea and Timor-Leste) and providing personal protective equipment, medical supplies, specialist medical equipment and funding for Australian NGOs to support community level responses. We addressed humanitarian needs in Myanmar following the 1 February coup, including by providing displaced populations with assistance, food and shelter.

We responded to our region's need for safe and effective vaccines. Australia will deliver more than \$623 million in end-to-end vaccine support and provide at least 20 million vaccine doses by mid-2022. By 30 June we had delivered almost 500,000 Australian-manufactured doses to Fiji, Papua New Guinea, Solomon Islands, Timor-Leste and Tuvalu. We strengthened national health systems in partner countries through our end-to-end support for the national vaccine rollouts, including by supporting training programs, cold-chain infrastructure, and access to Australian technical experts.

We organised 361 flights and delivered over 420 tonnes of humanitarian supplies to 13 Pacific island countries and Timor-Leste. We delivered an estimated \$293.8 million in temporary, targeted and supplementary measures to respond to the impacts of COVID-19 across the Pacific and Timor-Leste, including \$194 million in economic support.

We also started delivering Australia's largest investment in Southeast Asia since the 2004 Indian Ocean tsunami: the Prime Minister's \$500 million package, announced in November 2020, to target the urgent needs of the region and to support Southeast Asia's recovery from COVID-19. New initiatives in health, maritime cooperation, infrastructure and the Mekong will bolster our relationships and support regional recovery. In Southeast Asia we also worked with partners to respond to complex issues, such as the coup in Myanmar.

The diverse risks to the security of Australia and Australians required constant vigilance. COVID-19 intensified some threats by presenting new opportunities for foreign interference and the online spread of disinformation to undermine public health objectives. We worked with partners to address new challenges, while staying engaged on long-standing threats to international peace and security such as terrorism and people smuggling. We launched Australia's International Cyber and Critical Technology Engagement Strategy in April which provides an important framework to guide our work to maximise opportunities presented by cyberspace and critical technologies, while managing risks.

In response to trade disruptions due to the impact of COVID-19 on the global economy, we mobilised our diplomatic network in support of Australian business and economic recovery. We assisted businesses to navigate the uncertainty by providing timely market intelligence, including about new market opportunities.

We progressed Australia's ambitious trade diversification agenda with some notable achievements, including the signature of the Regional Comprehensive Economic Partnership Agreement, the world's largest free trade agreement (FTA). We achieved entry into force of the Indonesia–Australia Comprehensive Economic Partnership Agreement, the Pacific Agreement on Closer Economic Relations Plus, and the Singapore–Australia Digital Economy Agreement. We also agreed the core elements of an FTA with the United Kingdom, and advanced FTA negotiations with the European Union.

A rules-based trading system and open markets are critical to economic recovery and prosperity. The World Trade Organization (WTO) provides a key mechanism for us to defend and prosecute the interests of Australian businesses. We continued our efforts to reform and update WTO rules, including in services, e-commerce and investment. We successfully resolved our WTO challenge to Canada's discriminatory measures against Australian wine, ensuring that Australian wines can compete on a level playing field in our fourth largest export market. We formally launched a WTO dispute against Chinese anti-dumping and countervailing duties on Australian barley and sought consultations under the WTO's dispute settlement mechanism in relation to China's anti-dumping and countervailing measures on Australian wine.

The department led the government's efforts to strengthen multilateral institutions. As an open liberal democracy, Australia supports and benefits from multilateral institutions that are grounded in the principles of openness, transparency and effectiveness. These institutions uphold international rules and norms, provide mechanisms to resolve disputes peacefully, and are anchors for the stability, security and prosperity of Australia and our region.

It is important that these institutions are led by people of merit committed to good governance. As a result of successful campaigns supported by the department, Australians will occupy prominent positions in key institutions. The Hon Mathias Cormann was appointed Secretary-General of the Organisation for Economic Co-operation and Development (OECD), Ms Natasha Stott-Despoja was elected to the Committee on the Elimination of Discrimination Against Women (CEDAW), and Dr Robert Floyd was elected as Secretary-General of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) Preparatory Commission.

This has been a challenging year for the department and our staff. We have implemented widespread flexible working arrangements, updated technology to equip our staff to work remotely, embedded organisational changes, and rearranged our workforce to scale-up in response to crises.

COVID-19 has affected our staff, particularly those overseas. Staff navigated complex and evolving local conditions to deliver critical consular services, provide timely advice to government, and keep our core operations open and functioning.

## The year ahead

We are clear-eyed about the challenges to Australia's interests posed by geopolitical tensions and a multilateral system under increasing strain. We will advocate for the benefits of a liberal, rules-based order and work with partners to achieve outcomes that support our interests and align with our values. Our commitment to making Australia stronger, safer and more prosperous is the constant that guides us through uncertain times.

Though the first signs of recovery from COVID-19 are appearing in some parts of the world, the pandemic will continue to shape the department's work and our operating environment in the year ahead.

Providing consular assistance to Australians in need will again be a top priority, with additional budget funding of \$176.3 million over 2021–22 enabling us to facilitate more commercial flights for Australians wishing to return home. We will remain focused on supporting Australia's economic recovery, drawing on the local knowledge of our overseas network and driving trade diversification, including through the expansion of Australia's FTA network, reform of the WTO, and targeted trade disputes. The impacts of the pandemic on our region will continue to unfold, and we will respond. Our development program will remain an important investment in regional health, stability and economic recovery. We will continue to support Australia's response to the pandemic and the national reopening plan.

I would like to express my sincere thanks to the Secretary during the period of this report, Frances Adamson AC, for her dedicated service and exemplary leadership of the department during these unprecedented times.

# Departmental overview

The department’s purpose is to make Australia stronger, safer and more prosperous, to provide timely and responsive consular and passport services, and to ensure a secure Australian Government presence overseas.

Our 2020–21 Corporate Plan outlined how the department would achieve its purpose while responding to the worst global health and economic crisis in a century. The plan also set out how we would shape our capability and engage with risk to achieve outcomes in the face of these challenges.

The department’s structure facilitates delivery of our core business functions. The Secretary leads five deputy secretary-managed strategic groups and the Office of the Pacific. Staff based in our offices in Australia and throughout our overseas network of 113 posts work to implement the department’s business objectives.

**TABLE 1: FOREIGN AFFAIRS AND TRADE ACCOUNTABLE AUTHORITY 2020–21**

		Period as the accountable authority within the reporting period	
Name	Position Title	Date of Commencement	Date of Cessation
Frances Adamson AC	Secretary	1 July 2020	25 June 2021
Justin Hayhurst	Acting Secretary	COB 25 June 2021	30 June 2021

Figure 1 – Corporate Plan priorities

**PURPOSE** To make Australia stronger, safer and more prosperous, to provide timely and responsive consular and passport services, and to ensure a secure Australian Government presence overseas

Portfolio  
Budget Statements  
**OUTCOME 1**

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

**PROMOTE A  
STABLE AND  
PROSPEROUS  
INDO-PACIFIC**



Corporate Plan priority 1  
PBS 1.1, 1.2, 1.3, 1.4, 1.5, 1.6  
Page 17

**DELIVER AN  
EFFECTIVE AND  
RESPONSIVE  
DEVELOPMENT  
ASSISTANCE PROGRAM**



Corporate Plan priority 4  
PBS 1.2, 1.3  
Page 58

**PURSUE OUR  
ECONOMIC, TRADE  
AND INVESTMENT  
OPPORTUNITIES**



Corporate Plan priority 2  
PBS 1.1, 1.4  
Page 36

**ADVANCE  
GLOBAL  
COOPERATION**



Corporate Plan priority 5  
PBS 1.1, 1.2, 1.3, 1.4, 1.6  
Page 76

**KEEP  
AUSTRALIA AND  
AUSTRALIANS  
SAFE AND SECURE**



Corporate Plan priority 3  
PBS 1.1, 1.2, 1.3, 1.4  
Page 50

Portfolio  
Budget Statements  
**OUTCOME 2**

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

**SUPPORT  
AUSTRALIANS  
OVERSEAS**



Corporate Plan priority 6  
PBS 2.1, 2.2  
Page 91

Portfolio  
Budget Statements  
**OUTCOME 3**

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

**PROVIDE A SECURE  
AND EFFECTIVE  
OVERSEAS PRESENCE**



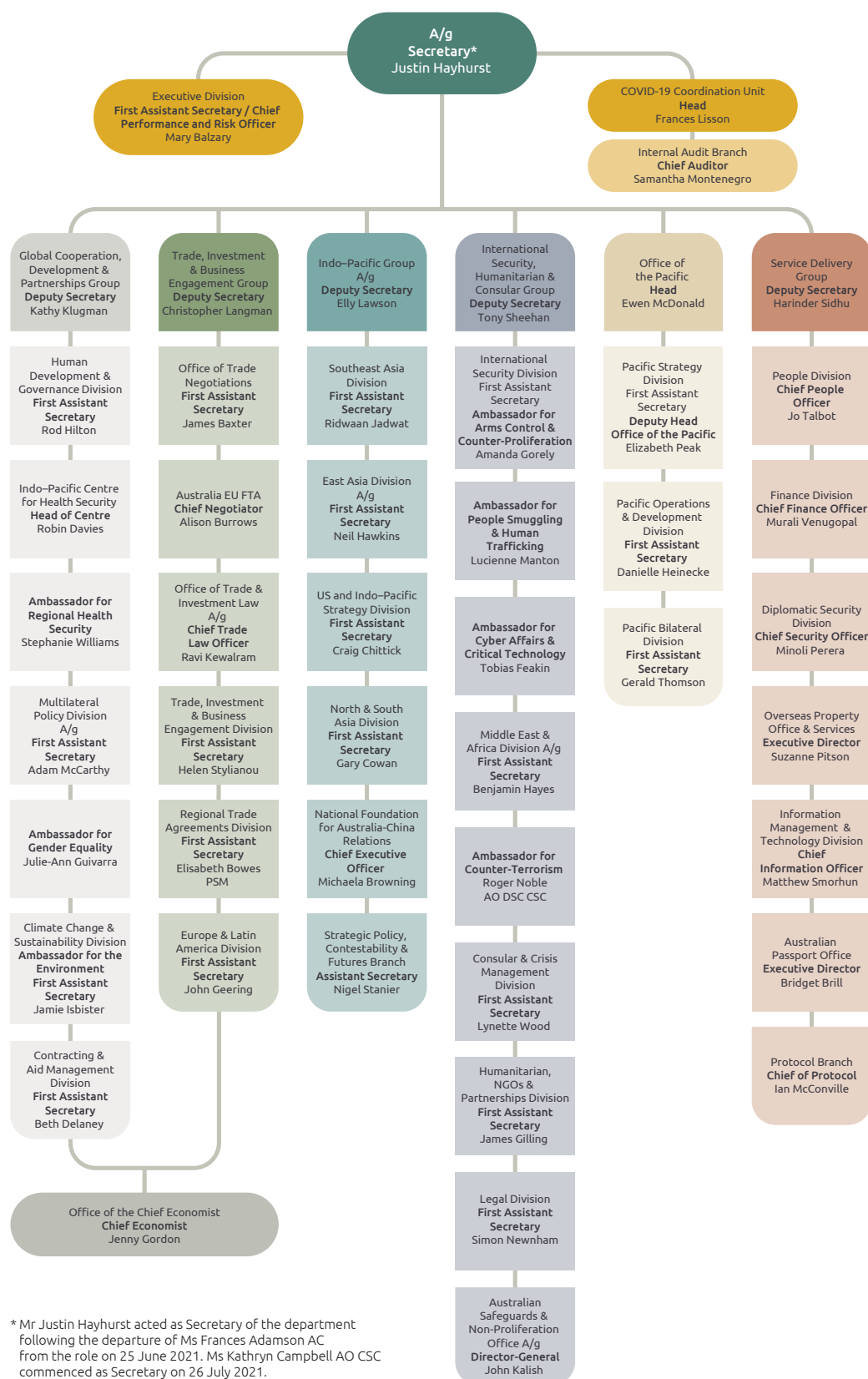
Corporate Plan priority 7  
PBS 1.1, 3.1, 3.2  
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PBS 1.1 Foreign affairs and trade operations  
PBS 1.2 Official Development Assistance  
PBS 1.3 Official Development Assistance – multilateral replenishments  
PBS 1.4 Payments to international organisations  
PBS 1.5 New Colombo Plan – transforming regional relationships

PBS 1.6 Public information services and public diplomacy  
PBS 2.1 Consular services  
PBS 2.2 Passport services  
PBS 3.1 Foreign affairs and trade security and IT  
PBS 3.2 Overseas property



Figure 2 – Organisational chart as at 30 June 2021



\* Mr Justin Hayhurst acted as Secretary of the department following the departure of Ms Frances Adamson AC from the role on 25 June 2021. Ms Kathryn Campbell AO CSC commenced as Secretary on 26 July 2021.

Figure 3 – Foreign Affairs and Trade portfolio structure as at 30 June 2021



\* Mr Justin Hayhurst acted as Secretary of the department following the departure of Ms Frances Adamson AC from the role on 25 June 2021. Ms Kathryn Campbell AO CSC commenced as Secretary on 26 July 2021.



## 02

# Report on performance

# Summary of performance

## Assessing our performance

This Annual Performance Statement reports the actual results achieved by the department against the performance measures and targets set out in the 2020–21 Corporate Plan and Portfolio Budget Statements. Unless indicated, the performance measures and targets in these documents are the same.

The department serves Australians and their interests through policy, program and service delivery functions. Measuring delivery of services and programs is comparatively straightforward, while measuring the impact of policy performance tends to be complex and requires triangulation across multiple data sources. We assess our performance annually using a range of different methods, drawing on reliable and verifiable information sources to provide an unbiased basis for measurement of our performance. Methods used include a mix of qualitative and quantitative assessments.

This year's Annual Performance Statement applies four ratings to the assessment of our work:

- **Achieved:** We met the goal set out in the performance measure.
- **On track:** The activity is ongoing and we have made progress towards the goal.
- **Partially on track:** We made progress towards the goal but not to the extent planned. This may be due to COVID-19 or other factors.
- **Not on track:** We did not achieve our goal. The activity is ongoing but we have not made satisfactory progress.

## Summary of results

Corporate Plan Priority Function (CPPF)	Rating
<b>CPPF 1: Promote a stable and prosperous Indo-Pacific</b>	
1.1 Our diplomatic efforts in the Indo-Pacific bolster partnerships and rules and norms that contribute to regional resilience, stability and prosperity.	On track
1.2 High level of satisfaction of ministers and key stakeholders with the quality and timeliness of advice, briefing and support provided by the department.	On track
1.3 Australia's Step-up in Pacific and Timor-Leste engagement supports stronger and more resilient economies, development outcomes and regional security.	On track
1.4 The New Colombo Plan delivers improved people-to-people, institutional and business links: <ul style="list-style-type: none"> <li>• at least 10,000 Australian undergraduates are supported to study in the Indo-Pacific each year, and</li> <li>• more high-quality engagement with Australian universities, businesses, alumni and other stakeholders in the New Colombo Plan.</li> </ul>	Partially on track

Corporate Plan Priority Function (CPPF)	Rating
<b>CPPF 2: Pursue our economic, trade and investment opportunities</b>	
2.1 Effective support to the global rules-based trading system and opening of markets.	Partially on track
2.2 High level of satisfaction of ministers and key stakeholders with the quality and timeliness of advice, briefing and support provided by the department. <i>* Analysis of results covered under performance measure 1.2.</i>	See 1.2
2.3 Increased opportunities for Australian businesses.	On track
2.4 Australia's trade is increasingly covered by concluded free trade agreements, with a target of: • Around 90 per cent of trade covered by 2022.	Partially on track
2.5 Trade and investment is factored into Australia's economic policy settings.	On track
2.6 Positive trade and investment outcomes supported by the department's economic and commercial diplomacy, and domestic advocacy efforts.	On track
<b>CPPF 3: Keep Australia and Australians safe and secure</b>	
3.1 Effective outcomes that promote Australia's security interests in: • counter-terrorism • a safe, secure and prosperous Australia, Indo-Pacific and world enabled by cyberspace and critical technology • strong rules and laws that apply to space • reduction of weapons of mass destruction and conventional weapons risks • countering people smuggling and human trafficking • countering foreign interference • countering disinformation and malign messaging.	On track
3.2 Full and active engagement with the National Intelligence Community—including through Office of National Intelligence-led prioritisation, coordination and evaluation process—to support Australia's foreign policy interests.	On track
<b>CPPF 4: Deliver an effective and responsive development assistance program</b>	
4.1 Australia's development program investments promote health security, stability and economic recovery.	On track
4.2 Effective operational and organisational management of the development program, including in its planning, implementation and responsiveness: • Number of COVID-19 Response plans developed • Percentage of completed investments assessed as satisfactory against both effectiveness and efficiency criteria • Percentage of investments effectively addressing gender and social inclusion issues • Australia's response is valued by partner governments • Transparency of programming.	On track
4.3 Timely and effective responses to humanitarian emergencies, including an enhanced Indo-Pacific ability to prepare for, respond to and recover from crises: • Australia responds within 48 hours of a request from a country in the Indo-Pacific • effective Australian Government response to humanitarian crises, displacement and conflict measured through end-of-program reviews of protracted crisis response packages and Strategic Partnership Frameworks, and • Australian support builds the capacity of Pacific governments and communities to better prepare for, respond to and recover from climate change and disasters.	On track

Corporate Plan Priority Function (CPPF)	Rating
<b>CPPF 5: Advance global cooperation</b>	
5.1 Australia's diplomatic efforts and financial contributions help shape institutions, rules, norms and standards in line with our national interests and values.	On track
5.2 Our relationships with Europe, the Middle East, Latin America and Africa advance Australia's interests.	On track
5.3 Strategic communications and global initiatives that advance Australia's interests and influence.	On track
5.4 Engagement, particularly with states, business and international organisations, including regionally through the Bali Process, to promote Australia's interests in countering people smuggling, human trafficking and modern slavery. <i>* Analysis of results covered under performance measure 3.1.</i>	On track
5.5 The diplomatic and consular corps posted or accredited to Australia are satisfied with the delivery of protocol services.	Achieved
5.6 Federal and state/territory governments support DFAT's approach and processes, and foreign diplomats' cooperation with Australia's health and other requirements is strengthened.	Achieved
<b>CPPF 6: Support Australians overseas</b>	
6.1 The department maintains a high standard in processing passport applications, investigating and prosecuting fraud: <ul style="list-style-type: none"> <li>• 95 per cent of passports processed within 10 business days</li> <li>• 98 per cent of priority passports processed within two business days</li> <li>• 100 per cent of identified high risk passport applications scrutinised by specialist staff</li> <li>• 90 per cent of administrative investigations finalised within five business days, and</li> <li>• 95 per cent of referrals to prosecuting authorities accepted for prosecution.</li> </ul>	Achieved
6.2 Clients are satisfied with passport services, including online services: <ul style="list-style-type: none"> <li>• 60 per cent of applications commenced online, and</li> <li>• 85 per cent satisfaction rate of overall passport service from client survey.</li> </ul>	Achieved
6.3 Delivery of the R Series Passport by 2020–21.	Not on track, because of the impact of COVID-19
6.4 A responsive consular service through our 24/7 global network, focusing on Australians most in need.	On track
6.5 Australians have information to prepare for safe travel overseas: <ul style="list-style-type: none"> <li>• 100 per cent of Travel Advisories reviewed bi-annually for posts in a volatile risk environment and/or where there are high Australian interests, and</li> <li>• 100 per cent of Travel Advisories reviewed annually for all other posts.</li> </ul>	Achieved
6.6 The department is prepared to respond to overseas crises: <ul style="list-style-type: none"> <li>• 100 per cent of crisis action plans reviewed and exercised annually for countries of resident accreditation.</li> </ul>	On track



Corporate Plan Priority Function (CPPF)	Rating
<b>CPPF 7: Provide a secure and effective overseas presence</b>	
7.1 Effective security management with evidence of risk-based decision making in line with the DFAT Security Framework. <i>PBS measure 3.1: Effective protective security guided by the DFAT Security Framework.</i>	On track
7.2 Enhanced oversight of the functionality and effectiveness of the security controls and mitigations in place across the network.	Partially on track
7.3 Robust security culture, evidenced by staff engagement with security policy and responsiveness to contemporary and innovative security materials and training programs. <i>PBS measure 3.1: Staff engagement with security materials and products, and evidence of risk-based decision making on security issues using the DFAT Security Framework security risk management tools.</i>	On track
7.4 Fit for purpose and secure ICT systems.	On track
7.5 Construction and refurbishment of departmental overseas property estate completed to agreed quality standards to meet government requirements and deliver operational efficiencies.	Partially on track
7.6 Asset management plans are in place for all owned properties in the overseas estate.	Achieved
7.7 Satisfaction ratings of over 80 per cent on the performance of the service provider and the Overseas Property Office.	Achieved
7.8 Management and refurbishment of the domestic property portfolio, including the State and Territory Offices, to meet government requirements and deliver operational efficiencies.	Achieved

# Annual performance statement



Australian Government  
Department of Foreign Affairs and Trade

I, Kathryn Campbell, as the accountable authority of the Department of Foreign Affairs and Trade, present the 2020–21 annual performance statement of the Department of Foreign Affairs and Trade, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the Department of Foreign Affairs and Trade, and complies with subsection 39(2) of the PGPA Act.

A handwritten signature in dark ink, appearing to read 'Kathryn Campbell'.

Kathryn Campbell AO CSC  
Secretary

27 September 2021

# Priority 1: Promote a stable and prosperous Indo-Pacific

Australia's future is tied to the stability, security and prosperity of the Indo-Pacific, including regional recovery from COVID-19.

Australia's neighbourhood – the Indo-Pacific – shapes our security and prosperity. It is home to the world's most dynamic economies and stands to drive global recovery from the pandemic. At the same time, the Indo-Pacific faces growing challenges – rules and norms are under pressure, territorial tensions are escalating, and cyber attacks, disinformation and foreign interference are on the rise. The immense health and economic toll of COVID-19 has multiplied the challenges facing our region and has complicated our efforts to promote a stable and prosperous Indo-Pacific.

Australia's vision is of an open and inclusive Indo-Pacific of sovereign states that cooperate on shared interests and are resilient to coercion. We are deploying all tools of statecraft to secure a durable regional balance and buttress the rules and norms that underpin our interests. In the government's view, some level of strategic competition is inevitable if we are to preserve the liberal international order that has underpinned decades of stability and prosperity in the region.

## Advancing Australia's interests in the Indo-Pacific

### Performance measure

**1.1** Our diplomatic efforts in the Indo-Pacific bolster partnerships and rules and norms that contribute to regional resilience, stability and prosperity.

### How we rate our performance\*

On track

### Performance measure

**1.3** Australia's Step-up in Pacific and Timor-Leste engagement supports stronger and more resilient economies, development outcomes and regional security.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 17; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, programs 1.1, 1.2, 1.3, 1.4 and 1.6

\*Our assessments are informed by economic and trade data, tracking our implementation of government decisions, agreements with foreign governments, outcomes from dialogues with foreign governments, and development results from the department's investment monitoring reports.

## Our performance

In 2020–21 the department led the government's response to support regional recovery from COVID-19. Our *Partnerships for Recovery* framework and COVID-19 vaccine response bolstered the ability of countries in our region to manage and recover from the pandemic. The government's loans and investments in Southeast Asia were the largest since the 2004 tsunami, with new initiatives in health, maritime cooperation, infrastructure and for the Mekong. The deeper relationships Australia has forged through our Pacific Step-up and our record official development assistance allocations to the Pacific enabled us to respond rapidly to the pandemic in the region. We worked closely with our Pacific family in support of health security, stability, economic recovery and longer-term resilience.

The department promoted free and open trade to support Australian business and regional economic recovery, which is crucial to Australia's prosperity. We are working assiduously to ratify and implement the Regional Comprehensive Economic Partnership Agreement and upgrade the ASEAN – Australia – New Zealand Free Trade Area.

We took several Indo-Pacific relationships to a new level. Leaders of the Quad (Australia, India, Japan and the United States) met for the first time to take forward an ambitious agenda, including a new vaccine partnership. We secured annual leaders' summits with ASEAN, entered into a new Comprehensive Strategic Partnership with Malaysia, a Comprehensive Strategic and Economic Partnership with Papua New Guinea, and a Strategic Partnership with Thailand, all of which will contribute to regional resilience, stability and prosperity. The department worked across government to manage an increasingly challenging bilateral relationship with China.

The department supported the government to harness partnerships with liberal democracies to pursue our Indo-Pacific interests through the G7+ dialogue. We also engaged European countries to increase their focus on the Indo-Pacific, including through a new European Union Indo-Pacific strategy.

The pandemic has complicated our efforts to implement many of our Indo-Pacific initiatives. To take account of the global challenges of COVID-19, including the continued postponement or deferral of many international events and meetings, we moved to new or modified modes of operation in our overseas missions and domestically to prosecute the government's priorities. We rate our performance against this measure (1.1) as 'on track'.

## Engaging the United States

Australia's alliance with the **United States** continues to be a cornerstone of our foreign, trade and strategic policy. Our relationship, underpinned by extensive engagement at all levels of government, enhances our ability to protect ourselves at home and our interests abroad. Fundamental to the relationship is our commitment to ensuring an open, inclusive and resilient Indo-Pacific. Working across government, the department progressed our priorities and shared goals with the United States, including investing in infrastructure in the Indo-Pacific, countering disinformation, standing up for human rights, and strengthening science and technology cooperation.

In July the department supported the visit to Washington by the Foreign Minister and then Defence Minister for the 30th Australia – United States Ministerial Consultations (AUSMIN 2020), hosted by their United States counterparts. Discussions focused on our shared efforts to support the Indo-Pacific to respond to, and recover from, COVID-19 health, economic and security challenges. The first face-to-face international engagement for Australian ministers since borders closed in early 2020, AUSMIN 2020 was a testament to the importance of our alliance at a time of strategic uncertainty.

During a period of political transition, the department drove an ambitious agenda for engagement with the new Biden Administration, including a visit by the Foreign Minister to Washington in May. We reaffirmed our close alignment with new US government counterparts on regional and global challenges, underscoring that American leadership on these issues is indispensable.



Minister for Foreign Affairs Senator Marise Payne during her meeting and press conference with US Secretary of State Antony Blinken on 13 May 2021 [Yuri Gripas]

Australia and the United States share a deep and sophisticated economic relationship. The United States is Australia's third-largest trading partner and Australia's largest source of foreign investment, with two-way investment valued at \$1.8 trillion in 2020. The department worked across government and with the United States on improving the resilience of supply chains, including for critical minerals and COVID-19-related medical supplies. The United States also provided Australia steadfast support in the face of economic coercion.

## China

At a time when **China** has more openly challenged agreed international rules and norms, the department, including through our embassy in Beijing and our consulates-general, worked to protect and promote Australia's national interests while maintaining scope for cooperation.

Working across government and the private sector, we coordinated policy development and whole-of-government communications to facilitate a joined-up and consistent approach. We met growing demand for the department's advice and expertise through outreach, affording greater domestic coherence while lifting China literacy across the public sector.

We advocated bilaterally through regular, officials-level communication with China to promote our political, trade, consular and other interests, and we continued to underline the benefits of dialogue, including at ministerial level. We coordinated extensively with international partners to seek constructive ways of working together – including with China – to ensure the interests of all states, and agreed rules, are upheld and respected.

Despite facing a range of bilateral challenges, strong complementarities continue to underpin the Australia–China economic relationship. The department continued to highlight Australia's advantages as a reliable place to do business, a safe and welcoming investment destination, and an exporter of high-quality, price-competitive goods and services.



We worked extensively with Australian industry to respond to trade disruptions and manage growing uncertainty. We coordinated closely with other government departments and agencies such as Austrade and the Department of Agriculture, Water and the Environment to advocate for the interests of Australian exporters. We also pursued our interests through bilateral and multilateral processes. We continued to address our concerns through World Trade Organization dispute settlement processes in relation to China's imposition of anti-dumping and countervailing duties and measures on Australian barley and wine.

The department continued to advocate strongly for Australian citizens detained, arrested or imprisoned in China. We were strong and consistent in raising Australia's serious concerns – bilaterally and in relevant UN forums – about human rights in China, including in Hong Kong, Tibet, and in relation to credible reports of severe human rights abuses against Uyghurs and other Muslim minorities in Xinjiang.

The department promoted our enduring interests in Hong Kong, including the interests of the sizeable Australian business community. We led the government's response to the roll-back of Hong Kong's 'One Country, Two Systems' framework and urged China to honour its commitments to Hong Kong's democratic principles, rights and freedoms under the Basic Law.

We deepened our unofficial ties with Taiwan, an important trading partner and like-minded democracy in the Indo-Pacific region, through growing our trade and economic relationship and supporting Taiwan's resilience.

The **National Foundation for Australia–China Relations** strengthened practical cooperation and engagement with China in areas of mutual interest. The foundation partnered with business and state and territory governments to improve China awareness and capability, with a focus on low-emissions technologies, education, and health and ageing. It engaged actively with Chinese–Australian community groups, launched a dedicated website, and provided expert advice to a range of stakeholders. The foundation awarded over \$4 million across 26 grants to strengthen business capability, cultural and scientific exchange and people-to-people links.

## Working with Indo-Pacific partners

Through Australia's Special Strategic Partnership with **Japan**, we advanced shared efforts to realise an open, inclusive and resilient Indo-Pacific. Our frequent, high-level engagement with Japan included the only international visit by the Prime Minister in 2020, when he became the first leader to meet with newly appointed Prime Minister Suga in Tokyo in November.

We supported ministers to hold the ninth Japan–Australia 2+2 Foreign and Defence Ministerial Consultations in June, which deepened cooperation in cyber and critical technology, vaccine-related assistance in Southeast Asia and the Pacific, and information sharing. We also supported the Foreign Minister's visit to Tokyo in October for a Quad Foreign Ministers' meeting and bilateral program, as well as numerous interactions by portfolio ministers.

We worked with Japan to assist the region's COVID-19 response, including on the Quad Vaccine Partnership, and helped fund the ASEAN Centre for Public Health Emergencies and Emerging Diseases. Working with the Department of Defence, we secured in-principle agreement for a Reciprocal Access Agreement with Japan, which will enhance defence engagement. We conducted our first Australia–Japan South China Sea naval transit, and our first trilateral transit with the United States.

Our trade, investment and economic security relationship continued to deepen and expand. In 2020 Japan was Australia's second-largest source of foreign direct investment (\$131.8 billion), a 13.7 per cent increase compared to 2019. We expanded cooperation in emerging areas, including in space, cyber, critical technology, and infrastructure, including 5G and submarine cables. We also supported leaders to announce the Japan–Australia Partnership on Decarbonisation through Technology.

**Indonesia** is one of Australia's closest partners. Despite the effects of COVID-19 on international travel, we worked to maintain high-level government contact virtually, at both ministerial and leader level, to progress our extensive political, economic, security and development interests. Australia's immediate support to Indonesia in response to the pandemic helped to further strengthen our partnership. This included an early pivot of the development cooperation program to respond to the pandemic and the commitment of \$101.9 million to support Indonesia's vaccine program. The Australian Government also provided a \$1.5 billion bilateral loan to Indonesia to support their COVID-19 response financing through The Treasury, under the *International Monetary Agreements Act 1947*.

The Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA) entered into force in July 2020. The flow of goods and services under the agreement signals that even in these challenging times, Australia and Indonesia have worked to expand their economic and trade relationship. To maximise the potential mutual benefits of IA-CEPA, we developed a five-year Economic Cooperation Program to build the connections between Australian and Indonesian businesses, support trade and investment, improve market access and promote inclusive economic growth in Indonesia.

Our top-tier relationship with **India** continued to strengthen following its elevation to a Comprehensive Strategic Partnership (CSP) in June 2020. Under the CSP, we agreed new cooperation in defence, maritime safety and security, the marine environment, cyber security, critical minerals, water resources, skills and governance, geoscience and space. The CSP represents a deepening alignment of interests in the Indo-Pacific, with Australian and Indian officials holding 17 Joint Working Group meetings across the breadth of the relationship.



We supported regular bilateral engagement between leaders and ministers and developed an action-oriented agenda for Quad meetings. We supported the inaugural foreign ministers' meeting of the India–France–Australia Trilateral Ministerial Dialogue in May, stepping up engagement on maritime safety and security, climate change and environmental issues, and in multilateral forums.

We strengthened practical engagement, including through Australia's participation in Exercise Malabar in November 2020, the inaugural grants rounds of the Indo-Pacific Oceans Initiative, and the Cyber and Critical Technology Partnership. This engagement will help shape maritime, cyber and critical technology norms and international rules.

We promoted recovery and growth in the trade and investment relationship with India through a high tempo of business outreach, including in the emerging areas of critical minerals, space, renewables and infrastructure investment. In 2020 India was Australia's seventh-largest trading partner and sixth-largest export market. We continued to implement the India Economic Strategy and facilitated a third meeting of the India Economic Ministerial Champions, where ministers took stock of progress on the economic elements of the CSP and set the forward direction.

Australia's relationship with **the Republic of Korea (ROK)**, our fourth-largest trading partner in 2020 and a mutual US ally, continued to grow during the 60th anniversary of diplomatic relations. The department helped expand our robust economic ties to focus on future areas of growth, such as hydrogen fuels and low-emissions technologies. We enabled positive exchanges between ministers and leaders on both sides, including at the G7+ Foreign Ministers' meeting in London in May and the Leaders' Summit in Cornwall in June. In his meeting with President Moon Jae-in during the G7 in Cornwall, the Prime Minister secured support for elevation of the bilateral relationship to the level of a comprehensive strategic partnership. This leader-level commitment will enable a significant broadening and deepening of our bilateral and regional cooperation, and contribute to realising an open, inclusive and resilient Indo-Pacific.

Our substantial engagement with the ROK government, despite COVID-19, included the inaugural bilateral senior officials' dialogue on Southeast Asia and ASEAN. We agreed to work towards 21 joint initiatives focused on Australia and the ROK working with ASEAN to contribute to a more prosperous and better-connected Southeast Asia. We also progressed efforts to secure new bilateral and Indo-Pacific cooperation in cyber security, critical technologies, smart cities and supply chains, and addressed regional pandemic recovery.

Our relationship with **New Zealand** is our most comprehensive. We worked together to promote an Indo-Pacific region of sovereign, resilient and prosperous states, with robust regional institutions and strong respect for international rules and norms. We also continued to cooperate to support an open and liberalised multilateral trading system and promote global economic growth and prosperity in the context of COVID-19.

We led discussions with New Zealand that resulted in reopening of quarantine-free trans-Tasman travel. Two-way travel commenced on 19 April, delivering economic benefits to both countries. We supported Australia – New Zealand Foreign Minister Consultations in Wellington in April, which reaffirmed the closeness of the relationship and our commitment to promote shared interests in the Indo-Pacific. Prime Ministers met in Queenstown, New Zealand, in May for their annual Leaders' Meeting. We continued to work with New Zealand to support Pacific partners to face the economic and health challenges of COVID-19.

## Stepping up in the Pacific and Timor-Leste

The **Pacific Step-up** is one of Australia's highest foreign policy priorities. We are working with our Pacific partners to build a Pacific region that is secure strategically, resilient economically and sovereign politically. The Step-up recognises and responds to the enduring challenges of our region, as well as the unprecedented challenges of COVID-19. Our efforts through the Step-up to strengthen regional engagement, support economic resilience, pursue our shared security interests and deepen our personal connections are important foundations for regional recovery.

A high tempo of engagement between the Prime Minister, Foreign Minister, Minister for International Development and the Pacific, and their Pacific and Timor-Leste counterparts drove the responsiveness of our support during the pandemic. Since the start of 2021, this included leader- or ministerial-level engagement with Fiji, Papua New Guinea, Solomon Islands, Vanuatu, Samoa, Tonga, Tuvalu, Federated States of Micronesia, Kiribati, Nauru, Palau, Republic of Marshall Islands, Timor-Leste and New Zealand. We also worked closely through the **Pacific Islands Forum** (PIF) and other regional forums. Our extensive engagement was supported by the expansion of our diplomatic network in the Pacific to include every PIF member country. We opened new posts in Niue (September), Republic of Marshall Islands and French Polynesia (both in May).

In 2020–21 the Step-up built on strong foundations to support our partners to manage the health and economic impacts of COVID-19. Although COVID-19 brought unprecedented challenges to the implementation of our initiatives, we stood by our Pacific family and strengthened our shared interests in the sovereignty, security and resilience of our region. In this context, we assess our overall performance against our Step-up objectives (1.3) as 'on track'.

### Responding to immediate needs arising from COVID-19

Ensuring access to safe and effective **vaccines** was our top priority to assist our region through and out of COVID-19. The department worked closely with Pacific island countries and Timor-Leste to progress Australia's commitment to donate up to 15 million COVID-19 vaccine doses to the region, which, in partnership with New Zealand, the United States, France and Japan, will ensure comprehensive vaccine coverage. By 30 June we delivered almost 500,000 Australian-manufactured doses to five countries: Papua New Guinea, Timor-Leste, Fiji, Solomon Islands and Tuvalu. Further doses are being delivered beyond this date on a regular basis subject to absorptive capacity and Pacific island countries' national rollout plans. We also committed \$523.2 million under our Vaccine Access and Health Security Initiative to provide end-to-end vaccine support and an agreement with UNICEF that will underpin the purchase of doses for up to 6 million people in the Pacific and Timor-Leste. Our \$130 million pledge to the COVAX Facility's Advance Market Commitment supported the delivery of more than 550,000 doses for the Pacific and 124,800 for Timor-Leste (as at 30 June).

Through the **Humanitarian Corridor**, since its establishment in March 2020, we delivered more than 234,000 GeneXpert COVID-19 testing cartridges and almost 60 tonnes of humanitarian supplies to 13 Pacific island countries and Timor-Leste. We organised more than 361 flights to deliver essential goods and services, and in 2020 helped over 750 Australian citizens and permanent residents, over 2,000 Pacific island and Timorese nationals, and over 1,000 third-country citizens return home. We worked with members of the Pacific Islands Forum to support its **Pacific Humanitarian Pathway**, which facilitated flights to 11 countries and transported more than 237 tonnes of health and humanitarian supplies and over 100 technical experts. We maintained critical connectivity by supporting Pacific airlines under the **Pacific Flights Program**, with regular services to Vanuatu, Solomon Islands, Timor-Leste, Papua New Guinea and Tonga.

We partnered with **Papua New Guinea** (PNG) in a wide range of areas to support its response to the large-scale COVID-19 outbreak in early 2021, building on our assistance from the beginning of the pandemic. To save lives, livelihoods and protect Australia's own health security, we deployed medical assistance teams and other assistance to boost clinical capacity in Port Moresby, set up a vaccination

clinic in the National Capital District, provided essential medical equipment, supported pre-departure airport COVID-19 surveillance and testing, committed \$144.7 million through our regional vaccine initiatives, and provided surge support funding and technical assistance for provincial health authorities and PNG's COVID-19 National Control Centre.

At the height of PNG's devastating second wave, vaccines from Australia's domestic supply were crucial in protecting frontline workers and helping keep the health system operating. We provided an additional \$67 million in targeted financing for critical health and education services as part of Australia's **Pacific COVID-19 Response Package**, on top of our already extensive bilateral support. To help combat misinformation and vaccine hesitancy, we leveraged our existing partnerships with churches and non-government organisations to widen our reach into the community, and with ABC International Development to improve PNG media coverage and content.

We consolidated Australia's position as **Timor-Leste's** largest development and security partner. We rapidly pivoted our \$105.2 million development program, supplemented by regional COVID-19 initiatives, to support Timor-Leste's COVID-19 response and recovery. Through our long-running development partnerships, we supported essential services to protect women and children from violence, and assisted Timor-Leste's economic stimulus program for households and communities. We progressed development of an undersea fibre-optic cable to improve internet connectivity, crucial to economic development. We maintained high-level engagement, including through a virtual trilateral meeting of Foreign Ministers with Indonesia.

### Supporting economic resilience

We worked with like-minded partners – including New Zealand, France, Japan, the United States, the European Union and multilateral development banks – to support the region's **economic recovery**. This included coordinating fiscal support, infrastructure financing, health system strengthening, support for vaccines, and joint advocacy for debt suspension under the G20 – Paris Club Debt Service Suspension Initiative. We finalised financing for three critical infrastructure investments under the flagship \$2 billion **Australian Infrastructure Financing Facility for the Pacific**.

In November, the Australian Government entered into a loan agreement with PNG for critical financial support through The Treasury, under the *International Monetary Agreements Act 1947*. The loan amount comprised an AUD140 million loan and a refinancing of a USD300 million loan that PNG had already entered into with Export Finance Australia in November 2019. Australia's loan support assisted PNG to continue delivering core government services, such as health care and education, and supported an economic reform package under the International Monetary Fund Staff-Monitored Program.

We worked with the region to ensure that **fisheries**, vital to Pacific economies, could continue to operate effectively through the development of protocols to manage COVID-19 transmission. We pivoted our coastal fisheries program (\$10 million, 2021–2026) to address food security issues at a time when many people were returning to their villages due to the economic impacts of COVID-19.

In December, the **Pacific Agreement on Closer Economic Relations Plus** (PACER Plus) entered into force, with eight of the 11 signatories completing ratification (New Zealand, Australia, Samoa, Kiribati, Tonga, Solomon Islands, Niue and Cook Islands).

## Labour mobility program

Australia's Pacific labour mobility initiatives are highly valued by Australia, the Pacific and Timor-Leste. The **Seasonal Worker Programme** and **Pacific Labour Scheme (PLS)** help address persistent workforce shortages in rural and regional Australia, while providing skills and income to Pacific and Timorese workers to support their families, communities and economies. These programs have become even more critical during the COVID-19 pandemic as Australian industry has turned to Pacific workers to help meet critical workforce shortages exacerbated by border closures, and many partner Pacific governments have focused on labour mobility and remittances in their economic recovery plans.

The programs were significantly disrupted by COVID-19. The pandemic impacted workers' welfare, employment and ability to return home. In response, welfare support for workers was expanded, more than 10,000 redeployments were arranged, and more than 1,390 workers were repatriated. The restart of the programs in September enabled more than 7,000 Pacific and Timorese workers to arrive in Australia (as at June 2021), bringing the total number of Pacific and Timorese workers in Australia to over 12,000, the largest number of Pacific workers in Australia at any one time since the Pacific labour mobility initiatives began.

### ***'My workplace looks after me': How two Samoan aged care workers are coping during COVID-19***

Visor Auvele and Rachel Sale, who are personal care workers at Bolton Clarke's Cunningham Villas in Bowen, Queensland, said coronavirus has not disrupted their lives too much because they have a safe and supportive workplace and community. The two Samoan women have worked in Australia since 2019 under the PLS. For them, as for many of their fellow PLS workers, Pacific island border closures meant they stayed in Australia and continued to work during the COVID-19 crisis. Visor and Rachel's continued employment throughout the pandemic allowed them to continue to send money back to Samoa to help their families in this uncertain time.



Pacific Labour Scheme participants Rachel Sale and Visor Auvele, personal care workers at Bolton Clarke's Cunningham Villas in Bowen, Queensland [Pacific Labour Facility]

## Security cooperation

We worked to deepen and strengthen security engagement with Pacific partners, in support of shared priorities under the 2018 Boe Declaration on Regional Security. In August, Prime Ministers Morrison and Marape signed the **PNG–Australia Comprehensive Strategic and Economic Partnership**, reflecting the growing depth and ambition of our bilateral relationship, demonstrated by a commitment to negotiate a Bilateral Security Treaty.

Under the **Fiji–Australia Vuvale Partnership**, we jointly progressed redevelopment of the Blackrock Camp into a regional peacekeeping, humanitarian assistance and police training centre. In Solomon Islands, our longstanding security cooperation – through Australia’s police, border and defence agencies – focused on strengthening policing and security capability, including border and maritime security, police operations and explosive ordnance disposal.

The **Pacific Fusion Centre**, based in Canberra on an interim basis, pivoted to support the COVID-19 response, providing information and analysis on border management, food security, and misinformation and disinformation. In October, Australia and Vanuatu announced Port Vila as the centre’s permanent home. The **Australia Pacific Security College** also pivoted effectively to online learning to deliver its security capacity-building programs.

Recognising Pacific leaders’ reaffirmation of **climate change** as the single greatest threat to the peoples of the Pacific, we worked closely with Pacific partners to build resilience, including working with the region to preserve maritime boundaries. The department supported Australia’s engagement at the PIF High-Level Roundtable on Urgent Climate Change Action in December, where the Prime Minister announced Australia would increase our global climate finance target to \$1.5 billion (2020–2025). This includes and builds on the \$500 million over five years we are helping to deliver to assist Pacific nations invest in renewable energy and climate change and disaster resilience.



Australian High Commissioner to Solomon Islands Dr Lachlan Strahan with Solomon Islands Prime Minister Manasseh Sogavare, on 28 June 2021, celebrating the commissioning of Solomon Islands' second Guardian-class Patrol Boat, RSIPV *Tara*, built by Australian shipbuilder Austal [DFAT]

## Personal connections

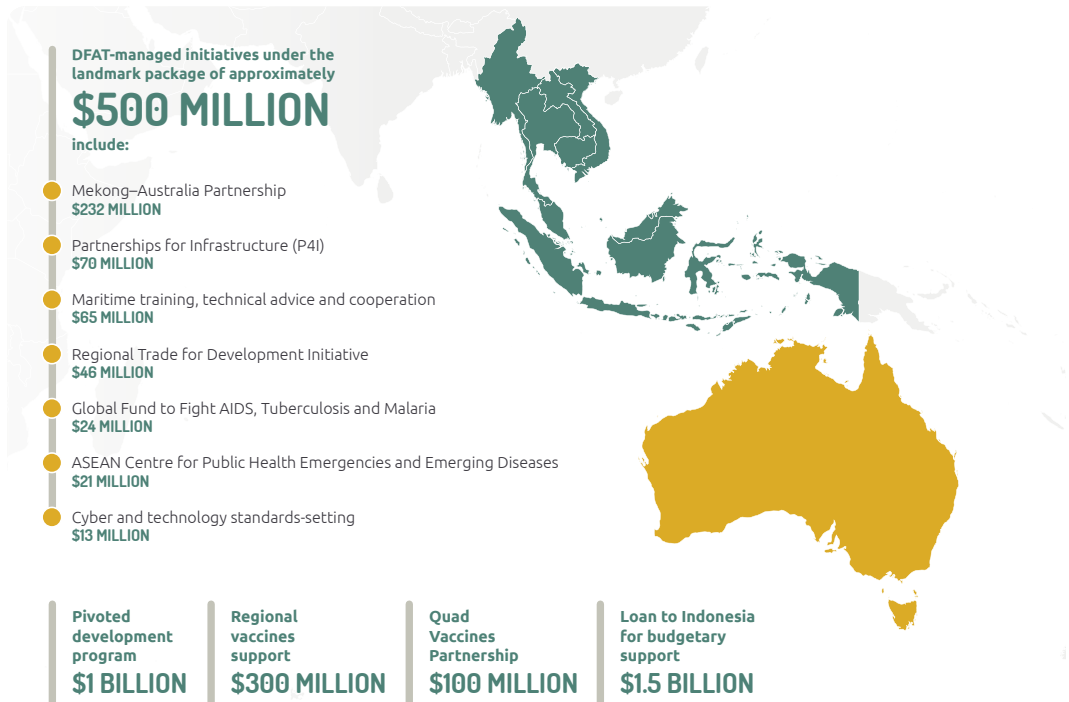
Despite the pandemic, we continued to build people-to-people links with the Pacific. Our **sport and church engagement** instilled a sense of regional community, even as some programs paused due to COVID-19. We assisted four top Pacific teams to compete in rugby league and rugby union competitions in Australia, funded 50 episodes of radio and television programming on the ABC showcasing Pacific athletes, established the PacificAus Sports Regional Hub in Samoa, commenced a netball immersion program, and helped over 170 Olympic and Paralympic athletes from 11 Pacific nations prepare for the Tokyo 2020 Olympic and Paralympic Games.

The **Pacific Church Partnerships Program** worked with the Pacific Conference of Churches to establish an advisory network to promote stronger Australia–Pacific church links and guide development priorities, and with UnitingWorld to establish a Disaster Chaplaincy Network in Fiji to support people affected by COVID-19 and cyclones Harold and Yasa.

## Working with Southeast Asia

Australia's partnerships with Southeast Asian countries are a key source of our security and prosperity. As the pandemic hit in 2020, we pivoted our entire \$1 billion aid program in Southeast Asia to focus on health security, social stability and economic recovery. At the ASEAN–Australia Summit in November 2020, the Prime Minister announced a landmark package of approximately \$500 million in initiatives targeting the urgent needs of the region and to support Southeast Asia's recovery from COVID-19. The package, combined with our \$1 billion development program in Southeast Asia and \$1.5 billion loan to Indonesia, is Australia's largest investment in Southeast Asia since the Indian Ocean tsunami of 2004.

Figure 4 – Enhanced investments in Southeast Asian partnerships, announced by Prime Minister Morrison on 14 November 2020





Australia continued to recognise Southeast Asia's economic dynamism and strategic influence. ASEAN is Australia's second-largest trading partner as a bloc and included five of our top 15 trading partners in 2019–20. The department worked closely with **Brunei** to support its 2021 ASEAN chair year. We played an important role in pursuing economic, trade and investment opportunities within the region to drive our shared recovery.

Australia's Comprehensive Strategic Partnership with **Singapore** continued to expand, with the entry into force of a Digital Economy Agreement (December) to advance mutual digital trade opportunities. In June, the department supported the Prime Minister's visit to Singapore. Building on a memorandum of understanding on low-emissions solutions signed last year, the leaders announced a \$30 million partnership to accelerate the deployment of low-emissions fuels and technologies like clean hydrogen to reduce emissions in maritime and port operations.

We accelerated work with **Vietnam** on a joint Enhanced Economic Engagement Strategy, with the objective of becoming top 10 trading partners and doubling bilateral investment. The strategy's implementation plan will outline mutually beneficial, practical initiatives to deepen our trade and investment links in agriculture, education, energy and resources, manufacturing, tourism and other services, including finance.

Marking the 65th anniversary of Australia's diplomatic presence in **Malaysia**, we elevated our bilateral relationship with Malaysia to a Comprehensive Strategic Partnership. In 2021 the department continued to strengthen people-to-people connections through the *Australia now* program in Malaysia.

In November, the department led whole-of-government efforts to support ministerial and senior official engagement in expanding our relationship with **Thailand** to a Strategic Partnership. We also supported closer engagements on bilateral and regional matters. With **Laos**, we maintained a regular tempo of ministerial and senior official engagement, including on preparation for the 70th anniversary of diplomatic relations in 2022, COVID-19 vaccine access and regional issues.

We marked 75 years of close diplomatic relations with the **Philippines**. We facilitated senior-level discussions with the Philippines, including the inaugural Foreign Ministry Consultation, the Strategic Dialogue, the Joint Defence Cooperation Committee, and the Trade, Industry and Investment Dialogue.

We continued to engage with **Cambodia** on strategic, political, governance and development cooperation issues, and advocated for commitment to uphold human rights. We worked to address the economic and social impacts of the pandemic, including by strengthening public health facilities, supporting people with disability and other marginalised groups, vaccine access and boosting access to irrigation, electricity and piped water.

In the Mekong subregion, where development and strategic challenges are acute, our new Mekong–Australia Partnership (MAP) helped boost human capability, increased environmental and economic resilience, and strengthened cyber and critical technology resilience. MAP, which covers **Cambodia, Laos, Vietnam, Thailand and Myanmar**, supported the region's COVID-19 economic recovery through business-focused programs that helped build market regulation capacity, as well as technical assistance, private sector support pilots, and policy research and analysis.

### Australia's response to the Myanmar coup

Following the 1 February coup in Myanmar, many hundreds of people lost their lives, and thousands more were detained. The political crisis came on top of the long-running Rohingya crisis, as well as decades of fighting involving Myanmar's multiple armed ethnic groups.

In this challenging context, the Australian Embassy in Yangon worked tirelessly to support Australians and Australian interests. The department also established a Myanmar Taskforce to manage the government's response.

As part of our active, engaged and sustained diplomacy, Australia called on Myanmar's military to refrain from violence, release those arbitrarily detained, engage in dialogue, and return to democracy. We supported extensive discussions by the Foreign Minister with international counterparts on diplomatic options to address the crisis. Australia was at the forefront in supporting efforts by the Association of Southeast Asian Nations (ASEAN), and in April the Foreign Minister announced \$5 million for the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management. Departmental officials engaged with a range of voices, including the National Unity Government and diaspora groups, to help us understand the situation and inform our response.

The department undertook extensive work to review and, where necessary, redirect development cooperation to ensure it was not supporting the Myanmar regime or government-related entities.

### Working with South Asia

In addition to our close cooperation with India, we continued to strengthen our relationships with key partner countries in the North East Indian Ocean region. We celebrated 50 years of independence for **Bangladesh**, with events in Canberra and Dhaka. We advanced negotiations for a Trade and Investment Framework Arrangement, reflecting Bangladesh's continued economic progress and good potential for our economic relationship to grow.

The humanitarian assistance for the regional COVID-19 response, delivered by the Australian Defence Force, used Mattala Airport in **Sri Lanka** as a hub for regional delivery, increasing defence ties. The Trade, Tourism and Investment Minister made the first ministerial visit to **Maldives** in decades to discuss strategic developments and trade opportunities.

With the withdrawal of international troops from **Afghanistan**, and the increased uncertainty and risk in the security outlook, the government closed our embassy in Kabul on 28 May and moved to a model of non-resident representation. Our Afghanistan development program sought to contribute further to the gains made over the past 20 years. Australia will continue to cooperate with international allies and partners on shared interests in Afghanistan, including on security and humanitarian issues.

The department worked closely with our partners in South Asia to respond to COVID-19 and build longer-term resilience. In **Nepal**, we supported immediate health needs and longer-term health system strengthening by investing in health, education, governance and emergency preparedness. In **Pakistan**, we continued to advocate for human rights, including the rights of minorities and abolition of the death penalty. We invested in the provision of essential services for women and girls, including family planning.



## Building regional collaboration

The **Association of Southeast Asian Nations** (ASEAN) remains vital to Australia's Indo-Pacific agenda. The department supported ASEAN's COVID-19 response and recovery, including through our \$500 million investment in new development, economic and security measures for Southeast Asia, and a \$60 million package of ASEAN initiatives under our *Partnerships for Recovery* framework. We engaged closely with ASEAN at leader and ministerial level on issues of regional importance, including the situation in the South China Sea. In November, leaders agreed to annual ASEAN–Australia Summits, marking a new chapter in our Strategic Partnership.

Australia actively engaged in the **East Asia Summit** (EAS) to ensure it maintained its role as the region's premier leader-led strategic forum. At the virtual EAS Summit in November, we co-sponsored leaders' statements on the EAS's 15th anniversary, marine sustainability, and women, peace and security. The department's support for an EAS Health Experts' Meeting on COVID-19 in October advanced discussions on EAS cooperation on the region's recovery and future pandemic preparedness. A virtual EAS cyber workshop we co-hosted with Singapore in September underscored the utility of regional cyber capacity-building initiatives.

The Secretary regularly engaged counterparts from India, Indonesia, Japan, New Zealand, the Republic of Korea, the United States and Vietnam through virtual **Indo-Pacific coordination calls** to strengthen COVID-19 responses across the region and discuss the strategic implications of the pandemic. We continued cooperation with Japan and the United States through the **Trilateral Strategic Dialogue**, including on maritime security.

The **Pacific Islands Forum** (PIF), through its unique convening power and ability to mobilise coordinated regional responses, remained a central part of Australia's Pacific engagement as the pandemic response continued and regional economic recovery took shape. The Prime Minister and Foreign Minister participated in the 3 February virtual PIF special Leaders' Retreat, which focused on responses to COVID-19, and underscored the importance Pacific countries attach to cooperation on the most significant challenges facing the region. Leaders also endorsed Australia's proposal for an annual PIF Women Leaders Meeting. Despite tensions within the forum following the election of the new Secretary-General, we worked closely with all PIF members in an effort to find a way forward.

We worked through the **Indian Ocean Rim Association** to advance initiatives that promote enhanced maritime security and prosperity in the Indian Ocean region.

Owing to COVID-19 travel restrictions, we pivoted the **Canberra Fellowships Program** to maintain momentum in building a network of emerging Indo-Pacific leaders, including through a series of Track 1.5 Indo-Pacific strategic dialogues with key partners in bilateral and multilateral formats.

The department worked with regional partners to deliver **trade agreements** that enhance prosperity in the Indo-Pacific and expand access and opportunity for Australian business. During 2020–21, we engaged in economic diplomacy, trade policy negotiation and advocacy activities to build and strengthen inclusive regional economic architecture in which Australia can play an important role.

A prime example was the **Regional Comprehensive Economic Partnership Agreement** (RCEP), which was signed in November by 15 countries: Australia, the 10 ASEAN member states, China, Japan, New Zealand and the Republic of Korea. RCEP will be the world's largest free trade agreement and will become an important pillar of regional economic architecture.

## The Quad

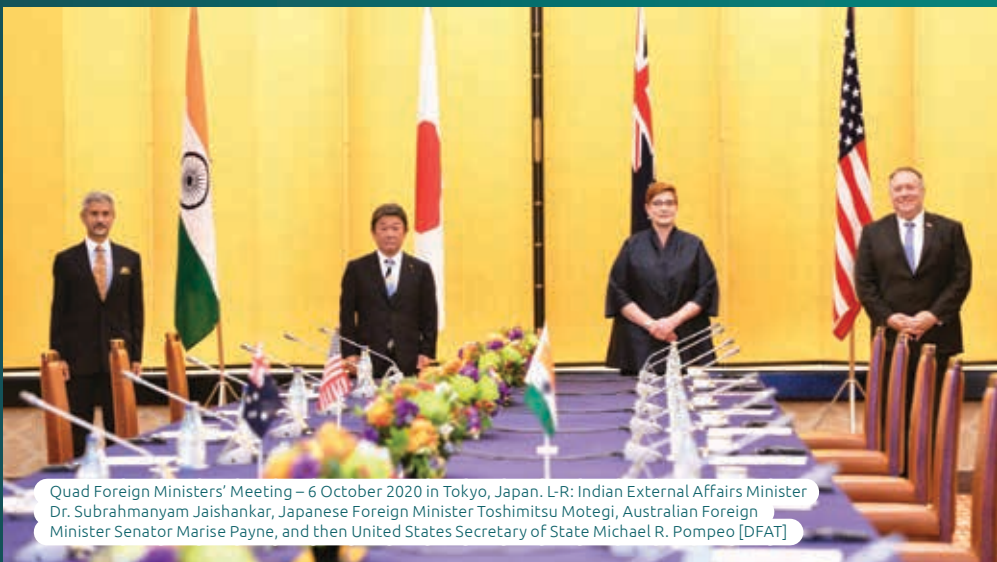
The department helped to position the Quad – Australia, India, Japan and the United States – as a key pillar of Australia's Indo-Pacific engagement. We worked with partners to expand the Quad's positive, practical agenda to promote a regional balance that supports the sovereignty and independence of Indo-Pacific countries.

Working with the Department of the Prime Minister and Cabinet, the department's support for the inaugural Quad Leaders' Summit in March enabled the Prime Minister to advance our shared vision of an open, inclusive and resilient region underpinned by rules and norms. Leaders pledged practical Quad cooperation on COVID-19 vaccines, climate change, and critical and emerging technology.

The department's support for Quad Foreign Ministers' Meetings in October and February bolstered strategic alignment and deepened practical Quad cooperation on the region's most pressing issues, including maritime security, cyber security, counter-terrorism, humanitarian and disaster relief, and countering disinformation.

Our participation in regular Quad senior officials' and experts' meetings drove strategic momentum and progressed implementation of leader and ministerial initiatives. Delivering on summit announcements, we worked with the Department of the Prime Minister and Cabinet and across government to mobilise a Quad Vaccine Experts Group to implement the landmark Quad Vaccine Partnership, as well as new Quad working groups on critical and emerging technology and climate change. Australia has committed \$100 million to the Quad Vaccine Partnership, which will expand access to safe and effective COVID-19 vaccines in the Indo-Pacific. Our funding will support 'last mile' delivery in Southeast Asia. Working across government, we also strengthened Quad cooperation across the range of regional priorities to which Foreign Ministers have committed.

The Quad complements Australia's bilateral relationships and other regional and multilateral engagement, including with ASEAN. Quad partners champion ASEAN centrality and the ASEAN Outlook on the Indo-Pacific statement.



Quad Foreign Ministers' Meeting – 6 October 2020 in Tokyo, Japan. L-R: Indian External Affairs Minister Dr. Subrahmanyam Jaishankar, Japanese Foreign Minister Toshimitsu Motegi, Australian Foreign Minister Senator Marise Payne, and then United States Secretary of State Michael R. Pompeo [DFAT]

## Infrastructure investment

Australia's ability to finance the critical infrastructure needs of our partners was significantly expanded in 2019 with the commencement of the flagship \$2 billion **Australian Infrastructure Financing Facility for the Pacific** (AIFFP). The AIFFP's climate infrastructure window supports a focus on renewable and lower emissions energy. In 2020–21 Australia finalised financing for approximately \$110 million in AIFFP investments across three Pacific island countries, supporting energy, ICT and transport projects: a transmission line connecting renewable energy from the Tina River hydropower station to Honiara in Solomon Islands; an undersea cable into Palau; and support for Airports Fiji upgrades and maintenance. The AIFFP is progressing a strong pipeline of investments across the region that will support our neighbours' priorities, emphasise climate resilience, maximise benefit to the community and uphold high standards that ensure investments stand the test of time.

The department worked with Export Finance Australia and US and Japanese counterparts to advance the **Trilateral Infrastructure Partnership** (TIP), which supports high-quality infrastructure in the Indo-Pacific. In October, Foreign Ministers announced the first TIP project – an undersea fibre-optic cable spur connecting Palau with a new cable spanning the Indo-Pacific region from Singapore to the west coast of the United States.

The department launched a new infrastructure advisory program for Southeast Asia and ASEAN in December. Based in Bangkok, **Partnerships for Infrastructure** (P4I) has been providing advice on infrastructure, planning, procurement and regulations to the region since January. P4I provides an additional \$70 million to expand the scale of infrastructure advisory services.

## Maritime security

The department worked with partners to promote an open, rules-based maritime domain centred on the UN Convention on the Law of the Sea (UNCLOS). We leveraged our bilateral relationships and engagement in ASEAN-led forums, such as the East Asia Summit and ASEAN Regional Forum (ARF), to enhance cooperation and counter destabilising and coercive actions, including in the South China Sea. We refuted maritime claims that were not consistent with UNCLOS, putting our view on record at the United Nations, and spoke and acted to reinforce freedom of navigation and overflight.

The department worked across government with partners in Southeast Asia to strengthen maritime domain awareness and combat maritime security threats, such as illegal, unreported and unregulated fishing. As co-chairs of the ARF maritime security workstream with Vietnam and the European Union (EU), we promoted confidence-building measures, particularly in maritime law enforcement.

## Responding to the threat posed by North Korea

The department sustained its contribution to the enforcement of UN Security Council and Australian autonomous sanctions against **North Korea** in light of its failure to take clear steps towards complete, verifiable and irreversible denuclearisation. We advocated Australia's position in multilateral forums such as the G7+, and joined like-minded countries in conducting advocacy to other states on the importance of enforcing UN Security Council sanctions against North Korea.

The department supported Australian Defence Force deployments to monitor and deter ships evading UN Security Council sanctions. We made representations to states where vessels of concern were registered, and shared information with the United Nations for further investigation.

Australia continued to urge North Korea to return to the path of dialogue, diplomacy and negotiation and to prioritise the needs of its people ahead of its weapons programs.

## Building relationships through the New Colombo Plan

The New Colombo Plan (NCP) supports thousands of young Australians to study and undertake internships in the Indo-Pacific. It helps expand institutional links and develop connections for a new generation of leaders, growing cultural understanding and contributing to regional stability and prosperity.

### Performance measure

1.4 The New Colombo Plan delivers improved people-to-people, institutional and business links:

- at least 10,000 Australian undergraduates supported to study in the Indo-Pacific each year, and
- more high-quality engagement with Australian universities, businesses, alumni and other stakeholders in the New Colombo Plan.

### How we rate our performance\*

Partially on track

Source: Corporate Plan 2020–21, p. 17; PBS 2020–21, program 1.5, p. 35 | Funding: PBS 2020–21, program 1.5

\*Our assessments are informed by feedback from students, universities, the private sector and partner governments; analysis of our NCP and alumni databases; and surveys of participants.

## Our performance

In 2020–21 delivery of the NCP was significantly affected by COVID-19-related travel restrictions – as such, we rate our performance against this measure as ‘partially on track’. Student welfare remained a key focus, with all remaining participants returning to Australia during 2020–21.

We modified the program to allow for virtual delivery of mobility projects (including study, language programs, practicums and internships), to support NCP students’ engagement with the region while restrictions were in place, and to support ongoing relationships with the Indo-Pacific. Australian universities responded positively to this initiative, with the department approving virtual delivery of 244 NCP mobility projects equating to over 6,300 virtual places. For example, two University of Tasmania medical students undertook virtual visits at a Dili hospital, working with their Timor-Leste colleagues on research data collection, demonstrating the use of telehealth to support medical collaboration between Australia and the Indo-Pacific. NCP scholars whose programs were suspended or deferred were also able to apply for NCP funding for part-time language training, with 18 scholars taking up this opportunity.

We maintained high-quality engagement with NCP stakeholders. We expanded the NCP seminar series, *Momentum*, with over 4,000 participants including alumni, scholars and university and business representatives joining 17 events online and in person around Australia. Two popular events were *Breaking the Bamboo Ceiling* with participants in Perth, and *The Contribution of Indigenous Australia to our Diplomacy*, hosted by Charles Darwin University.

The department continued to run mobility and scholar selection processes, preparing new cohorts of young Australians to quickly re-engage with the Indo-Pacific once travel is possible and it is safe to do so.

## Advising and supporting our ministers

### Performance measure

**1.2 and 2.2** High level of satisfaction of ministers and key stakeholders with the quality and timeliness of advice, briefing and support provided by the department.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, pp. 17 and 18; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, program 1.1

\*Our assessments are informed by consultation with portfolio ministers' offices, the department's internal divisional business reviews and regular feedback from our ministers and stakeholders.

### Our performance

We rate our performance against this measure as being 'on track'.

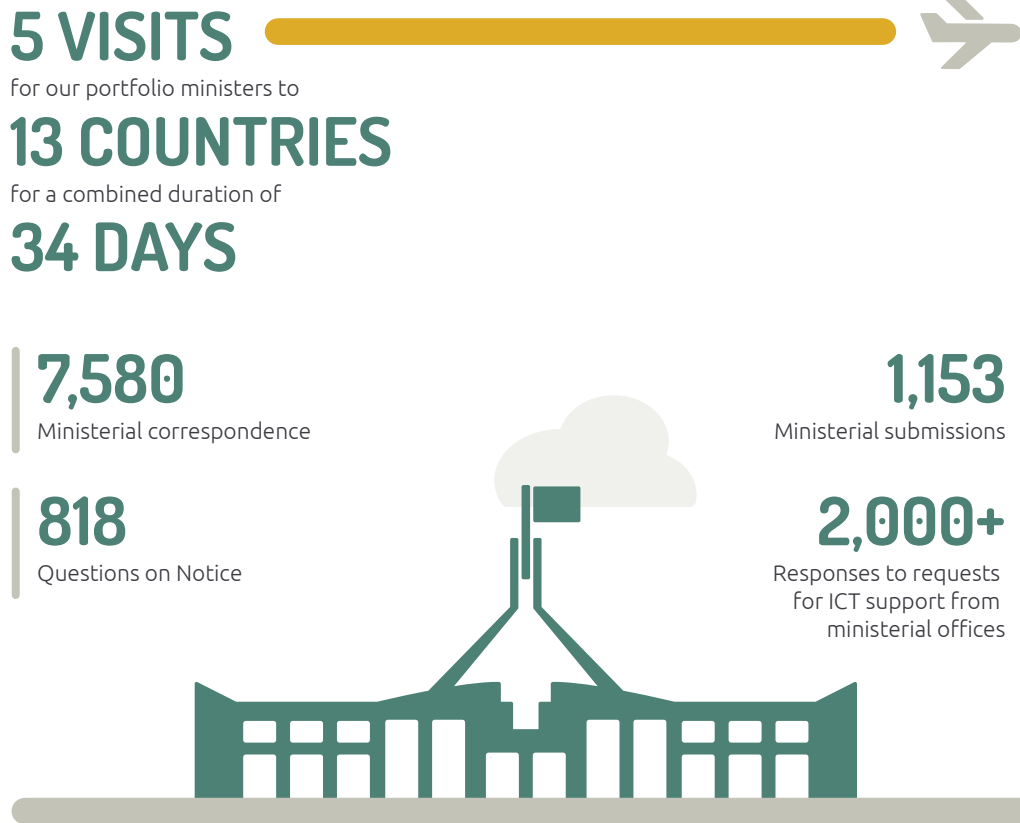
In an increasingly complex environment, the department supported ministers at a high tempo through a period of unprecedented Cabinet activity. The number of submissions and briefings prepared by the department to support portfolio ministers' engagement in Cabinet and its committees increased almost six-fold in 2020, compared with 2019. This reflected a substantial expansion of the department's policy development role in response to COVID-19 and emerging strategic challenges. Our briefing supported Cabinet's rapid situational awareness of international developments as they impacted on Australia's national interests.

During the reporting period, we supported five visits for our portfolio ministers to 13 countries for a combined duration of 34 days. Our posts supported three visits by the Prime Minister to five countries for a combined total of 13 days. Travel restrictions caused by the global pandemic meant we supported fewer international visits overall, but those undertaken were longer and substantially more complex to prosecute. We also supported ministers during mandatory quarantine periods to ensure they could continue to carry out their duties effectively.

ICT support to ministerial offices grew significantly due to an increase in ministers' virtual participation in international high-level events and remote working of ministerial staff. In 2020–21 we provided ICT support in response to more than 2,000 requests by ministerial offices.

Feedback on our performance from ministerial offices was positive across all areas. All offices noted that the department provided high-quality, timely advice and that reporting from the overseas network was well regarded and relied upon in government decision-making. Processes for conveying submissions and briefing to and from ministerial offices were robust.

Figure 5 – DFAT support for ministers, briefing and other products



## Priority 2: Pursue our economic, trade and investment opportunities

The COVID-19 pandemic has caused unprecedented disruption to the global economy. We mobilised our diplomatic network in support of open markets and enhanced opportunities for trade and investment, which remain crucial for Australia's recovery from the pandemic and ongoing strength and prosperity.

Figure 6 – Australia's trade and investment in 2020



Trade in goods fell

**6.0%**

while services trade fell

**37.4%**



**\$798 BILLION**

total trade in goods and services

↓ Fell by 13.1%



Foreign direct investment  
inflows into Australia were

**\$29 BILLION**

↓ Down 48%



Australia's direct investment  
outflows remained steady at

**\$13.3 BILLION**



Total value of foreign  
investment in Australia

**\$4 TRILLION**

↑ Increase of 2.5%

The COVID-19 pandemic had a major impact on Australia's trade in 2020, with the total value of Australia's two-way trade and other trade disruptions (seasonally adjusted) falling 13.1 per cent compared to 2019. However, Australia's exports in aggregate have bounced back, due largely to record high iron ore prices.

The total value of goods exports in the 2021 March quarter was more than 10 per cent higher than in the 2020 March quarter, reflecting recovery in demand and strong growth in supply of some agricultural exports, as well as iron ore exports. Services exports were \$7.8 billion (35 per cent) lower in the March quarter 2021 compared to the March quarter 2020 in original terms, as necessary border restrictions continued to significantly disrupt international travel.

Foreign direct investment inflows to Australia fell by 48 per cent in 2020. While this fall highlights the negative impacts of the COVID-19 pandemic on foreign investment, it also reflects the variability of investment flows year on year.

To aid Australia's economic recovery, the department worked with business to help diversify Australia's trade. We provided business with market intelligence from our overseas network, opened new markets through negotiations, built on our existing network of free trade agreements and addressed non-tariff barriers. Internationally we advocated strongly for the rules-based trading system.

## Supporting Australian business and keeping markets open

Australia continued to be a key supporter of, and an influential advocate for, the rules-based trading system and open markets. We systematically engaged across multilateral forums to promote and preserve the rules-based order, including through building new alliances. These efforts supported businesses in expanding and diversifying trade and played an important role in economic recovery.

### Performance measure

2.1 Effective support to the global rules-based trading system and opening of markets.

### How we rate our performance\*

Partially on track

Source: Corporate Plan 2020–21, p. 18; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, programs 1.1 and 1.4

\*Our assessments are informed by WTO, APEC, G20 and OECD outcomes, diplomatic reporting on feedback from foreign governments, and new trade agreements.

## Our performance

Despite our significant efforts to support the global rules-based trading system, we assess that we are only 'partially on track' against this performance measure. The global trading system has come under increasing strain in recent years. Rising protectionism and trade disruptive measures, as well as COVID-19's impacts, have worked to weaken the rules-based trading system. Nonetheless we have had some success in working to strengthen the rules-based trading system, which is vital to our economic prosperity. Australia has made a significant contribution to work on WTO trade initiatives ahead of the Twelfth Ministerial Conference (MC12) in November this year.



We played a major role in supporting efforts to reform the **World Trade Organization (WTO)**. Restoring the WTO dispute settlement system remained a key reform priority, and we continued to work with other WTO members in an effort to move this forward.

The department contributed to vaccine access initiatives through constructive engagement on a proposed waiver from the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). We also worked to ensure the multilateral intellectual property system continued to support the rapid development and licensing of vaccines, and to explore a WTO initiative on trade and health.

We led on WTO e-commerce negotiations as co-convenor to advance the first set of global digital trade rules. We worked towards ambitious outcomes in WTO negotiations on fisheries subsidies and investment facilitation for development. We drove negotiations on the services domestic regulation initiative to address behind-the-border barriers relating to licensing, qualifications and technical standards for services. These negotiations are close to conclusion and will provide increased certainty for Australian services exporters supporting post-COVID-19 economic recovery.

Australia continued to be a vocal advocate for agricultural trade reform in the WTO. In particular, we led the Cairns Group countries' push calling for harmful trade and production-distorting domestic support (agricultural subsidy) entitlements to be addressed.

### Responding to trade restrictions on Australian exports

Exports of a range of Australian products to China, our largest export market, were subject to increased trade restrictions over the course of the year. The products affected included barley, coal, cotton, meat, logs, rock lobsters and wine. In some cases, the restrictions effectively halted Australian exports of the relevant products.

The government sought to resolve these concerns through dialogue with China, both bilaterally and in the WTO. We called on China to engage in international trade in a manner consistent with its WTO and bilateral trade agreement commitments. The government formally launched a WTO dispute against Chinese anti-dumping and countervailing duties on Australian barley, and sought consultations under the WTO's dispute settlement mechanism in relation to China's anti-dumping and countervailing measures on Australian wine.

We raised trade concerns with a range of WTO members to ensure Australian exports and businesses have access to overseas markets. We resolved our challenge to Canada's measures against Australian wine, securing an agreement that ensures Australian wines can access the Canadian market on a level playing field. Canada was Australia's fourth-largest export market for wine in 2020. Working closely with Brazil and Guatemala, the department advanced Australia's WTO challenge to India's sugar subsidies, arguing Australia's case at two virtual hearings. We also successfully concluded our engagement in Indonesia's WTO challenge to Australia's imposition of anti-dumping measures on A4 copy paper.

**Asia-Pacific Economic Cooperation (APEC)** is an important vehicle for advancing Australia's economic interests in the region. We worked with other members to agree on APEC's new strategic vision for the next 20 years – the Putrajaya Vision. The vision reflects Australia's primary focus on free and open trade and investment as the cornerstone of APEC's agenda, as well as our priorities in other areas critical to economic recovery, such as digital trade, structural reform and inclusive growth. We secured a strong APEC Trade Ministers Statement in June that underscored the importance of the multilateral trading system with the WTO at its core. We led negotiations on the APEC Trade Ministers Statement on Services to Support the Movement of Essential Goods, which saw members agree to facilitate the continued smooth operation of logistics networks to ensure medical goods can cross borders and reach their destination efficiently.

In the **G20**, we supported implementation of fiscal, monetary and financial stability measures to address the health and economic impacts of COVID-19. We adopted a G20 Action Plan to strengthen international economic cooperation and achieve strong, sustainable, balanced and inclusive growth. We supported Italy, as 2021 G20 host, to achieve outcomes that addressed the ongoing health and economic crises and promoted accountability against agreed outcomes by G20 members. We supported strategies for sustainably rebuilding the tourism sector that reflect Australia's development priorities, including a focus on the Indo-Pacific, women's economic empowerment and gender equality.

The **Organisation for Economic Co-operation and Development** (OECD) plays an important role in guiding international best practice on economic and other areas of public policy. The department led Australia's successful campaign to take a global leadership role in this key multilateral economic institution, with the Hon Mathias Cormann selected to be OECD Secretary-General from a strong field of 10 candidates. Secretary-General Cormann's vision for enhancing the OECD's partnerships with Indo-Pacific countries aligns with Australia's priorities and our interest in securing a strong regional economic recovery from COVID-19.

The department facilitated participation by the Foreign Minister and the Trade, Tourism and Investment Minister at the OECD Ministerial Council Meeting (31 May to 1 June) to encourage the OECD's engagement in the Indo-Pacific and support the multilateral trading system. We helped ensure the OECD's new Vision Statement and Global Relations Strategy prioritise global norm setting, open markets and the international trading system.

As Vice-Chair of the OECD Trade Committee we helped to shape the Organisation's approach on Australia's priorities, including trade liberalisation, trade in services, digital trade, global value chains and contentious issues such as subsidies and state owned enterprises. We advocated for Australia's interests in shaping international export credit rules and practices in the OECD Export Credits Group and the Arrangement on Officially Supported Export Credits.

### Australian wine exports to Canada

In January 2018, the Australian Government initiated WTO dispute settlement proceedings challenging Canadian measures governing the sale of wine. Australia argued that various measures discriminated against imported wine and breached Canada's obligations under WTO rules. In April 2021, the Minister for Trade, Tourism and Investment announced that Canada had agreed to remove, in a phased manner, discriminatory measures imposed by the province of Quebec that disadvantaged Australian wine producers. That announcement added to earlier agreements reached on British Columbia's measures in April 2019, federal and Nova Scotia's measures in June 2020, and Ontario's measures in July 2020.

Australia exported over \$192 million worth of wine to Canada in 2020, making it our fourth-largest market. The outcome of this WTO challenge addressed Australia's longstanding concerns and will allow Australian wines to compete on an even playing field in the Canadian market. Once the agreement is implemented, Canadian wine producers will no longer be exempt from taxes or subject to more favourable mark-ups compared to imported wine, and Australian wine will have more access to shelf space in Canadian grocery stores. The agreement will deliver commercially meaningful outcomes for Australian wine producers, and is testament to our strong relationship with Canada and the value of the multilateral rules-based trading system.

## Supporting Australian businesses to secure opportunities globally

To promote Australia's economic prosperity and recovery, we helped businesses navigate rapid disruptions to global markets and supply chains caused by the COVID-19 pandemic and other trade disruptions.

During the year, we pivoted our economic and commercial diplomacy agenda to assist Australian businesses to take advantage of a wider range of global opportunities and to mitigate current serious challenges. We worked to bolster positive community sentiment in Australia toward trade and investment and the benefits of economic openness. We facilitated regular ministerial and senior official engagement with interested stakeholders on a wide range of free trade agreement and trade policy issues.

### Performance measure

2.3 Increased opportunities for Australian businesses.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 18; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, programs 1.1 and 1.4

\*Our assessments are informed by diplomatic reporting, stakeholder submissions and consultation file notes.

### Performance measure

2.6 Positive trade and investment outcomes supported by the department's economic and commercial diplomacy, and domestic advocacy efforts.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 19; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, program 1.1

\*Our assessments are informed by surveys, statistical analysis, progress in negotiations, diplomatic reporting on feedback from business, and customs data.

## Our performance

We rate our performance as 'on track' against these performance measures.

We shared real-time market intelligence from our diplomatic and state and territory office network to help businesses navigate disruptions to global markets and supply chains, and to expand and diversify exports markets. We developed 80 market-specific economic and commercial diplomacy strategies to guide our posts' support to Australian business in these markets. We published market insights reports for over 70 markets, prepared by our diplomatic network. These reports helped businesses identify and navigate new market opportunities.

Figure 7 – Domestic business outreach 2020–21



With the Export Council of Australia, we promoted our understanding of overseas markets through a series of six Global Market Insights seminars, attended by almost 1,150 participants, with heads of mission and senior trade commissioners providing market political risk advice direct to business. We ran capacity-building workshops for economic development representatives from a range of rural shire councils to help them draw on the benefits of exports and foreign investment in their economic recovery plans.



Minister for Trade, Tourism and Investment Dan Tehan MP hosted the *Global Market Insights Seminar: Japan and the Republic of Korea* on 24 June 2021 with key business people and stakeholders across Northeast Asia [DFAT]

‘As often cited, the past 12 months have been an extraordinary time of uncertainty and rapid change. The combination of the pandemic with a fragile geo-strategic situation has expanded the role of industry associations in assisting members to navigate global business. The regular updates from DFAT and connections to other key departments have been key in assisting me to check information on behalf of members as well as sharing the economic impact of this uncertainty with the rest of government.’

Louise McGrath  
Head of Industry Development and Policy  
Australian Industry Group

We regularly connected individual businesses and peak business bodies to our diplomats overseas to help them respond to the COVID-19 crisis and other trade disruptions.

### Australian barley exports

The department and Austrade, together with other agencies, worked with exporters adversely impacted by COVID-19 to expand existing markets and open up new market opportunities. For example, the department, Austrade, the Department of Agriculture, Water and the Environment and our post in Mexico City worked with CBH Group, a West Australian grain growers' cooperative, to identify new markets for Australian barley. In January 2021, CBH Group reached an agreement with Heineken Mexico for a trial shipment of 35,000 metric tonnes of malting barley to Mexico. This was followed by a second shipment for a further 33,000 metric tonnes, which was delivered in May.

Through our Non-Tariff Barriers Action Plan, we increased whole-of-government efforts to address longstanding non-tariff barriers (NTBs) hampering Australian exports. Addressing NTBs is an important part of supporting economic recovery from COVID-19 and removing impediments to expanding and diversifying Australian export markets. We worked with industry to prioritise this work and hosted NTB sectoral roundtables on meat, food and grocery, and cosmetics exports.

We responded to 83 business enquiries received through our dedicated [tradebarriers.gov.au](https://tradebarriers.gov.au) website and via other channels, including the Export Council of Australia.



Australian Ambassador to Portugal Claire Rochecouste with Head of Business Development and Board Member of Fusion Fuel João Teixeira Wahnon during a site visit to the company on 9 June 2021. Fusion Fuel has a new partnership with Australia's Ampol [DFAT]



## Free trade agreements

We sought new market opportunities for Australian businesses through an ambitious agenda of negotiation, implementation, review and advocacy of free trade agreements (FTAs).

### Performance measure

2.4 Australia's trade is increasingly covered by concluded free trade agreements, with a target of:

- Around 90 per cent of trade covered by 2022.

### How we rate our performance\*

Partially  
on track

Source: Corporate Plan 2020–21, p. 18; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, program 1.1

\*Our assessments are informed by economic data, new market access for Australian firms, and progress in negotiating new FTAs and in reviewing existing FTAs.

## Our performance

We assess that we are 'partially on track' to meet the government's goal of increasing the share of Australia's total two-way trade with economies covered by FTAs to around 90 per cent by 2022. Our performance against this measure relies on concluding current FTA negotiations, looking for potential new agreements and upgrading existing agreements. These agreements contribute to Australia's economic prosperity by delivering new and diversified export opportunities for Australian businesses in overseas markets, and by strengthening economic linkages, including investment flows.

As at 31 December 2020, 71.2 per cent of Australia's two-way trade was with economies covered by FTAs. Successful conclusion of ongoing FTA negotiations with the European Union and the United Kingdom would add approximately 9.3 percentage points and 4.2 percentage points respectively, bringing us closer to our target of around 90 per cent. We are also working to deepen engagement on trade and investment with a wide range of other partners including India, the Pacific Alliance (Mexico, Chile, Colombia and Peru), and others. We completed feasibility studies on enhancing trade and investment relationships with Israel and the European Free Trade Association countries (Iceland, Liechtenstein, Norway and Switzerland).

Domestic consultations with interested individuals and organisations, as well as state and territory governments, help inform our free trade agreement negotiations. The department supported the Ministerial Advisory Council (MAC) on Free Trade Agreement Negotiations to hold its inaugural meeting in July 2020 and three subsequent meetings. MAC membership is drawn from business and community-based organisations, while individual members are leaders in their fields with an interest in international trade policy. The MAC enhances transparency of FTA negotiations by providing a forum through which members can exchange views with ministers and senior trade experts on FTAs and the policies that underpin them.

In June, following intensive discussions, Australia and the **United Kingdom** reached agreement in principle on the core elements of an FTA including commercially meaningful commitments that will create new business opportunities and jobs. The final agreement remains subject to continuing negotiations, but the FTA is expected to be highly ambitious and comprehensive, and drive increased trade in goods and services and two-way investment. It could also help pave the way for the United Kingdom to accede to the world's most ambitious plurilateral trade deal, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.



Minister for Trade, Tourism and Investment Dan Tehan MP and UK Secretary of State for International Trade Liz Truss on 22 April 2021 in London during negotiations on the Australia-UK Free Trade Agreement [UK Government]

We substantially advanced FTA negotiations with the **European Union**, including through four rounds of virtual negotiations. We provisionally closed a number of chapters and prepared for a second exchange of market access offers. We also considered in the context of the FTA negotiations areas for further cooperation with the European Union, including on customs administration, standards, digital trade, and trade and sustainable development issues.

The **Indonesia–Australia Comprehensive Economic Partnership Agreement** (IA-CEPA) entered into force on 5 July 2020 and is the most comprehensive bilateral trade agreement Indonesia has signed. Under IA-CEPA, over 99 per cent of Australian goods exports by value to Indonesia will enter duty free or under significantly improved preferential arrangements. IA-CEPA's services and investment outcomes provide greater certainty and access for Australian businesses and service suppliers in the Indonesian market, including guaranteed levels of Australian ownership.



The **Singapore–Australia Digital Economy Agreement** entered into force on 8 December 2020. The department worked with Singapore to implement the agreement and the seven related memorandums of understanding, which facilitate practical cooperation on key areas of the digital economy. We helped business understand and use the agreement in order to benefit from rapid growth in global digital trade. Under the auspices of Australia's **Regional Digital Trade Strategy**, we explored the possibility of negotiating new high-quality digital trade rules and standards in the Indo-Pacific.

The **Pacific Agreement on Closer Economic Relations Plus** (PACER Plus) entered into force for eight countries (Australia, Cook Islands, New Zealand, Samoa, Kiribati, Tonga, Niue and Solomon Islands) on 13 December 2020. PACER Plus supports Australia's regional economic integration priorities under our Pacific Step-up. Australia will continue to work closely with Pacific members to deliver a \$25 million implementation package, co-funded with New Zealand, to help them realise the benefits from the agreement.

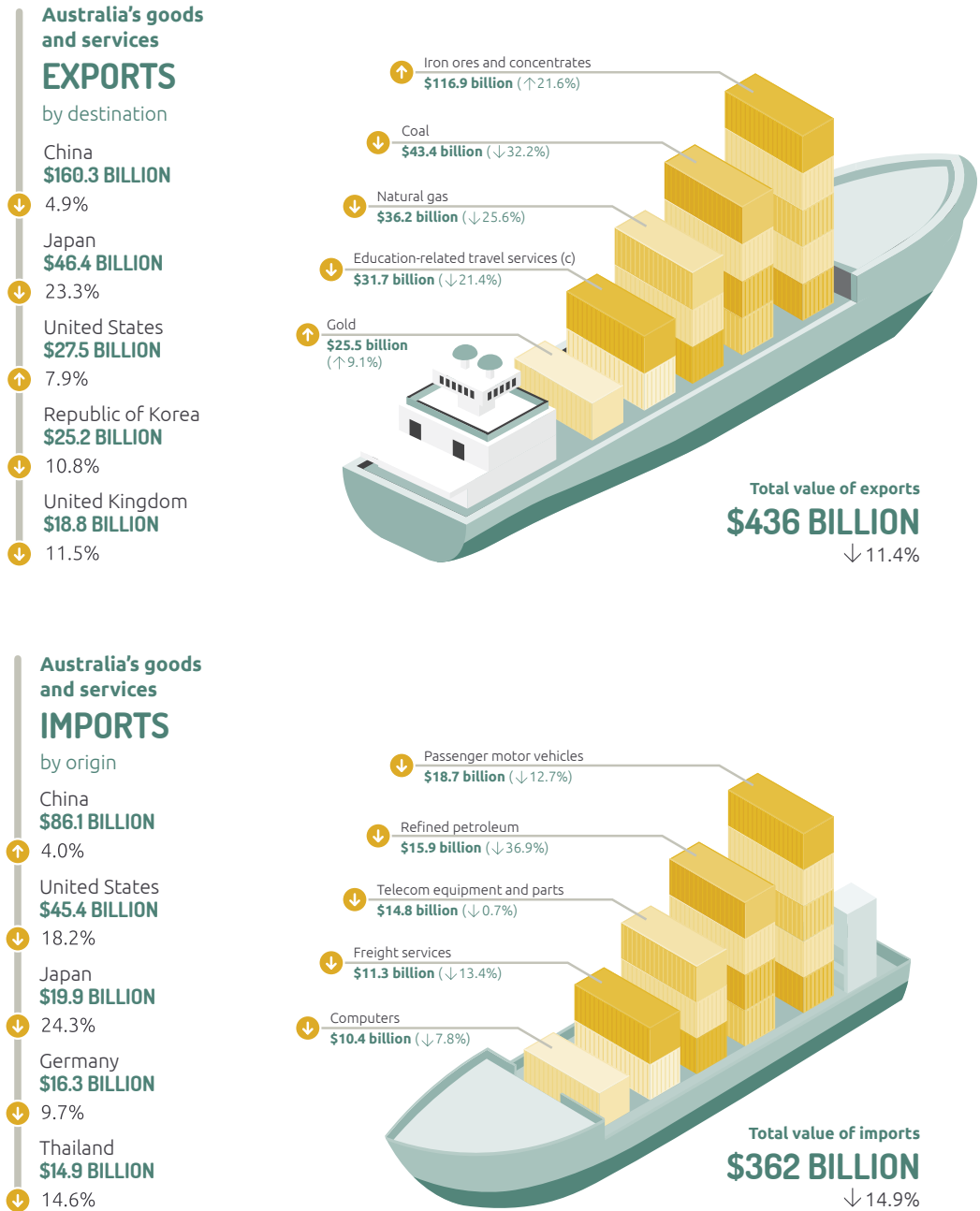
We made good progress on FTA discussions with the **Pacific Alliance** (Chile, Colombia, Mexico and Peru) in 2019, before momentum slowed in 2020 due to the pandemic. We are continuing to engage with the grouping to establish a clear way forward.

We commenced work on a second upgrade to the agreement establishing the **ASEAN – Australia – New Zealand Free Trade Area** (AANZFTA) to ensure it remains fit for purpose and maximises Australian economic and commercial interests in ASEAN. The AANZFTA upgrade also presents an opportunity to maximise the agreement's contribution to the region's economic recovery. In line with the 2018 AANZFTA General Review recommendations and Australian priorities, the upgrade focuses on rules of origin, customs procedures (to include trade facilitation), services, investment, e-commerce, competition (including consumer protection) and government.

The **Regional Comprehensive Economic Partnership Agreement** (RCEP), the world's largest FTA, was signed on 15 November 2020 by 15 countries. Signatory states are aiming for entry into force at the beginning of 2022. RCEP will enhance regional cooperation to facilitate a strong economic recovery from COVID-19 and will provide Australian exporters and investors guaranteed levels of access and treatment in a market covering around 30 per cent of the world's population and GDP.

We worked with other parties to the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership** (CPTPP) to support full implementation of the agreement. We encouraged Brunei, Chile, Malaysia and Peru to ratify the agreement as soon as possible and monitored implementation through technical committee meetings. The parties worked to expand the membership through accession by interested economies. CPTPP parties and signatories agreed on 2 June to commence accession negotiations with the United Kingdom.

Figure 8 – Australia's trade with the world in 2020



\*Percentage growth from 2020 to 2021

## Ensuring domestic policies support trade and investment

The department worked with other portfolio and government agencies to ensure Australia's domestic policies support Australian businesses and industry, encourage foreign investment and boost global competitiveness. This work included supporting Australia's transformation into a leading digital economy.

### Performance measure

2.5 Trade and investment is factored into Australia's economic policy settings.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 18; PBS 2020–21, program 1.1, p. 30 | Funding: PBS 2020–21, program 1.1

\*Our assessments are informed by economic data, statistical analysis, diplomatic reporting on feedback from business, public polls and consultations, and contributions to whole-of-government policy.

## Our performance

We assess our performance against this measure as 'on track'. The department worked with Commonwealth agencies, state and territory governments and industry to contribute to domestic economic policy that supports two-way trade and investment and improves Australia's international competitiveness. The department also developed trade and investment policies to support Australian businesses and Australia's recovery from the COVID-19 pandemic.

The department contributed to whole-of-government analysis and consultations relating to the global and Australian economic outlook and Australia's policy settings. This included advising on impacts of COVID-19, China's measures affecting Australia's trade, trading partners' climate policies, United States-China trade developments, and responding to more than 2,000 requests for trade and investment data from ministers, government, business and the public. The department's Office of the Chief Economist supported this work, including through a new internal data analytics capability.

We developed and launched the whole-of-government Services Exports Action Plan to help Australian service providers expand exports overseas. The action plan provides a strategic framework for boosting services exports and identifies 81 policies, initiatives and programs that are planned or underway by government and industry to boost Australia's services exports. These actions include regulatory reform, skills recognition, engagement with international standards and elimination of barriers to services exports, and will address both recovery from COVID-19 and longer-term international competitiveness.

We worked with peak professional services and regulatory bodies in Australia and overseas to facilitate the negotiation of mutual recognition agreements (MRAs). This will allow Australian professionals to provide services overseas. For example, in May, an MRA was signed between the Institute of Singapore Chartered Accountants and Chartered Accountants Australia and New Zealand.

The department played a leading role in whole-of-government work to strengthen Australia's critical supply chain resilience. We engaged with international partners on critical supply chains, including the Quad, and with India and Japan trilaterally, to enhance the resilience of supply chains in the Indo-Pacific. This included the launch in April of the Supply Chain Resilience Initiative by the Trade, Tourism and Investment Minister and his Indian and Japanese counterparts.

The department worked closely with Austrade, the Department of Infrastructure, Transport, Regional Development and Communications, and the Department of Agriculture, Water and the Environment on the implementation and adaptation of the International Freight Assistance Mechanism (IFAM). IFAM helped restore and maintain critical airfreight supply chains in and out of Australia disrupted by COVID-19.

We worked with key agencies regulating cross-border trade on the development of the Simplified Trade System reform agenda. This whole-of-government microeconomic reform program aims to reduce the costs to business of exporting and importing by simplifying Australia's international trade regulations and modernising ICT systems.

We supported foreign investment flows by helping assess Foreign Investment Review Board applications referred to the department involving investors from around the world. We contributed to work across government on the 2020–21 reforms to Australia's foreign investment framework. Our overseas posts, particularly those in countries with significant actual or potential sources of foreign investment, conducted targeted outreach on Australia's foreign investment reforms to governments and investors. This outreach supported Australia in continuing to welcome foreign investment and remaining an attractive investment destination, by helping investors understand the implications of the reforms for their investment decisions.

The department provided advice to other government agencies to ensure Australia's international trade and investment obligations were considered in the design and implementation of new policy initiatives. We ensured WTO and FTA rules were taken into account in the government's COVID-19 response and recovery efforts.

We provided legal support to protect Australia's interests in potential investor–state dispute settlement claims against the Australian Government.

## Services Exports Action Plan

The department, working with Austrade and services industry partners, delivered the whole-of-government Services Exports Action Plan, which is focused on increasing the international competitiveness of our services exporters. It was launched by the Minister for Trade, Tourism and Investment in April and delivers commercially meaningful outcomes across areas of priority interest to services exporters. The department led this work with industry and across 11 government agencies. Outcomes include:

- the Attorney-General's Department accelerating processes to assess domestic implementation of APEC Cross-Border Privacy Rules
- the Department of Education, Skills and Employment incentivising Australia's education and training system to deliver job-ready graduates in areas needed by services exporters
- the Department of Industry, Science, Energy and Resources supporting accelerators, incubators and other cluster development initiatives for services startups
- the Australian Bureau of Statistics undertaking regular services exports surveys to improve Australia's statistics on services exports.

The action plan benefits services export businesses from a broad range of sectors, in particular in the creative, health, professional, financial, e-commerce, financial technology, information and communications technology, and mining equipment, technology and services sectors.

As an example of the benefits resulting from the department's work, an Australian mining specialist company, supported by the Services Exports Action Plan, used a technology solution to deliver high-end services remotely in Turkey during COVID-19. The action plan has enabled that company to explore further opportunities in remote locations internationally, including in Kazakhstan, Guinea, Mauritania and Gabon.

'The Services Exports Action Plan is Australia's first coordinated national action agenda to boost services export performance. It signals official recognition that Australia is a services economy and that all Australian industries are dependent on knowledge-intensive services inputs for their own competitiveness.'

– James Bond, President of the Australian Services Roundtable

## Priority 3: Keep Australia and Australians safe and secure

In response to diverse risks that threaten our security, freedom and values, the department worked assiduously in support of the government's responsibility to keep Australia and Australians safe and secure.

We worked to strengthen the network of international rules, norms and institutions that promote peace and security and reinforce Australia's sovereignty and that of our neighbours. These rules enable the international community to take action to defend our shared interests, including by holding state and non-state actors to account for violations of the rules-based international order.

In our region and globally, states continued to grapple with how best to balance their economic, security and public safety interests in the COVID-19 environment. The government remained concerned about longstanding international threats to peace and security such as terrorism and people smuggling. We sought to improve compliance with norms and rules relating to the proliferation of weapons of mass destruction and the peaceful use of space in a period of escalating great power strategic competition.

COVID-19 intensified other security threats affecting Australia and our interests. The pandemic demonstrated the dark side of cyberspace, which offered a platform for online disinformation to flourish – threatening public health – and created a new risk vector for foreign interference. This has underscored the importance of robust international cooperation to enhance cyber security, build regional resilience and counter disinformation.

COVID-19 continued to result in the postponement or deferral of numerous important international security events and meetings. However, we shifted our engagement online as required, and the overall international peace and security architecture remained robust and functional. Despite the pandemic, we achieved significant progress in some areas, such as in multilateral discussions on responsible state behaviour in cyberspace, reducing space threats, and responding to the use of weapons of mass destruction.

## Promoting Australia's security interests

### Performance measure

3.1 Effective outcomes that promote Australia's security interests in:

- counter-terrorism
- a safe, secure and prosperous Australia, Indo-Pacific and world enabled by cyberspace and critical technology
- strong rules and laws that apply to space
- reduction of weapons of mass destruction and conventional weapons risks
- countering people smuggling and human trafficking
- countering foreign interference
- countering disinformation and malign messaging.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 20; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, programs 1.1, 1.2, 1.3 and 1.4

\*Our assessments are informed by progress in adopting and implementing norms of behaviour, UN resolutions, robust statements and commitments in international organisations and forums, agreements with foreign governments, feedback from partner agencies and civil society, acceptance of Australian perspectives in multilateral forums and diplomatic reporting.

### Performance measure

5.4 Engagement, particularly with states, business and international organisations, including regionally through the Bali Process, to promote Australia's interests in countering people smuggling, human trafficking and modern slavery.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 25; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, programs 1.1, 1.2 and 1.4

\*Our assessments are informed by feedback from the membership and outcomes of the Bali Process meetings, diplomatic reporting and engagement with other partners.

## Our performance

Despite ongoing disruption during the year due to COVID-19, we progressed Australia's international security agenda, promoted Australia's interests in countering people smuggling, human trafficking and modern slavery, and strengthened key partnerships through bilateral, regional and multilateral engagements, adapting to virtual or hybrid formats as required. Overall, we assess our performance as 'on track'.

## Countering terrorism and violent extremism

The department maintained a lead and coordinating role in counter-terrorism international engagement designed to achieve the objectives laid out in the National Counter Terrorism Strategy. We also supported, enabled and complemented the international engagement activities of Australian government agencies at the federal, state and territory levels.

COVID-19 continued to affect global efforts to counter international terrorism. Movement restrictions limited terrorists' ability to organise and plan attacks, but the terrorist threat evolved and online activity intensified. This has increased the risk of radicalisation, not only by religiously motivated violent extremists but also, increasingly, by ideologically motivated violent extremists.

The department led whole-of-government bilateral counter-terrorism consultations with key regional partners – Indonesia (July), India (December), Malaysia (April) and Singapore (April). Outcomes of these consultations included commitment to engage in or continue intelligence sharing on terrorism financing, collaborations targeting the deradicalisation of youth online, and technical exchanges to establish mechanisms to better analyse terrorist threats.

We led Australia's multilateral engagement on counter-terrorism, including within the Global Counterterrorism Forum, which strengthens counter-terrorism norms by developing best practices. As co-chair with Indonesia of the Working Group on Countering Violent Extremism, we supported development of a Gender and Preventing and Countering Violent Extremism Policy Toolkit. We promoted the policy toolkit, which operationalises the Zurich–London Recommendations on Preventing and Countering Violent Extremism and Terrorism Online, in Southeast Asia through a virtual workshop.

We engaged in negotiations to shape the seventh biennial review of the UN Global Counter-Terrorism Strategy, which was approved by UN member states in June. Consistent with Australia's negotiating priorities, the updated strategy provides new guidance on diverse terrorism threats, and calls for whole-of-society approaches that incorporate a gender perspective and are centred around human rights and international law. The strategy is part of global counter-terrorism norm setting, and will inform UN and member state priorities for the coming years.

We supported the Minister for Foreign Affairs in her exercise of counter-terrorism financing powers under Part 4 of the *Charter of the United Nations Act 1945*. The Minister listed two entities and one individual and renewed the existing listings of one entity and seven individuals for a further three years. These measures seek to prevent the listed individuals and entities from accessing any financial or other resources from Australia or from Australians anywhere in the world.

## A safe, secure and prosperous Australia, Indo-Pacific and world enabled by cyberspace and critical technology

Technology is changing the way we live and work, and impacting economic, strategic and foreign policy developments. We worked to promote the enormous innovation opportunities presented by cyberspace and critical technologies, while cooperating with international partners to manage risks.

The Ambassador for Cyber Affairs and Critical Technology took part in an extensive set of virtual multilateral and bilateral events to advance Australia's technology and cyberspace interests. This included delivering a statement at the May UN Security Council Arria formula meeting on the impact of emerging technologies on international peace and security, as part of a wider effort to ensure stronger adherence to existing international law and norms in this area.

Our advocacy helped achieve consensus support from UN member states for two significant new UN reports prepared by an open-ended working group and a group of governmental experts. These reports reaffirm and raise awareness of the agreed framework of responsible state behaviour and give

states practical guidance to implement associated commitments. This promotes peace and security in cyberspace by increasing states' accountability.

The department coordinated Australia's efforts to deter and respond to malicious cyber activity. For example, Australia joined international partners to publicly attribute to Russia malicious cyber activity that targeted organisations involved in COVID-19 vaccine development and, separately, to publicly attribute to Russia a harmful cyber campaign against US software firm, SolarWinds.

The department helped build a strong and resilient cyber security capability with key partners in our region. We improved the sustainability of our cyber security support under the Australia – Papua New Guinea Memorandum of Understanding on Cyber Security Cooperation by delivering more cyber security training via online platforms. We also remotely delivered mentoring and broader professional development for Papua New Guinea government and industry staff.

We rallied international support to protect rules on cybercrime and ensure a rules-based and technical approach to ongoing international cybercrime negotiations. We worked through the UN intergovernmental expert group on cybercrime and discussions on a potential new international treaty on cybercrime. We upheld our commitment to existing frameworks for international cybercrime cooperation, including the Council of Europe Convention on Cybercrime (Budapest Convention).

### **Australia's International Cyber and Critical Technology Engagement Strategy**

The department led a whole-of-government process to develop Australia's International Cyber and Critical Technology Engagement Strategy, launched by the Foreign Minister in April. The strategy provides a framework to guide Australia's international engagement on cyberspace and technology issues. It also set out a practical action plan to ensure that cyberspace and critical technologies reflect the values we hold as a liberal democratic country and to achieve a safe, secure and prosperous Australia, Indo-Pacific and world.

Consistent with the new strategy, the department has enhanced its engagement with international partners who share Australia's vision to protect our values in the development and use of critical technology. The department is supporting implementation of the following initiatives to help ensure the safe, secure and ethical development of next-generation technologies:

- The nine-year, \$74 million Cyber and Critical Tech Cooperation Program (CCTCP) was expanded this year to incorporate critical technology initiatives with Southeast Asian and Pacific partners, such as critical technology standards setting and regional cooperation. This work builds on the CCTCP's ongoing efforts in those regions to address cybercrime, strengthen cyber security capability and improve understanding of the application of international law and norms in cyberspace.
- The new Critical and Emerging Technology Working Group, launched by Quad leaders in March, commenced a program of work to deliver practical outcomes, including a joint statement on technologies and a technical dialogue between national standards bodies.
- In April, we supported the Foreign Minister's announcement of the first grant recipients under the four-year, \$12.7 million Australia–India Cyber and Critical Technology Partnership. These activities are supporting the development of new ethical frameworks and best practices for critical technologies and their supply chains, as well as helping to address privacy and security challenges in next-generation telecommunications networks.



## Strong rules and laws that apply to space

Australia's economic and security interests are increasingly dependent on space-based capabilities. The department worked to protect these interests through its efforts to secure the sustainable and stable use of outer space.

We worked with other government agencies to facilitate Australia's signing of the Artemis Accords with the United States in October. The Artemis Accords establish a practical set of principles to guide space exploration cooperation among nations. Australia was one of seven founding international partners to sign the accords with the United States.

We participated in international discussions to strengthen norms that support responsible behaviour in outer space. In the UN General Assembly, we co-sponsored a landmark resolution on reducing space threats and made a submission on Australia's views on responsible behaviours in space.

## Working towards a world without weapons of mass destruction

The spread of weapons of mass destruction and conventional weapons undermines Australia's security and threatens international peace and stability. We maintained Australia's strong track record of active commitment to global nuclear non-proliferation and disarmament efforts.

We contributed to nuclear non-proliferation through sanctions enforcement, arms control verification programs and constructive dialogue. We encouraged nuclear weapon states to take further practical steps to enhance peace and stability, as set out in the Nuclear Non-Proliferation Treaty (NPT). We welcomed the extension in February of the New START Treaty (Strategic Arms Reduction Treaty) between the United States and Russia, which has played a critical role in reducing and limiting the nuclear arsenals of both countries.

In May, Australian candidate Dr Robert Floyd was elected Executive Secretary of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) Preparatory Commission, the first leader of the CTBTO from the Indo-Pacific region. Dr Floyd's appointment is an example of the department's significant and practical contribution to multilateral cooperation. He will play a critical role in supporting the treaty's objectives.



Director-General of the Australian Safeguards and Non-Proliferation Office Dr Robert Floyd at Geoscience Australia discussing Australia's seismic monitoring activities and the Comprehensive Nuclear-Test-Ban Treaty Organization's International Monitoring System [Geoscience Australia]

The Ambassador for Arms Control and Counter-Proliferation chaired the Non-Proliferation and Disarmament Initiative, a cross-regional grouping of 12 countries focused on achieving tangible progress within the NPT Review Conference. We also co-chaired with the Philippines the inaugural ASEAN Regional Forum Nuclear Risk Reduction Workshop. Through these leadership roles, we made efforts to implement practical and innovative measures to reduce the likelihood of nuclear miscalculation.

We worked with international partners in the Organisation for the Prohibition of Chemical Weapons (OPCW) for action against chemical weapons use. We participated in a global advocacy campaign that resulted in the suspension of a number of Syria's rights under the Chemical Weapons Convention. Adopted by a strong majority, this decision was the first of its kind in the OPCW. In concert with other nations, we urged Russia to conduct a thorough and independent investigation into the Novichok poisoning of Russian opposition figure, Alexei Navalny.

We maintained strong engagement in export control regimes. As permanent chair of the Australia Group, we helped limit risks of proliferation of chemical and biological weapons of mass destruction and strengthened global counter-proliferation architecture. We contributed funds to the UN Trust Facility Supporting Cooperation on Arms Regulation and served on the selection committee of the Arms Trade Treaty Voluntary Trust Fund.

Through our proactive diplomacy, led by the Ambassador for Arms Control and Counter-Proliferation, we maintained our engagement on proliferation trends and challenges through a series of virtual bilateral dialogues and in multilateral forums such as the North Atlantic Treaty Organization (NATO) and the UN.

We continued our commitment to gender-sensitive approaches to disarmament issues, through supporting the United Nations Mine Action Service to develop Gender Guidelines for Mine Action in multiple languages.

## Countering people smuggling and human trafficking

COVID-19 has continued to cause economic disruption and increased risks to vulnerable populations around the world. People smuggling and human trafficking pose a risk to Australia's security and the security of our region.

As part of our efforts to counter people smuggling and human trafficking, the Ambassador for People Smuggling and Human Trafficking conducted bilateral engagement with irregular migration source, transit and destination countries. The department coordinated across government to promote international cooperation to counter people smuggling activities.

We supported the Foreign Minister's co-chairing of a virtual meeting of women foreign ministers from 14 countries to address the gender dimension of human trafficking. We advocated for the implementation of the Financial Sector Commission on Modern Slavery and Human Trafficking's 2019 *Blueprint for Mobilizing Finance against Slavery and Trafficking* through a joint ministerial statement with co-convenor Spain that endorsed the blueprint's recommendations.

The department co-chaired and facilitated virtual meetings of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. The Policy Experts Gathering of the Task Force on Planning and Preparedness in July marked the forum's transition to virtual engagement and facilitated a regional dialogue on the impact of COVID-19 on irregular migration dynamics. The October virtual meeting of the Ad Hoc Group of Senior Officials further advanced the Bali Process work program, including in preparation for the next ministerial meeting.

We strengthened stakeholder engagement in the Bali Process Government and Business Forum, convening sector-specific virtual consultations on fisheries and finance. These consultations facilitated an exchange among senior industry leaders, civil society experts and government officials from 25 countries to explore how they can contribute to ending human trafficking and modern slavery and support supply chain transparency and ethical recruitment.

## Countering foreign interference

Pervasive foreign interference threatens Australia's sovereignty and that of our neighbours.

We developed and implemented activities under the Countering Foreign Interference Diplomatic Strategy pilot program. This included the development of an e-learning package on foreign interference and a study on efforts to spread malign information on COVID-19. These activities aim to enhance regional partners' awareness and resilience, and build support for stronger international norms in relation to foreign interference matters.

## Countering disinformation and malign messaging

Disinformation is a significant threat to our information environment, eroding basic confidence in democratic systems and institutions. It corrodes social cohesion, damages economic prosperity and undermines national security.

In August, the government broadened the scope of the department's counter COVID-19 disinformation pilot program. This allowed us to address a wider spectrum of disinformation harmful to Australia's strategic and economic interests in the Indo-Pacific and globally.

The department built awareness of the risks posed by disinformation. Under AUSMIN auspices, we established a working group with the US Department of State's Global Engagement Center to monitor disinformation and coordinate our responses to it. We supported the government to call out egregious disinformation contrary to Australia's national interests.

The department also worked to build international norms against disinformation at the United Nations. We facilitated the Foreign Minister's participation in a side event hosted by the Alliance for Multilateralism where she spoke about the risk disinformation posed for COVID-19 responses. We also co-hosted a misinformation side event in the margins of the UN General Assembly's Special Session on COVID-19. We participated in the UN #PledgetoPause campaign, which promotes the responsible sharing of information online.

In our region, the department worked with Pacific and Southeast Asian countries to raise awareness of disinformation. We did this by supporting activities that promoted resilient institutions, improved consumer judgement and media literacy, and developed and shared tools to detect and limit the spread of disinformation in social media.

## Working with the National Intelligence Community

### Performance measure

3.2 Full and active engagement with the National Intelligence Community – including through Office of National Intelligence–led prioritisation, coordination and evaluation process – to support Australia’s foreign policy interests.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 21; PBS 2020–21, program 1.1, p. 31 |Funding: PBS 2020–21, program 1.1

\*Our assessment is informed by National Intelligence Community stakeholder feedback and close engagement by relevant DFAT line areas.

### Our performance

The department participated in the National Intelligence Community’s governance architecture to support Australia’s foreign policy interests. We commenced a program of reforms to improve the handling, distribution and use of intelligence material throughout the department. We also provided departmental views on legislation related to implementing the Comprehensive Review of the Legal Framework of the National Intelligence Community.

Overall, we assess our performance as ‘on track’.

## Priority 4: Deliver an effective and responsive development assistance program

Australia's development program is an investment in an open, prosperous and resilient Indo-Pacific. Our engagement is helping our neighbours navigate the challenges of a more contested and disrupted world. Our efforts contribute to saving lives, restarting economies, and managing the effects of resurgent poverty and inequality. We are also engaged in global COVID-19 recovery efforts to ensure they are effective.

### Promoting health security, stability and economic recovery

In 2020, 124 million people were pushed back into extreme poverty – an unprecedented setback that erased decades of progress. The impact in our region was severe and is still gathering pace.

The needs of our neighbourhood have changed profoundly, so it is appropriate that we have made significant changes to our development program in response. We immediately pivoted around 400 investments worth \$840 million to respond to COVID-19 – almost one-quarter of the development budget managed by the department.

Following the launch of *Partnerships for Recovery* – Australia's overarching framework for delivering timely, responsive and effective support in a world shaped by COVID-19 – the development program has been reshaped. Our efforts concentrated on health security, stability and economic recovery in the Pacific and Southeast Asia. We maintained our focus on supporting the most vulnerable, including women and girls and people with disability. We drew on our full suite of national assets, including diplomatic, economic and security capabilities, to address the scale of the challenge.

We implemented these measures through Australia's ongoing \$4 billion international development program. In recognition of the unprecedented impacts of COVID-19, Australia committed an additional \$1 billion over four years in temporary, targeted and supplementary measures for the Pacific, Timor-Leste and Southeast Asia to get funding to our partners when and where it was most needed. In 2020–21 this included an estimated:

- \$200 million for the Pacific and Timor-Leste Economic Recovery package (\$304.7 million over two years from 2020–21, of which \$300 million is official development assistance)
- \$239.1 million for the regional Vaccine Access and Health Security Initiative (\$523.2 million over three years from 2020–23)
- \$20.2 million for economic, development and security measures to support Southeast Asia's recovery from COVID-19 (\$500 million package over 2020–24, of which \$217.5 million is official development assistance)
- \$20.4 million for COVID-19 support to India (\$37.1 million over 2020–22).

## Performance measure

**4.1 Australia's development program investments promote health security, stability and economic recovery.**

## How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 22; PBS 2020–21, program 1.2, p. 32 | Funding: PBS 2020–21, programs 1.2 and 1.3

\*Our assessment is based on our analysis of investment monitoring reports, country and regional progress reports, evaluations of Australia's development response efforts, the multilateral performance framework, 2020–21 grant allocations, an independent evaluation of the Australian Volunteers Program (April 2021), performance evaluations and diplomatic reporting.

## Our performance

In 2020–21 the department managed \$3.75 billion of the Australian Government's \$4 billion development program, and all of the temporary, targeted and supplementary measures, totalling \$479.7 million. Actual expenditure across the entire development program will be published following collection of information from other government departments and delivery partners. Details of budget estimates are at Appendix 4.

We worked to help our region access timely, safe and effective vaccines – the highest priority for countries in the Indo-Pacific. We worked with our partners to advance health coverage, and maintain essential health services and routine immunisations, which are critical to an effective COVID-19 response and the avoidance of a resurgence in preventable disease beyond the pandemic.

We helped our neighbours manage the economic fallout from the pandemic and invest in a sustainable economic recovery. This included integrating climate change into our response – we estimate over 70 per cent of our bilateral and regional climate finance focused on supporting adaptation and building resilience of local communities. Our support helped to keep social services going and supported countries in providing financial assistance directly to the most vulnerable, including women and girls and people with disability.

Nevertheless, progress towards the Sustainable Development Goals has been set back by the COVID-19 pandemic. The impacts of COVID-19 are likely to be long lasting and will leave many countries in our region less resilient in the event of future external shocks. Our support will continue to be an important contribution to the region's resilience and recovery.

In difficult circumstances, we rate our performance against this performance measure as being 'on track'.

## COVID-19 regional Vaccine Access and Health Security Initiative

The department's Indo-Pacific Centre for Health Security is driving Australia's commitment to supporting equitable COVID-19 vaccine access across the region. The government has pledged more than \$750 million, plus the sharing of up to 20 million vaccine doses by mid-2022, to meet this policy priority.

The Indo-Pacific Centre for Health Security is delivering a \$523.2 million (2020–23) regional Vaccine Access and Health Security Initiative, supporting partner countries in the Pacific and Timor-Leste to achieve comprehensive COVID-19 immunisation coverage. In Southeast Asia, we are making a significant contribution to meeting partner countries' vaccine needs. Working with 18 partner countries, we have developed vaccine response plans to complement their national vaccine rollouts.

Our support under the initiative includes a funding agreement with UNICEF to procure and ship vaccines on behalf of Australia for up to 15 million people in the Pacific and Southeast Asia by mid-2022. Working with partner governments, UNICEF and the World Health Organization, we are also providing end-to-end support:

- increasing cold-chain storage capacity
- training health workers
- providing technical advice and more to ensure effective vaccine rollouts in partner countries.

We have purchased more than 1,900 refrigerators to bolster Vietnam's cold-chain storage capacity. In Fiji, we are improving the vaccine registration process. In Samoa, we have developed an immunisation register. To fight vaccine hesitancy and misinformation, we have funded the 'Sleeves Up' communications campaign in Papua New Guinea and distributed posters and leaflets to every vaccination site in Cambodia.

In early May, Australia began sharing Australian-manufactured COVID-19 vaccines with our neighbours. Papua New Guinea, Fiji and Timor-Leste were initially prioritised due to their COVID-19 outbreaks. On 11 June, at the G7 Summit, Prime Minister Morrison announced that Australia would provide at least 20 million doses to the Indo-Pacific region by mid-2022, including up to 15 million to the Pacific and Timor-Leste, 2.5 million to Indonesia and 1.5 million to Vietnam by the end of 2021.

To complement our regional efforts, the department has also invested \$130 million in the COVAX Advance Market Commitment, and \$100 million in the Quad Vaccine Partnership alongside India, Japan and the United States.



First Secretary Development Cooperation Troy Skaleskog of the Australian Embassy Dili hands over Australian vaccines to a representative of the government of Timor-Leste [DFAT]



## Pacific

Pacific island countries experienced severe economic shock as a result of COVID-19. The scale of the economic impact is unprecedented and the road to recovery in the Pacific will be difficult and uneven.

In 2020–21 the department's Office of the Pacific managed whole-of-government coordination of Australia's estimated \$1.44 billion in development assistance to the Pacific, of which the department delivered an estimated \$1.3 billion. In addition, we delivered an estimated \$293.8 million in temporary, targeted and supplementary measures to respond to the impacts of COVID-19 across the Pacific and Timor-Leste. This included an estimated \$200 million delivered under the Pacific COVID-19 Response Package (approximately \$194 million in economic support and \$6 million in aviation support) and \$93.8 million in additional vaccine support, including technical advice and delivery support.

COVID-19 brought unprecedented implementation challenges. Health risks, border restrictions and reduced air traffic limited the movement of people and goods across the Pacific region. Our overseas posts and many implementing partners moved to partial remote work. In-country capacity was limited.

We pivoted our existing development programs to respond to COVID-19 while maintaining critical long-term investments that helped Pacific island countries to tackle their most significant development challenges. We designed new programs (such as those associated with vaccine delivery) and instituted more regular reporting on risks and safeguards to account for the challenges of remote delivery.



Minister for International Development and the Pacific Senator Zed Seselja meeting with Pacific Heads of Mission at Parliament House. L to R - High Commissioner for Solomon Islands Mr Robert Sisilo, High Commissioner for Nauru Mrs Camilla Solomon, High Commissioner for Fiji Mr Luke Daunivalu, Ambassador for Timor-Leste Ms Inês Maria De Almeida, Minister for International Development and the Pacific Senator Zed Seselja, High Commissioner for Samoa Ms Hinauri Petana, Deputy High Commissioner for Papua New Guinea Mr John Ma'o Kali, High Commissioner for New Zealand Dame Annette Faye King, High Commissioner for Tonga HRH Princess Angelika Latufuipeka Tuku'aho [Office of the Minister for International Development and the Pacific]

### Pacific COVID-19 Response Package

Under the Pacific COVID-19 Response Package, we are delivering \$304.7 million over two years, from 2020–21 to 2021–22. Around \$200 million was provided to Pacific and Timor-Leste partners in 2020–21. Building on the bedrock of our development program, this funding is helping to maintain essential health and other services, protect the most vulnerable, sustain aviation connectivity and support economic recovery in the region.



In Fiji, we bolstered social protection schemes for the most vulnerable through the country's Poverty Benefit Scheme, the Care and Protection Allowance and the Disability Allowance, directly reaching around 13 per cent of households. In Papua New Guinea, we supported a new child nutrition grant, church health services and education tuition fees. In Vanuatu, we supported an award-winning cash transfer program (Unblocked Cash), which provided monthly e-cash transfers to more than 4,000 vulnerable households, helping more than 20,000 people and 360 local businesses.

In Tonga, we provided supplementary finance support for the Tongan government's Economic and Social Stimulus Package to help businesses that lost revenue due to the pandemic. We supported Solomon Airlines to undertake essential training and maintenance and a safety audit, and to meet debts held with local providers.

### **Health security, stability and economic recovery**

Other ways our development program promoted health security, stability and economic recovery in the Pacific in 2020–21 included:

- enabling an additional 7,000 Pacific and Timorese workers to arrive in Australia under Australia's labour mobility programs – workers provide remittances critical to their communities and economies and support regional Australian businesses to fill labour shortages
- finalising funding for three critical infrastructure projects through the Australian Infrastructure Financing Facility for the Pacific and progressing a strong pipeline of investments across the region, including in critical climate-resilient infrastructure projects
- offering more online training options through the Australia Pacific Training Coalition, including micro-credentials through the My Village online learning platform – this included credentials in COVID-safe work practices
- supporting around 38,000 school students across Papua New Guinea to access remote learning and return safely to school
- providing the Solomon Islands Court of Appeal with equipment to conduct remote hearings, allowing the judicial system to continue to function.

We also expanded our work on food and nutrition security. For example, 80 per cent of Papua New Guinea's population depends on agriculture for survival. We supported community workers to build farms at schools to support local incomes, food production and school revenue generation. Over the longer term, this will strengthen agricultural opportunities for school leavers and improve nutrition and education outcomes.

### **Nature-based solutions**

We worked with partner governments to implement a range of nature-based solutions in coastal ecosystems to address the twin challenges of climate change and biodiversity loss. Our blue carbon projects in the Pacific, Indonesia, Sri Lanka and the Indian Ocean Rim Association Blue Carbon Hub are supporting governments and communities to conserve and restore mangroves and seagrasses to reduce emissions. These approaches simultaneously strengthen livelihoods, protect coastlines (including through integrating green-grey infrastructure), and pave the way for participation in emerging carbon markets. We are expanding successful community-led nature-based solutions in the Pacific and are looking for expansion opportunities in Southeast Asia.

## Southeast Asia and East Asia

In 2020–21 the department managed an estimated \$994.5 million out of Australia's estimated \$1 billion in development assistance to Southeast Asia and East Asia, in addition to \$165.5 million in temporary, targeted and supplementary measures to respond to COVID-19.

Under the Vaccine Access and Health Security Initiative, Australia committed \$300 million to support equitable access to effective vaccines for Southeast Asia. With these funds, we entered into an agreement with UNICEF for dose procurement, and in 2020–21 committed \$24.5 million to support vaccine deliveries in the region. In addition, the department committed \$130 million to the COVAX Advance Market Commitment, which delivered more than 16.4 million doses to eligible countries in Southeast Asia in 2020–21. Australia also donated Australian-manufactured COVID-19 vaccines to Southeast Asia, with 135,000 doses delivered to Timor-Leste in 2020–21.

We pivoted our development program to respond to the pandemic. In Indonesia, our largest bilateral program in Southeast Asia, we reshaped our development partnership to work with Indonesia to respond to the challenges posed by COVID-19. Australia's flagship economic governance program in Indonesia, PROSPERA, provided rapid-response advice throughout the crisis to support the Indonesian government's macroeconomic stability and structural reform objectives towards a strong, sustainable and inclusive economic recovery. PROSPERA used innovative big data approaches to enable real-time monitoring of the impacts of the crisis, to identify where COVID-19 recovery funds would produce the highest impact, and to support the efficiency of Indonesia's COVID-19 vaccination program. Through our social protection program, we supported the Indonesian government to expand social assistance programs targeting those most affected by COVID-19 impacts. This supported a majority (around 55 per cent) of households in Indonesia to receive at least one form of assistance, with a focus on the most disadvantaged.

In the Philippines, we expanded testing capacity by 18,000 tests per day through new molecular laboratories in Manila and Mindanao. We also distributed personal protective equipment (PPE) and medical supplies to 18 hospitals and five rural health units. In Timor-Leste, we supplied testing equipment, PPE and medical equipment as well as more than 96 tonnes of humanitarian relief and COVID-19 supplies following severe flooding in April. We also helped to resource 245 new community infrastructure projects, such as water systems, roads, bridges, health clinics and schools, and the development of a new social protection scheme for mothers and children. In Vietnam, we funded a joint emergency response to the rising incidence of violence against women and children that emerged following COVID-19 restrictions and changes to employment.

Through Australia's development program, the department assisted Cambodia to deliver its first ever social security payments to poor households, enabling more than USD300 million from Cambodia's national budget to be delivered in emergency cash transfers throughout the pandemic. In Laos, we supported thousands of children to continue their primary education during the pandemic through our flagship Basic Education Quality and Access in Lao People's Democratic Republic (BEQUAL) program.

Prior to the coup on 1 February, Australia's development program was supporting Myanmar to respond to COVID-19, including contributing to COVID-19 awareness raising, infection prevention, and water, sanitation and hygiene assistance for over 2.3 million people. Our assistance also focused on improving the lives of people in Myanmar through education, livelihoods, economic and democratic governance efforts, peacebuilding, and humanitarian assistance. Following the coup, Australia remained committed to supporting the people of Myanmar, especially the poorest and most vulnerable. We redirected our development program away from working through government and government-related entities, to existing reliable non-government organisations and multilateral partners.

Our development program with ASEAN helps to promote an open, inclusive and resilient Indo-Pacific, including by supporting ASEAN's regional COVID-19 recovery efforts. We began work to implement the Prime Minister's November 2020 commitment to provide \$21 million to support the ASEAN Centre for Public Health Emergencies and Emerging Diseases, which will help build regional capacity to respond

to pandemics. Our counter-trafficking and safe labour migration programs – ASEAN–Australia Counter Trafficking (ASEAN-ACT) and TRIANGLE in ASEAN – supported COVID-19-related activities, including the provision of PPE and studies on the pandemic’s impact on women, children and other vulnerable groups.

## Gender equality

The department supported the Foreign Minister and Minister for Women to co-convene discussions on the impacts of COVID-19 on women and girls and their role in recovery. The department supported the Minister to co-host two regional meetings with senior Pacific women leaders and participate in the 14th Triennial Conference of Pacific Women and 7th Meeting of Pacific Ministers for Women.

Gender equality and women’s empowerment are fundamental to economic recovery and stability. We funded investments that contributed to these goals, including:

- working with UN Women, the UN Population Fund, partner governments and others to deliver violence prevention initiatives, and assistance to local women’s organisations to address gender-based violence and provide essential services for survivors
- supporting countries to strengthen social protection policies, systems and programs to respond better to gendered risks and vulnerabilities, including through the World Bank’s Rapid Social Response Gender-Smart Social Protection Multi-Donor Trust Fund (\$6.6 million in 2020–21)
- investing in Business Coalitions for Women’s Empowerment to help companies in the Philippines, Indonesia, Vietnam and Myanmar navigate the impacts of COVID-19.

The regional Pacific gender program adapted activities to respond to the urgent needs of women and girls, who were disproportionately affected by the pandemic. This included increased domestic violence support services and essential sexual and reproductive health services in nine Pacific countries.

In 2020 Pacific Women Shaping Pacific Development reached an estimated 244,599 women and children, providing:

- crisis services to 29,402 women and children
- upskilling and training for 9,330 women
- access to financial literacy services and information to an estimated 2,199 women.

The department is working with Pacific gender partners to ensure a smooth transition to Australia’s new flagship investment to advance gender equality, Pacific Women Lead (\$170 million over 2021–26).

## South and West Asia

In 2020–21 the department managed an estimated \$189.1 million out of Australia’s estimated \$193.4 million in development assistance to South and West Asia, in addition to \$20.4 million in temporary, targeted and supplementary measures for COVID-19 support to India. The department led the whole-of-government response to help India counter its second COVID-19 wave.

Australia’s response delivered over 37 tonnes of medical supplies, including 3,000 ventilators and 250 oxygen concentrators. Departmental officers in Australia and India engaged closely with the Indian government to ensure our support met India’s needs. We worked with partners from other government agencies, the private sector and civil society to procure supplies, coordinate donations and establish a portal for Australians to donate.

The department worked with UN agencies, the Bangladesh Red Crescent Society and local non-government organisations to deliver \$17.5 million in humanitarian support to Bangladesh, Nepal and Sri Lanka as those countries faced upsurges in COVID-19 infections. Our overseas network played an essential role – engaging with host governments to ensure the efficient delivery of Australia's humanitarian response to the pandemic.

We partnered with CARE Afghanistan and the Afghan Ministry of Education to support the distribution of over 7,600 small radio units to support distance education initiatives.

Our support to South Asia targeted sectors important for regional recovery. In India and Pakistan, we began implementing a new South Asia Water Security Initiative to improve access to safe water for marginalised communities in cities, with a focus on women and girls. Our regional trade facilitation program pivoted to help analyse the impact of the pandemic on women and girls. We provided advice on services for returning migrants in Bangladesh and Nepal, and invested in health sector capacity building and sexual and reproductive health services in Nepal.

We implemented a new phase of Australia Awards scholarships for Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka and Maldives using online collaboration platforms to maintain delivery of scholarship activities during the COVID-19 pandemic.



Australian High Commissioner to Bangladesh Jeremy Bruer (right) speaking with a World Food Programme official about innovative food delivery in the Rohingya camps in Cox's Bazar, March 2021. [DFAT]

## Middle East and Africa

In 2020–21 the department managed an estimated \$87.9 million out of Australia's estimated \$93 million in development assistance to the Middle East and Africa. We provided an estimated \$34 million in development funding for the Palestinian Territories, with a focus on delivering health and livelihood services for Palestinians amid the COVID-19 pandemic. Our funding also supported efficient entry of humanitarian supplies and personnel (including medical supplies) to the West Bank and Gaza.

In Africa, Australia Awards scholarships enabled around 130 professionals from 19 countries to complete courses in Australia. Awardees returned home with expertise in building strong economies

and essential skills to assist with COVID-19 recovery. Because of COVID-19 travel restrictions, we were unable to mobilise new Australia Awards scholars from Africa in 2020–21.

We provided an estimated \$3.5 million to Digital Earth Africa to provide rapid and free access to satellite imagery of the African continent to address natural resource management and sustainable development challenges, including in relation to mining, food security and climate.

### Supporting people with disability amid the COVID-19 pandemic

People with disability are disproportionately vulnerable to the health, economic and social impacts of COVID-19 and are more likely to experience barriers in keeping safe from the virus. We worked with partners to reflect the needs of people with disability in country COVID-19 response plans. This will assist people with disability to participate in, and benefit from, response and recovery efforts on an equal basis to others. In Timor-Leste, we worked with disability organisations to improve coordination between the disability sector and the Ministry of Health. In Cambodia, we provided over 450 disability service providers with personal protective equipment.

We are building the capacity of people with disability and their representative organisations to have influence in their communities. Through our partnership with the Pacific Disability Forum, we are supporting 24 national-level disability organisations in 13 countries across the Pacific. Our support included enabling ICT improvements that allow the Pacific Disability Forum and member organisations to participate in virtual regional and global forums.

### Working with others

Multilateral institutions, the private sector and non-government and community-based organisations are important partners in delivering an effective and responsive development program. They allow us to extend our reach, maximise our investments, and draw on Australian expertise.

#### Multilateral partners

The department worked to strengthen the impact of our funding and engagement with multilateral organisations and their non-government organisation partners, particularly in the Indo-Pacific. We ensured Australian multilateral engagement was coherent and strategic. Our continued advocacy for the Pacific in multilateral forums resulted in increased access to resources for Pacific countries to respond to the pandemic. Our multi-year core contributions to multilateral organisations provided predictability and flexibility, enabling a quick and coordinated response to COVID-19 in the Indo-Pacific and helping establish pathways to recovery.

Our positions on the governing boards of multilateral institutions contributed to greater transparency and financial accountability, and to implementation of needed reforms. We conducted performance assessments of 20 multilateral development partners (covering more than 90 per cent of Australia's total multilateral development funding), which demonstrated their good performance despite the continued impact of COVID-19 on their operations.

The department advocated for strong and timely responses from multilateral development banks to address the adverse impacts of COVID-19 on developing countries in the region. The World Bank Group adjusted allocations to support global response and recovery efforts in the world's poorest and most vulnerable countries. We called for an exceptional increase in the levels of financing provided by the World Bank's International Development Association (IDA) in 2021–22, resulting in increased allocations to 20 Indo-Pacific countries. We supported the decision to bring forward the next replenishment of the IDA by one year.

The department led negotiations on the 2021–24 replenishment of the Asian Development Bank's Asian Development Fund. This replenishment will make over USD4 billion available in grants to the poorest and most vulnerable countries in the region, including nine concessional assistance-only Pacific countries. Australia's contribution of AUD423 million builds on our partnership with the Asian Development Bank and maintains our ranking as the second-largest donor (after Japan).

### Global Partnership for Education

The Global Partnership for Education (GPE) is the largest global fund dedicated to transforming education systems in lower-income countries. GPE's objectives include promoting girls' education, targeting the most vulnerable children, and delivering quality teaching and learning.

Our advocacy contributed to GPE increasing its presence in the Indo-Pacific. It has more than doubled grant funds to the Pacific since 2019 and increased the number of Pacific island countries eligible for funding. Eight Pacific island countries (Federated States of Micronesia, Kiribati, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) became GPE grant recipients in 2020. Since January 2021, GPE is supporting the Pacific Regional Education Framework, and through it basic education in 15 Pacific island countries.

Australia's increased contribution to GPE for 2021–25 will support GPE's continued expansion in the Indo-Pacific, assisting the region's recovery from the pandemic. Our funding has been earmarked specifically for the Pacific and Southeast Asia, and will contribute to improving girls' education and more inclusive education systems.

### Global health

The global response to COVID-19 demonstrated the importance of our partnerships with multilateral health organisations to support Indo-Pacific health security. These partnerships extended the reach of Australia's development program and enhanced our global, regional and bilateral health investments.

The World Health Organization (WHO) played a critical role in supporting the region to deliver safe, quality essential health services during the pandemic, such as immunisation, maternal and child health, and chronic disease treatment. Its expertise and convening power contributed to the global COVID-19 response, including efforts to ensure that all countries receive rapid, fair and equitable access to safe and effective vaccines, and support for vaccine readiness at the country level.

The department worked closely with the WHO to strengthen global pandemic preparedness. We shaped health-related rules, norms and standards in line with Australia's interests through Prime Minister and Foreign Minister engagements, advocacy via our diplomatic network, engagement in WHO governing meetings, and financial contributions. We consistently called for a transparent, scientific review into the origins of COVID-19 – understanding this is essential to preventing the next pandemic. We will continue to work with all WHO member states to drive and shape global health system reforms, and their implementation.

Australia's partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria supported countries in the Indo-Pacific with their national pandemic responses by increasing access to diagnostics and therapeutics. The Global Fund's COVID-19 response mechanism to mitigate the pandemic's impact on access to HIV, tuberculosis and malaria health services mobilised more than USD4.4 billion



in additional funding, of which more than USD447 million has been allocated to the Indo-Pacific (including South Asia). This is in addition to core support from the Global Fund, which has allocated more than USD2.3 billion to the Indo-Pacific for HIV, tuberculosis and malaria prevention and health services over 2021–23.

Our funding to Gavi, the Vaccine Alliance (\$300 million over 2021–25), helped strengthen routine immunisation systems in the region and avoid a rise in preventable disease. As one of the early donors to the COVAX Advance Market Commitment, Australia helped secure vaccines for the world's most vulnerable populations.

### COVAX Advance Market Commitment

The COVAX facility is a global mechanism led by Gavi, the Vaccine Alliance, with the Coalition for Epidemic Preparedness Innovations (CEPI) and WHO. The facility is designed to pool demand, funding and risk to enable the procurement and equitable distribution of successful COVID-19 vaccines for participating economies. The COVAX Advance Market Commitment (AMC) is a component of the COVAX facility designed to enable low- and lower-middle-income countries to receive COVID-19 vaccines for up to 30 per cent of their populations in the first instance, benefiting high-risk groups such as health workers and the elderly.

Australia has committed \$130 million to the COVAX AMC to support equitable global access to safe and effective COVID-19 vaccines, including in the Indo-Pacific. Australia's COVAX contribution is supporting access to COVID-19 vaccines for 92 developing countries. In 2020–21 the COVAX AMC delivered 62.7 million COVID-19 vaccines.

### Private sector

Across our region, small businesses were hit hard by COVID-19. We launched the Emerging Markets Impact Investment Fund to support small and medium-sized businesses in the Indo-Pacific to access finance to support economic recovery. The department also worked with the US Development Finance Corporation to support COVID-19 recovery in Indonesia, guaranteeing affordable loans to small hospitals, clinics and businesses.

Through the Business Partnerships Platform, we supported businesses in Fiji, Samoa, Timor-Leste, the Philippines, Vietnam, Bangladesh, Sri Lanka and Nepal to help them survive and recover from the immediate impacts of COVID-19 while creating new jobs across the region. Economic opportunities for women remained central to this work. For example, in Fiji a partnership with Mastercard, ygap and Fintech Pacific was established to deliver a low-cost mobile phone payment and banking capability for 400 women-led small and medium-sized enterprises. Australia's investment of \$8.2 million unlocked \$20.5 million from the private sector through these partnerships.

Australia also announced new financing initiatives aimed at leveraging private sector investment for climate action. The department is supporting implementation of Australia's \$140 million flagship climate investment, the Australian Climate Finance Partnership, which will incentivise greater private finance for climate mitigation and adaptation.

## Civil society

Our partnerships with non-government organisations (NGOs) allow us to benefit from their development expertise and deep knowledge of local communities.

The department contributed \$132.9 million to Australian NGOs under the Australian NGO Cooperation Program (ANCP) in 2020–21.<sup>1</sup> During this period, 57 trusted NGOs worked with more than 2,000 local partners to implement 406 projects in 50 countries. An estimated 82 per cent of ANCP expenditure was in the Indo-Pacific. All ANCP projects supported health, stability and economic recovery in line with *Partnerships for Recovery*:

- In rural Papua New Guinea, Australian Doctors International partnered with provincial governments and health authorities to undertake outreach health patrols and train healthcare workers and community leaders.
- We supported UnitingWorld in Indonesia to run agricultural training for rural communities to assist villagers to earn a sustainable income.
- In Vanuatu, ActionAid Australia promoted women's leadership in preparing for and recovering from emergencies. Their 'Women I Tok Tok Tugeta' (Women Talk Together) forums covered disaster preparedness, adaptation and resilience, and members disseminated hazard information to their local communities.

The Australian Volunteers Program supported 285 remote volunteering assignments in 25 countries, engaged 31 in-country volunteers in six countries, and provided 100 grants (amounting to \$937,534) to partner organisations in the region. COVID-19 changed the way the program operated, from reliance on overseas deployments to a shift to remote-based assignments from Australia. Nevertheless, it continued to support partner organisations, contribute to the development program and sustain Australia's partnerships with local communities.

## Managing the development program

Our development program is underpinned by a comprehensive planning, management and reporting system that supports continuous improvement and ensures we have the information to actively manage our investments. The department's COVID-19 response plans share a common set of objectives, drawn from *Partnerships for Recovery*, launched in May 2020. All investments worth over \$3 million are assessed annually. Performance and other information on the development program is published on the DFAT website.

In 2020–21, COVID-19 affected the ability of our staff and implementing partners to collect and assess monitoring and evaluation data. While we made greater use of remote approaches, limited data availability in some cases impacted performance assessments.

1 Grant funds distributed.



**Performance measure**

**4.2 Effective operational and organisational management of the development program, including in its planning, implementation and responsiveness:**

- Number of COVID-19 Response plans developed
- Percentage of completed investments assessed as satisfactory against both effectiveness and efficiency criteria
- Percentage of investments effectively addressing gender and social inclusion issues
- Australia's response is valued by partner governments
- Transparency of programming.

**How we rate our performance\***

On track

Source: Corporate Plan 2020–21, p. 22; PBS 2020–21, program 1.2, p. 32 | Funding: PBS 2020–21, program 1.2 and 1.3

\*Our assessment is based on Investment Monitoring Reports, country and regional Progress Reports and evaluations of Australia's development response efforts.

**Our performance**

We rate our performance against this performance measure as being 'on track'.

In 2020–21 the department continued to roll out *Partnerships for Recovery's* new planning and performance system. The new system introduced new performance measures for the effective management of the development program. Twenty-seven COVID-19 development response plans were published in October. These plans outlined Australia's COVID-19 response at the country, regional and global level. Australia's COVID-19 development response was highly regarded by partner governments and seen as responsive to emerging needs.

The department prepared annual investment monitoring reports for development program investments worth more than \$3 million. In 2020–21 we completed 280 investment monitoring reports, 41 final investment monitoring reports (FIMRs) and 12 humanitarian investment monitoring reports<sup>2</sup>.

<sup>2</sup> FIMRs are prepared in the final year of implementation of an investment. As such, the total number of FIMRs varies each year and is a comparatively small proportion of the total number of investment monitoring reports.

Despite the impact of COVID-19, including the effect of the pivoting of programs to respond to the pandemic, 88 per cent of investments were assessed as satisfactory against both effectiveness and efficiency criteria in the investment monitoring report process, reflecting strong performance in a difficult environment. Overall effectiveness and efficiency ratings for final investment monitoring reports (covering the relatively small sample size – 41 investments out of a total of 333 investments – that ended in 2020–21) were lower, with 61 per cent assessed as satisfactory against both effectiveness and efficiency criteria. This was primarily due to changes in the development context, including as a result of COVID-19. Several investments faced changes in partner government policies or priorities which impacted program efficiency. Many of the completed investments were located in challenging development contexts (including in PNG, Solomon Islands, Afghanistan and Pakistan) where increased pressure on government systems, travel restrictions and capacity constraints due to COVID-19 hampered effectiveness.

The department strongly supports gender equality and strengthening disability-inclusive development. In 2020–21, of development investments assessed through the investment monitoring process, 78 per cent effectively addressed gender equality issues in their implementation, and 54 per cent effectively addressed disability-inclusive development.

When underperformance was identified, we developed and implemented targeted actions to address investment shortcomings. Of the 333 investments that completed the annual investment monitoring process in 2020–21, 21 investments (6 per cent) were identified as underperforming. Eleven of these are continuing with management actions identified to improve performance and the other 10 are due to finish by the end of 2021.

In 2020–21, the department's Office of the Chief Economist coordinated our 2021 annual public Development Evaluation Plan, supporting investment-level evaluations carried out by geographic and sectoral areas of the department, and facilitating the quality assurance of the department's FIMRs. We published 13 evaluations with management responses in 2020, and plan to publish around 40 evaluations in 2021.

*Partnerships for Recovery* outlines the government's commitment to high standards of transparency and accountability in managing the development program to respond to COVID-19. We worked to improve the availability of data and ensure consistency across country, thematic and sectoral pages on our website.

We continued to manage Australia's international aid program reporting obligations to the OECD Development Assistance Committee and International Aid Transparency Initiative. AusTender continued to provide centralised publication of Australian Government business opportunities, annual procurement plans, multi-use lists and contracts awarded.

Figure 9 – Development results

## HEALTH SECURITY



**24**  
partner countries  
supported through  
strengthened  
**health systems**



**22**  
partner countries  
supported to  
improve responses  
to **health security**  
**threats**



**11 MILLION+**  
**medical products**  
contributed to  
partner countries



**3 MILLION+**  
people **immunised**  
with Australian  
support



**3 MILLION+**  
couple years of  
contraceptive  
protection made  
available for **sexual**  
and **reproductive**  
**health**



**11 MILLION+**  
vulnerable women,  
men, girls and boys  
provided with  
**emergency**  
**assistance** in  
conflict and crisis  
situations

## STABILITY



**32**  
countries supported to  
**strengthen**  
**governance systems**



**156 MILLION+**  
people reached with  
new or improved **social**  
**protection programs**



**282,000+**  
women and girls  
**survivors of violence**  
receiving services such  
as counselling



**640,000+**  
additional girls and boys  
**enrolled in school**



**57**  
countries supported to  
build capacity for **food**  
**security**

## ECONOMIC RECOVERY



**29**  
countries provided with  
**economic policy support**



**196,000+**  
female entrepreneurs provided  
with financial and/or business  
development services for  
**economic empowerment**



Collaborated with  
**25**  
private sector partners in  
**20**  
countries on  
**supply chain support**



**\$361.1 MILLION**  
of **budget support** in response  
to COVID-19 provided to nine  
Pacific countries and  
Timor-Leste

## Leading the Australian Government's response to humanitarian crises

The Indo-Pacific is increasingly vulnerable to disasters, threatening lives and livelihoods and hard-won development gains. COVID-19 has increased the number, complexity and urgency of Australia's crisis responses.

### Performance measure

**4.3 Timely and effective responses to humanitarian emergencies, including an enhanced Indo-Pacific ability to prepare for, respond to and recover from crises:**

- Australia responds within 48 hours of a request from a country in the Indo-Pacific
- effective Australian Government response to humanitarian crises, displacement and conflict measured through end-of-program reviews of protracted crisis response packages and Strategic Partnership Frameworks, and
- Australian support builds the capacity of Pacific governments and communities to better prepare for, respond to and recover from climate change and disasters.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 23; PBS 2020–21, program 1.2, p. 32 | Funding: PBS 2020–21, programs 1.2 and 1.3

\*Our assessment is based on annual quality reporting and evaluations of Australia's humanitarian response efforts.

## Our performance

We rate our performance against this measure as being 'on track'.

The department allocated an estimated \$475.7 million to respond to natural disasters, emerging COVID-19 priorities and protracted humanitarian crises, including by building resilience. Our work ensured that Australia met its commitment to respond to requests for humanitarian assistance from countries in the Indo-Pacific within 48 hours.

The department coordinated Australia's deployment of 49 medical specialists through Australian Medical Assistance Teams (AUSMAT) to support Papua New Guinea, Timor-Leste and Fiji in responding to COVID-19. Four deployments, with a total of 36 personnel, were sent to Papua New Guinea to support health personnel in providing emergency and critical care and public health advice. In Timor-Leste, AUSMAT personnel provided epidemiology and public health support to assist in managing an increase in COVID-19 cases following severe flooding in April. A joint Australia – New Zealand medical team assisted with strengthening infection prevention and control in several Fiji health facilities to support Fiji's response to an upsurge in COVID-19 community transmission.

Our Australia Assists program also adapted quickly to address the impact of COVID-19, with 39 deployments to countries in the Indo-Pacific – including Papua New Guinea, Fiji, Bangladesh, Indonesia, Timor-Leste, Solomon Islands, Tonga, Kiribati and Vanuatu – to strengthen health security, maintain social stability and stimulate economic recovery. Australia Assists is a flexible civilian deployment capability that sends technical specialists to work with governments, multilateral agencies and communities on preparing for, responding to, and recovering from disasters and conflict.

## Tropical Cyclone Yasa

On 15 December, Tropical Cyclone Yasa, a category 5 superstorm, struck Fiji, causing the death of four people and widespread damage. Over 4,000 homes, 100 schools and 26 health centres were damaged or destroyed.

Under the department's leadership and coordination, Australia immediately responded with a substantial package of assistance designed to support the Fijian government's efforts. Our help enabled the delivery and distribution of 165 tonnes of humanitarian supplies within Fiji.

We provided critical support to the education priorities of the Fijian government to minimise disruption to the school system. On Christmas Day, HMAS *Adelaide* set sail to provide assistance with school rehabilitation and debris removal, arriving in Fijian waters on New Year's Eve. Operating in accordance with agreed Fijian-Australian COVID-19 protocols, Australian Defence Force personnel assisted Fijian authorities until 20 January.

The Australian Humanitarian Partnership (AHP), a partnership between the Australian Government and non-government organisations, supported affected farmers and households to rehabilitate agricultural areas for food security and livelihoods. It also provided psychosocial support and assisted affected households with shelter and water and sanitation needs. The AHP reached over 10,000 people affected by Tropical Cyclone Yasa across 24 districts in Fiji's Northern Division.

Australian Government support to Fiji is not just a story about the pace and effectiveness of our crisis response. It also shows that the department's work on disaster risk reduction, resilience building and recovery helps reduce the vulnerability of people in our region and improve their capacity to respond to disasters. This is supported by contrasting the impact of Tropical Cyclone Winston, a storm of similar size, ferocity and strength that hit Fiji in 2016, with that of Tropical Cyclone Yasa. Tropical Cyclone Winston resulted in the death of more than four times as many people and around six times the economic damage.

Under *Partnerships for Recovery*, Australia provided \$25 million through NGO partners to enhance community-level preparedness, protection and response efforts in the Pacific and Timor-Leste. The package supported over two million people across the region to prepare for, respond to and recover from the health and socioeconomic impacts of COVID-19. We focused on:

- access to health services and psychosocial support
- critical water, sanitation and hygiene information, access and supplies
- community stability and recovery
- access to child protection and gender-based violence services
- gender equality and disability inclusion.

Our partnerships with the United Nations Office for Disaster Risk Reduction (UNDRR) and the World Bank's Global Facility for Disaster Reduction and Recovery (GFDRR) helped countries in our region to strengthen their disaster risk management. With our support, UNDRR scaled up efforts to strengthen and promote women's leadership in disaster risk reduction across the region. Through GFDRR, we supported the integration of disaster and climate risk management into planning and investment programs, including in community resilience, urban planning, and recovery and reconstruction.

## Responding to global humanitarian crises

In 2020 nearly 168 million people around the world needed humanitarian assistance and protection, according to the UN. In 2021 that figure rose to 235 million. Australia's funding to protracted crises has enabled partners to quickly respond to emerging COVID-19 needs, while sustaining life-saving support to crisis-affected communities. Our help has included food aid, clean water, health and sanitation, and protection services, such as counselling and medical services for women and girls who experience violence.

Within the Indo-Pacific region, Australia consistently ranks as one of the top humanitarian donor countries in Myanmar and Cox's Bazar, Bangladesh, where over 2.3 million people need humanitarian assistance. In 2020–21 we provided \$79.7 million to Rohingya and host communities in Cox's Bazar and more than \$35 million to crisis-affected communities across Myanmar and on the Thailand–Myanmar border.

In Afghanistan, during 2020, 14 million Afghans (around a third of the population) faced crisis levels of food insecurity due to drought, escalating conflict, and the economic impacts of COVID-19. In 2021 this situation has worsened, with almost 19 million Afghans needing humanitarian assistance. In 2020–21 we provided \$16 million to humanitarian partners in Afghanistan, with more than three-quarters of this funding directed towards emergency food and cash assistance.

Australia also has a strong record of humanitarian assistance to Africa and the Middle East. In 2020–21 we provided \$37 million in humanitarian assistance to vulnerable people in Syria, as well as to Syrian refugees and host populations in Lebanon and Jordan. This included \$5 million in response to the 4 August explosion in Beirut. Australia also provided significant humanitarian assistance in Iraq (\$20 million), Yemen (\$10 million) and Ethiopia (\$3 million).

## Priority 5: Advance global cooperation

A more challenging strategic environment, coupled with the COVID-19 crisis, has demonstrated that, more than ever, we need strong, effective and transparent multilateral institutions to help address global challenges. We work with partners in our region and around the world to support a multilateral system that is fit for purpose, open and transparent, accountable to member states and founded on respect for human rights.

With face-to-face meetings difficult or impossible for much of the year due to the COVID-19 pandemic, we adapted the ways we engaged with others to continue achieving outcomes for Australia. Through our partnerships with multilateral institutions we supported effective global responses to the pandemic, while sharpening the collective focus on specific challenges facing the Indo-Pacific region. We strengthened our influence through strategic communications and initiatives and leveraged our relationships across all regions to achieve outcomes in support of government priorities.<sup>3</sup>

### Shaping international rules and norms

Australia's security and prosperity are served by acting with others to support an international rules-based order. The department leads Australia's engagement in the multilateral system. We aim to promote its liberal democratic character, including free trade and human rights, and to prevent any efforts to reshape rules, norms and institutions in ways that threaten our national interests. We work through plurilateral groupings like the Quad (Australia, India, Japan and the United States), MIKTA (Mexico, Indonesia, Republic of Korea, Turkey and Australia) and CANZ (Canada, Australia and New Zealand) to strengthen cooperation and increase the effectiveness of the multilateral system.

#### Performance measure

**5.1 Australia's diplomatic efforts and financial contributions help shape institutions, rules, norms and standards in line with our national interests and values.**

#### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 24; PBS 2020–21, programs 1.3 and 1.4, pp. 33 and 44 | Funding: PBS 2020–21, program 1.1, 1.2, 1.3 and 1.4

\*Our assessment is based on completed multilateral performance reports covering 90 per cent of Australia's multilateral development funding, and assessment of the degree to which Australia's positions were reflected in resolutions and other negotiated outcomes documents, as well as our success in ensuring Australians and other likeminded candidates were elected to key international positions.

<sup>3</sup> Performance measure 5.4 is covered in Priority 3 under performance measure 3.1.

## Our performance

Following the completion of Australia's multilateral audit in 2020, the department has focused on ensuring the multilateral system is delivering for Australia as we tackle unprecedented global problems. We have sought to ensure global institutions are fit for purpose to address current challenges, free from undue influence, accountable to member states and appropriately focused on our Indo-Pacific region.

In particular, we have focused on three fundamental parts of the multilateral system:

- rules that protect sovereignty, preserve peace and curb excessive use of power, and enable international trade and investment
- international standards related to health and pandemics, climate change, transport, telecommunications and other standards that underpin the global economy
- norms that underpin universal human rights, gender equality and the rule of law.

In line with these priorities, the department worked to strengthen the effectiveness of United Nations (UN) institutions and influence reform measures on governance, transparency and accountability, and ensured appropriate rigour was applied to UN budgets and activities. We advocated for ensuring an appropriate Indo-Pacific focus.

We protected our interests in key standard-setting bodies, to ensure emerging technologies are governed in the interests of an open, interoperable and connected global economy. The department supported engagement by the Prime Minister and Foreign Minister in the G7+. These meetings were major opportunities to progress collaboration with key democratic partners.

Our diplomatic efforts and financial contributions have achieved results in line with our national values and interests, and we therefore rate our performance against this measure as 'on track'. Nevertheless, the increasingly complex international environment presents growing challenges to our ability to achieve our goals.

## Candidacies

We worked to ensure that multilateral institutions are led by meritorious individuals committed to good governance, including through successfully campaigning for Australians to hold key positions.

Working closely with our overseas posts and with other agencies of government, we supported an unprecedented number of concurrent Australian candidacies, secured resources to professionalise our campaigns and underlying capability, and improved whole-of-government coordination and prioritisation.

The department helped achieve three significant wins for Australian candidates:

- In November 2020, Ms Natasha Stott-Despoja was elected to the Committee on the Elimination of Discrimination Against Women (CEDAW).
- In March 2021, the Hon Mathias Cormann was appointed as Secretary-General of the Organisation for Economic Co-operation and Development (OECD).
- In May 2021, Dr Robert Floyd was elected Secretary-General of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) Preparatory Commission.

The CEDAW monitors the implementation of the Convention on the Elimination of All Forms of Discrimination Against Women. As the only Oceania member on the Committee, Ms Stott-Despoja will bring perspectives from our region to the important work of advancing gender equality.



Secretary-General Cormann is prioritising increased OECD engagement in the Indo-Pacific and enhancing the OECD's role in promoting members' shared values, including open markets and the global rules-based trading system.

Dr Floyd is the first leader of the CTBTO from the Indo-Pacific region. His election reflects Australia's strong commitment to arms control and disarmament, and our proud history of advocacy for the Comprehensive Nuclear-Test-Ban Treaty.

We supported successful Australian candidacies to the International Labour Organization Governing Body, the UN Commission on Narcotic Drugs and the UN Statistical Commission. The department also focused on supporting meritorious candidates from other nations who share our policy interests, demonstrate efficacy and independence as well as good governance and transparency practices, and support appropriate focus on the Indo-Pacific region.

## UN and Commonwealth

We promoted international rules and standards that reflect our values and interests through pragmatic engagement in the UN General Assembly and its subsidiary organs. We reaffirmed Australia's commitment to the multilateral system at the 75th anniversary of the UN in September. In response to COVID-19 restrictions, we used new ways of working to pursue our interests.

We worked with the UN and international partners to promote security and stability, including through Australia's contribution to UN peacekeeping missions, peacebuilding and development programs and in response to COVID-19. We participated in consultations for the 2020 UN Peacebuilding Architecture review and negotiated the outcomes resolutions. By working with partners, we ensured the outcome of this process reflected Australian priorities, including reaffirming the sustaining peace agenda and a strong focus on women, peace and security. We demonstrated our commitment to the Responsibility to Protect (R2P) principle (protecting populations from mass atrocity crimes) by proactively engaging like-minded partners and promoting new resolutions dedicated to better implementing R2P and with early warning of atrocities across the UN system.

We helped strengthen the effectiveness of UN institutions through positions on governing boards and in key donor groups like the Geneva Group. We maintained support for the UN Secretary-General's reform initiatives. Through our active engagement in the Fifth Committee of the UN, we ensured appropriate rigour was applied to UN budgets and activities. We promoted transparency and evidence-based decision-making through our seat on the World Heritage Committee (2017–2021).

We supported whole-of-government engagement with Commonwealth initiatives on shared concerns including health, supporting small and developing island states (with a focus on Pacific small island states), measuring vulnerability, climate change and oceans' sustainability. The Commonwealth Heads of Government Meeting in Rwanda was postponed for a second time owing to the ongoing impact of COVID-19.

## Human rights

We worked through the UN General Assembly and its committees and the UN Human Rights Council (HRC), among other multilateral and regional forums, to advocate strongly for human rights.

As a member of the HRC (2018–20), Australia was a consistent voice for human rights. We used Australia's membership to protect the integrity of the rules-based human rights system and to bring a balanced perspective to country situations of concern.

We used the final sessions of Australia's membership of the HRC (until 31 December 2020) and our subsequent sessions as an observer to demonstrate our commitment to promoting and protecting

human rights globally. In 2020–21 we considered 89 resolutions (co-sponsoring 55), delivered 64 national statements, and joined 47 statements on country-specific and thematic human rights issues. COVID-19 and human rights was a key issue. The Foreign Minister's address to the HRC in September called on states to ensure human rights are not peripheral to the COVID-19 response, but central to debates and decision-making.



We defended the universality of human rights and stood up for the rights of women and girls, indigenous peoples and lesbian, gay, bisexual, transgender and intersex (LGBTI) people. We advocated for freedom of expression, good governance, strong national human rights institutions, freedom of religion or belief and civil society engagement.

We spoke frankly and consistently for Australia on human rights issues around the globe, including by raising concerns about China, Myanmar, North Korea, Syria, Venezuela and Yemen, among others. We led a joint statement at the HRC on behalf of 51 states raising concerns about the use of the death penalty for blasphemy and apostasy and joined a statement on behalf of 35 states raising concerns about politically motivated arbitrary detention.

We amplified the voices of the Pacific, with all 16 Pacific states supporting a sixth Pacific joint statement (led by Australia) on the importance of diverse voices in the HRC. Consistent with our commitment to open, liberal democracies, we led a resolution on the importance of national human rights institutions, garnering 82 co-sponsors.

We were also active in the UN General Assembly, joined the Media Freedom Coalition, closely engaged with cross-regional groupings such as the International Religious Freedom or Belief Alliance and the International Holocaust Remembrance Alliance, and endorsed Canada's Declaration Against the Use of Arbitrary Detention in State-to-State Relations.

The department convened its annual Human Rights NGO Forum with civil society organisations and non-government organisations to discuss international human rights. We supported Indigenous Australians to engage in UN meetings that particularly affect them, including the HRC and UN Permanent Forum on Indigenous Issues.

## Indigenous Diplomacy Agenda

In May, the department launched its Indigenous Diplomacy Agenda to further elevate indigenous issues in the department and the portfolio. We are harnessing Australia's foreign, trade, economic, development and domestic policies for maximum impact for indigenous peoples in Australia and internationally. The agenda has four pillars:

- Foreign policy – to shape international norms and standards to benefit indigenous peoples
- Trade and economic policy – to maximise opportunities for indigenous peoples in a globalised world
- Development policy – to promote sustainable development for all indigenous peoples
- Corporate policy – to best utilise our Indigenous staff and make the department a more culturally competent organisation.

For example, we are working with portfolio agencies to support an Indigenous Australian business and tourism sector, which is strongly connected to global markets. As the Indigenous business sector grows in Australia, we want many of those small and medium-sized enterprises to become exporters, benefiting from access to global markets.

Our portfolio is also working with the Indigenous Network for Investment, Trade and Export (IGNITE), which is at the forefront of creating opportunities for excellence in Indigenous Australian trade and investment. The department has brokered introductions between IGNITE and key stakeholders, including the Export Council of Australia (ECA), APEC, the APEC Business Advisory Council, the World Indigenous Business Network and the Global Trade Professionals Alliance, among others. IGNITE is now partnering with the ECA to deliver an export readiness training program for indigenous entrepreneurs from APEC economies.

## Gender equality

In March, as Vice-Chair of the Bureau of the UN Commission on the Status of Women, we supported Australia's continued active engagement in the work of the commission. Australia's Ambassador for Gender Equality chaired a session of the commission and hosted a side event to give voice to the issues of young women in the Pacific.

We marked the 20th anniversary of the adoption of UN Security Council Resolution 1325, which established the Women, Peace and Security (WPS) agenda. The Foreign Minister participated, as the only non-ASEAN minister, in the ASEAN Ministerial Dialogue on Strengthening Women's Role for Sustainable Peace and Security, and attended virtually, with the Ambassador for Gender Equality, the Global Conference on WPS hosted by Vietnam in December.

In April, Australia launched its second National Action Plan on Women, Peace and Security 2021–2031. In addition to its function as the whole-of-government lead on the National Action Plan, the department funded UN Women's WPS Global Facility and Women's Peace and Humanitarian Fund to undertake projects that build resilience and support conflict prevention and response.

The department continued to promote strong international norms and standards through our participation in UN Security Council Open Debates on Sexual Violence in Conflict and WPS, and through the first HRC resolution and first East Asia Summit Leaders' Statement on WPS.

We also worked to advance gender equality and women's empowerment through Australia's development program – see Priority 4 for more details.

## World Health Organization

The department worked with the World Health Organization (WHO) and the global community to strengthen global pandemic preparedness. With the Department of Health, we contributed to the evaluation by the Independent Panel for Pandemic Preparedness and Response (IPPR) of the WHO's and the global response to COVID-19, including through our national submission to the IPPR outlining Australia's priorities for reform:

- building an independent and authoritative WHO
- reducing the risk of future zoonotic disease transmission
- supporting strong WHO operations around the world.

Australia's priorities were captured in a new resolution, 'Strengthening WHO Preparedness for and Response to Health Emergencies', adopted at the 74th World Health Assembly. The Prime Minister reinforced at the assembly Australia's commitment to work with the WHO and the global community to take forward the reform agenda.

## Joint United Nations Programme on HIV/AIDS (UNAIDS)

Australia continued its long-term support for regional and global efforts to eliminate HIV/AIDS through our partnership with UNAIDS. The Foreign Minister delivered a pre-recorded national statement at the UN General Assembly High-Level Meeting on HIV/AIDS in June. The political declaration adopted at the meeting was co-facilitated by Australia's Permanent Representative and Ambassador to the UN, the Hon Mitch Fifield. Our contribution, alongside those of other member states, secured a declaration grounded in human rights and scientific evidence, which puts gender equality and community leadership at the centre of the HIV response. Our partnership with the Australian Federation of AIDS Organisations ensured meaningful engagement by Australian and regional civil society in the high-level meeting, and supported a strong civil society voice.

## Climate change

Australia has a strong record of achievement in reducing greenhouse gas emissions and in climate policy. The department led international outreach and advocacy to promote Australia's actions, build new partnerships, strengthen international climate cooperation and support the rules-based order.

We supported the Prime Minister's announcement at the December Pacific Islands Forum of a further \$1.5 billion in funding through our development program over 2020–2025 to help developing countries tackle climate change, including to build disaster risk resilience. This builds on Australia's previous climate finance pledge of \$1 billion over 2015–2020, which Australia exceeded. The department also supported the Prime Minister's participation at the US World Leaders' Climate Summit in April, showcasing Australia's actions and achievements and technology-based approach to reducing emissions.

We worked actively with the Office of the Special Adviser to the Australian Government on Low Emissions Technology on developing concrete low-emissions technology partnerships with Germany, Japan, Korea, Singapore and the United Kingdom.

In addition, our overseas posts promoted our agenda to drive down the cost of priority low-emissions technologies globally to help Australia and the world achieve net-zero emissions as soon as possible. Our outreach highlighted the importance of practical global collaboration to promote widespread uptake in both developed and developing countries and enable emissions reduction in sectors responsible for 90 per cent of the world's emissions.

We also supported initial steps to develop a regional high-integrity carbon offset scheme and we are building capacity in the Indo-Pacific on renewable energy, including through Australia Awards virtual short courses.

In UN climate negotiations, Australia chairs the Umbrella Group of countries – one of the four major groups in global climate change negotiations – which includes Canada, Japan, New Zealand, Russia, the United States and others. We worked with partners to strengthen international rules to ensure countries transparently report on their emissions and implementation of commitments under the Paris Agreement, and to develop new, high-integrity international carbon markets. With the delay of in-person negotiations due to COVID-19, we worked with countries to make necessary progress through new virtual formats ahead of the Glasgow COP26 Summit, scheduled for November 2021.

We also launched Australia's \$140 million flagship climate investment, the Australian Climate Finance Partnership – see Priority 4 for more details.

Climate change is affecting our ocean and biodiversity, but the ocean can also contribute to addressing climate change, through nature-based solutions, ocean-based renewable energy and decarbonising ocean industries. We worked with the Department of Agriculture, Water and the Environment to support Australia's international action to build the ocean's health and resilience so it is better able to withstand the impacts of climate change. This included joining the Global Ocean Alliance to protect 30 per cent of the global ocean and sharing Australia's expertise in coral reef restoration and resilience-based management through the International Coral Reef Initiative.

### International technology partnerships

Exports of hydrogen from Australia will help our trading partners achieve their Paris Agreement commitments. The department supported the conclusion and implementation of three international technology partnerships focused on hydrogen with Germany, Japan and Singapore.

The Australia–Germany Hydrogen Accord will support long-term purchase arrangements for hydrogen from renewable energy to help underwrite new projects. It will establish a technology incubator, HyGATE, to support real-world pilot, trial, demonstration and research projects along the hydrogen supply chain. This will build on the two-year hydrogen from renewable energy feasibility study, HySupply.

Japan is interested in receiving low-emissions ammonia, including for co-firing with coal, as well as clean hydrogen and derivatives produced from renewable energy or fossil fuels with substantial carbon capture, utilisation and storage, and low-emissions iron and steel that may also use hydrogen in the reduction process. The department continued to support implementation of the Australia–Japan Joint Statement on Cooperation on Hydrogen and Fuel Cells signed in January 2020, to build hydrogen markets for domestic and international demand, shape global regulations, codes and standards, address hydrogen safety, and promote research, development and deployment.

Singapore is keen to explore options to use hydrogen to reduce emissions in maritime and port operations, such as ammonia from renewable energy to replace marine oil in global shipping. Australia and Singapore signed a memorandum of understanding on low-emissions technologies, including hydrogen cooperation, in October 2020. Under the memorandum, Australia and Singapore will share technical knowledge and cooperate on the development of new technologies, renewable energy trade, emissions monitoring and emission reduction strategies.

## Strengthening international law

We protected Australia's multilateral interests in international crime cooperation forums. We strengthened language in international declarations on protecting civil society rights and freedoms, gender equality and combatting child sexual exploitation and abuse. We supported ministerial participation at the 14th UN Congress on Crime Prevention and Criminal Justice and the UN General Assembly Special Session on Corruption, reinforcing Australia's commitment to combatting transnational organised crime and corruption.

We worked with international partners to share sanctions policy and regulatory best practice, including with respect to implementation of UN Security Council decisions. We supported the Foreign Minister to impose new targeted financial sanctions and travel bans against one individual and four entities for facilitation of Russia's unlawful attempts to integrate Ukraine's territory into Russia. In accordance with the three-yearly review processes, we supported the Foreign Minister to renew the designations for targeted financial sanctions and/or declarations for travel bans on 578 persons and entities under Australia's autonomous sanctions framework.

We led Australia's international engagement in the Antarctic Treaty system, including the 2021 Antarctic Treaty Consultative Meeting. We promoted the rules and norms of the system, which establishes Antarctica as dedicated to peace and science. We worked with the Australian Antarctic Division on a five-year review of the Australian Antarctic Strategy and 20-Year Action Plan.

We lodged a formal protest with the UN regarding China's maritime claims in the South China Sea that are without legal basis. By doing so, we promoted adherence to international law and demonstrated Australia's non-acquiescence to actions or claims that may seek to undermine international law.

We co-hosted an ASEAN Regional Forum workshop on the law of the sea and emerging maritime issues in the region, bringing together diverse participants to reinforce the rules-based order.

We led Australia's engagement with the International Criminal Court (ICC), including on the ICC's reform agenda, to ensure the ICC was strongly placed to deliver on its core mandate as a court of last resort. We were actively involved in the consultation process to select the new ICC Prosecutor. We continued to participate in initiatives to strengthen compliance with international humanitarian law.

We managed the domestic aspects of Australia's treaty-making process, tabled 10 major treaty actions in parliament, and referred seven minor treaty actions for consideration by the Joint Standing Committee on Treaties. We facilitated signature by Australia of three treaties.

Australia remains committed to pursuing justice for all 298 victims of the downing of Malaysia Airlines flight MH17, including the 38 people who called Australia home. We facilitated Australia's contribution of \$5 million to assist the Dutch prosecution of four suspects. Travel restrictions prevented victims' families from travelling to the Netherlands so we ensured court proceedings were livestreamed and translated to enable their participation. We encouraged Russia to return to trilateral talks with the Netherlands regarding its role in the downing of MH17, following its withdrawal in October 2020.

## Promoting our interests around the world

We worked with partners in Europe, the Middle East, Africa, Latin America and the Caribbean to advance our mutual interests, including in the Indo-Pacific, on COVID-19 and trade.

### Performance measure

5.2 Our relationships with Europe, the Middle East, Latin America and Africa advance Australia's interests.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 24; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, programs 1.1, 1.2, 1.3, 1.4 and 1.6

\*Our assessment is based on diplomatic reporting, meeting outcomes and public statements issued by foreign governments.

## Our performance

We rate our performance against this measure as being 'on track'.

We deepened engagement with **Europe**. Europe has the largest concentration of like-minded democratic countries, is an important trade partner, supports a global rules-based order and a strong multilateral system and is increasingly engaged on Indo-Pacific matters. The department supported the development by the European Union (EU), France, Germany, the Netherlands and Ireland of Indo-Pacific strategies. The Prime Minister and Ministers engaged extensively with European and UK leaders, including at the G7 summit in London. The inaugural EU–Australia Leaders' meeting in November reconfirmed our resolve to work together to fight the COVID-19 pandemic and support socioeconomic recovery from it. Australia and the EU also committed to enhance cooperation in the Indo-Pacific, and continue cooperation in international forums such as the UN and WTO, based on our shared interests in the international rules-based order, and in open and fair trade. Significant progress was made in negotiations with the EU on a free trade agreement. Senior officials' talks were held with a wide range of European countries and the EU.

The United Kingdom's renewed focus on the Indo-Pacific – following the release of the UK government's Integrated Review of Security, Defence, Development and Foreign Policy – has opened new opportunities to build on our strong cooperation. As the United Kingdom transitioned from the EU single market and customs union, the department engaged with industry groups and made public information available to support exporters. In June, following intensive negotiations, Australia and the United Kingdom reached agreement in principle on the core elements of a free trade agreement.

The second phase of the Australia–France 'Afiniti' Initiative was agreed ahead of the Prime Minister's visit to France in June, including important new cooperation on the Indo-Pacific, and work on critical minerals and renewables. The Ministerial Dialogue on Trade and Investment with France was held in April and helped deepen bilateral trade and boost opportunities for investment, including in areas such as critical minerals, renewable energy, hydrogen, space and agriculture.

The Foreign and Defence Ministers held a 2+2 joint ministerial meeting with Germany in June, signing an Enhanced Strategic Partnership and committing to bolstering cooperation on the Indo-Pacific in support of an open, inclusive and resilient region. Australia and Germany also intensified cooperation on renewable hydrogen generation.



The Australian and Dutch Prime Ministers agreed to cooperate to maintain regional resilience and capacity for sovereign choices in the Indo-Pacific region, and uphold international law. We worked with 53 partners to agree an Asia–Europe Meeting statement on COVID-19, underscoring Australia’s commitment to working closely with ASEAN, and through ASEAN-led mechanisms.

In the early stages of the COVID-19 pandemic, Australia cooperated closely with Turkey to secure vital materials for our domestic face mask supply. We successfully advocated for the removal of the requirement for Australians to hold tourist visas when visiting Ukraine. Australia also imposed new sanctions to counter Russia’s occupation of Crimea and Sevastopol and supported Ukraine and Georgia’s sovereignty and territorial integrity in multilateral forums. Notwithstanding tensions with Russia, we maintained senior-level communication, including senior officials’ talks in February 2021, at which we discussed issues in our region and had the opportunity to speak directly about our differences.

We advanced Australia’s interests in the **Middle East and Africa**, where COVID-19 compounded an already difficult operating environment. The department commenced a feasibility study into strengthening trade and investment with Israel. We worked with partners and made statements in international forums to support de-escalation during the violence in Israel and the Palestinian Territories in May.

Our continued advocacy in the Gulf states on non-tariff barriers resulted in Saudi Arabia and Kuwait extending shelf-life limits for Australian vacuum-packed red meat, estimated to be worth \$40 million in reduced costs annually for Australian exporters. Our sustained efforts, in close engagement with the Qatari government, ensured due process for Australian passengers affected by the October incident at Doha Airport.

We worked with like-minded countries to call for meaningful engagement with the UN-led peace process in Syria. We supported efforts to hold Da’esh accountable for crimes against humanity in Iraq through contributions to the UN Investigative Team to Promote Accountability for Crimes Committed by Da’esh. We continued to urge Iran to return to full compliance with the Joint Comprehensive Plan of Action.

We continued strong advocacy on human rights in Africa, both bilaterally and through the HRC, on issues including ending the death penalty, preventing sexual and gender-based violence, and protecting the rights of women, journalists and LGBTI people.

In partnership with the Export Council of Australia, we delivered specialist export training to women entrepreneurs in 12 countries across Africa – ‘African Women Trading Globally’. This supports women’s economic empowerment and economic recovery and fosters links with Australian businesses. With the Australian National University, we delivered foreign policy training to member states of the Indian Ocean Commission (Comoros, Madagascar, Mauritius and Seychelles) to advance cooperation on security and stability in the western Indian Ocean.

The impacts of COVID-19 endure in **Latin America and the Caribbean** and our missions in the region continue to work in deeply challenging environments. We stepped up virtual communications at all levels of government to pursue our objectives. We worked with our partners in the region to support trade diversification. Growing sectors of Australian business investment in this region include mining, agribusiness and education, with Brazil and Colombia in the top 10 source countries for international students for January to June 2021.

The Council on Australia Latin America Relations funded 11 grants totalling over \$433,000 focusing on COVID-19 economic recovery. We worked closely with a number of Latin American countries to support WTO reform and negotiations on key trade issues, including agriculture. With like-minded countries in the HRC, we advocated for a return to democracy and rule of law in Venezuela and Nicaragua.



## Foreign Arrangements Scheme

In an increasingly complex environment, it is critical Australia speaks with one voice in its international engagement. The department pivoted quickly to support the government to successfully pass Australia's Foreign Relations (State and Territory Arrangements) Bill 2020 in the second half of 2020.

The Foreign Arrangements Scheme commenced on 10 December and has laid the foundations for improved engagement between the government and state and territory entities on foreign policy. The scheme facilitates a consistent approach to foreign arrangements – ensuring Australia's foreign policy interests are appropriately considered when states and territories, local governments and universities enter into arrangements with foreign counterparts.

By the six-month anniversary of the scheme on 10 June 2021, states and territories, universities and local governments had notified over 8,500 foreign arrangements. These arrangements paint a picture of Australia's economic and trade relationships, our cultural and social connections, and our international education collaboration. As at 10 June, the Minister had made 17 decisions under the scheme, cancelling four arrangements and approving a further 13.

The new Foreign Arrangements Scheme is an important priority for the government and a significant new responsibility – we received \$25 million over two years in 2020–21 to support this work. A Foreign Arrangements Taskforce within the department is implementing the scheme and leading stakeholder engagement across federal, state, territory and local governments, and the university sector. We have also established a new Foreign Arrangements website, a Foreign Arrangements online notification portal and an online public register containing information about foreign arrangements.

## Strategic communications and building influence

The department uses strategic communications and public diplomacy initiatives to reach audiences around the world in support of Australia's international interests. We faced a more contested international information environment which placed a premium on the department being able to respond quickly and credibly to the communications of other actors. COVID-19 continued to dominate our strategic communications agenda, with a strong focus on providing information to support affected Australians overseas. We provided positive and factual messaging on the success of Australia's domestic response and resilience, as well as our development support to Pacific and Southeast Asian countries impacted by the pandemic.

### Performance measure

**5.3 Strategic communications and global initiatives that advance Australia's interests and influence.**

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 24; PBS 2020–21, program 1.6, p. 36 | Funding: PBS 2020–21, program 1.1 and 1.6

\*Our assessment is based on internal and external reviews and analysis of the effectiveness of our strategic communications, social media and public diplomacy.

Minister for Foreign Affairs and Minister for Women Senator Marise Payne used virtual platforms to highlight gender equality as an important shared priority that will support the region's COVID-19 recovery. Pictured co-convening the Second Meeting of Pacific Women Leaders on 13 August with then Deputy Prime Minister of Samoa Flame Naomi Mata'afa. The meeting of women ministers, members of parliament, senior officials and senior representatives of regional organisations discussed the impact of COVID-19 on women and girls in the Pacific [DFAT]

We enhanced public and official understanding of Australian foreign and trade policy through the *Documents on Australian Foreign Policy* series. Under this series, we published *Australia and Papua New Guinea: The Transition to Self-Government, 1970–1972*, by Bruce Hunt and Stephen Henningham, and *Australia and the Suez Crisis, 1950–1957*, by Robert Bowker and Matthew Jordan. We supported the memoirs of former diplomat Sue Boyd, *Not Always Diplomatic: An Australian Woman's Journey through International Affairs* (UWA Press). We revised and republished the department's *Australia in Brief* brochure, which provides an authoritative introduction to Australia's people and way of life, looking at our economic, social, scientific and cultural achievements, and our foreign, trade and defence policies.

## Protocol services for the diplomatic corps

Engagement with the diplomatic corps in Australia is essential to advancing our national interests and promoting cooperation globally. We welcomed the establishment of three new diplomatic missions in Canberra over the past 12 months – by Latvia, Lithuania and Nauru – lifting the total to 111. To meet our obligations under the Vienna Conventions on Diplomatic and Consular Relations, we provide the diplomatic and consular corps in Australia with appropriate immunities and privileges, as well as addressing relevant safety and security concerns. Fairness and respect in upholding these obligations ensure reciprocal treatment of Australian officials overseas.

The COVID-19 pandemic has been challenging for the diplomatic and consular community in Australia. The department worked closely with the community, and federal, state and territory governments, to ensure members of the diplomatic and consular corps were supported to perform their business, while strengthening health and other requirements to safeguard Australia.

### Performance measure

5.5 The diplomatic and consular corps posted or accredited to Australia are satisfied with the delivery of protocol services.

### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 25; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, program 1.1

\*Our assessment is informed by diplomatic reporting, including an annual survey of the Canberra diplomatic corps.

### Performance measure

5.6 Federal and state/territory governments support DFAT's approach and processes, and foreign diplomats' cooperation with Australia's health and other requirements is strengthened.

### How we rate our performance\*

Achieved

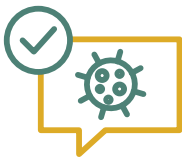
Source: Corporate Plan 2020–21, p. 25; PBS 2020–21, program 1.1, p. 31 | Funding: PBS 2020–21, program 1.1

\*Our assessment is informed by feedback from state and territory authorities, other agencies and diplomatic missions.

While COVID-19 put additional pressure on the protocol services the department provides, overall we rate the department as having 'achieved' performance measure 5.5.

In the third annual survey to assess our protocol services' performance, the department received responses from a record 101 of the 111 diplomatic missions in Canberra. Ninety-six per cent of respondents ranked as 'excellent' or 'good' the protocol services we provided in support of their mission's ability to perform its functions. The diplomatic corps highly valued the timeliness and quality of information we provided in relation to COVID-19, including on quarantine arrangements. Respondents strongly welcomed our protocol out-of-hours emergency service, offering a means to address urgent situations as they arose during an uncertain period.

Figure 10 – Satisfaction of diplomatic missions with protocol services



**99%**

Information  
related to  
COVID-19



**95%**

Responsiveness  
to COVID-19  
issues



**97%**

Information and service  
on COVID-19 quarantine  
arrangements



**90%**

Advice provided  
on practical  
matters



**89%**

Visa and identity  
card services



**92%**

Responsiveness  
to concerns



**90%**

Information in  
protocol guidelines



**96%**

Usefulness of  
protocol out-of-hours  
emergency service

Overall we rate the department as having ‘achieved’ performance measure 5.6.

Since the beginning of the pandemic, the department worked closely with state and territory authorities to manage quarantine arrangements for foreign diplomats and Australian returning officials in line with public health requirements and, in the case of foreign diplomats, Australia’s international obligations. As a result, we ensured mutually beneficial diplomatic relationships, helped foreign missions support their citizens in Australia during the pandemic, and maintained Australia’s presence overseas to support vulnerable Australians. Foreign diplomats and Australian returning officials continued to adhere to Commonwealth, state and territory processes, demonstrating that the department’s rigorous administrative procedures, closely coordinated with relevant authorities, were strong and effective.

### **Honorary consuls – Did you know?**

Beyond the Canberra-based embassy network, the department provides accreditation and other services to more than 370 consular posts in Australia. Of these, over 70 per cent are headed by honorary consuls who are Australian citizens or permanent residents. Honorary consuls must be nominated by the sending state through diplomatic channels. Nominees must be of good character, enjoy a good reputation in the community, and be readily available to provide routine services to consular clients. The department consults closely with state and territory governments on nominees. If their appointment is accepted, they are accredited by the department, enabling them to perform selected consular functions under instruction from the sending state. Honorary consuls do not hold diplomatic status, and have strictly limited immunities and privileges related to their official functions.

## Priority 6: Support Australians overseas

Leading the government's efforts to bring Australians home during the COVID-19 pandemic continued to be a central priority for the department. Staff across the overseas network and in Canberra worked at a greatly heightened tempo to assist those in need.

The department responded to unprecedented demand for consular services in challenging overseas operating environments. We delivered new consular services and programs, and adapted passport processes to local circumstances without compromising integrity or service. In parallel, we maintained traditional consular services to Australians overseas and responded to other crises. We continued to support colleagues in other Australian Government agencies, including Services Australia, to help Australians directly affected by COVID-19.

### Consular services

COVID-19's impact on one of the department's core responsibilities – supporting Australians overseas – has been unprecedented.

#### Performance measure

6.4 A responsive consular service through our 24/7 global network, focusing on Australians most in need.

#### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 26; PBS 2020–21, program 2.1, p. 40 | Funding: PBS 2020–21, program 2.1

\*Our assessment is based on our analysis of our consular case management database, consular mailboxes and other systems used to manage and track the provision of consular assistance.

## Our performance

We rate our performance against this measure as ‘on track’. Bringing Australians home from overseas during the COVID-19 pandemic has required the largest and most complex consular response in our history. The introduction of international arrival caps into Australia in July 2020 placed new challenges on Australians trying to return. Reduced access to flight services and changing domestic border arrangements resulted in a complex pathway back to Australia.

We broke new ground in consular services by establishing a program of facilitated commercial flights, a complex process against the background of rolling global outbreaks, shifting demand for flights and domestic considerations. Staff in Canberra and at posts worked with airlines to coordinate flight schedules, managed communication with registered Australians, and coordinated with relevant authorities to ensure testing and quarantine arrangements were in place.

Our overseas posts played an important role in monitoring the impact of the pandemic on Australians overseas. Our posts’ critical relationships with local authorities were key in supporting Australians to return home. Since the start of the pandemic through to 30 June 2021, over 620,000 Australians and permanent residents arrived in Australia, of whom we directly assisted over 49,000. This included over 23,300 in the 2020–21 reporting period, around 11,700 of these arriving on 80 government-facilitated flights from destinations across the globe.

We established a new Special Overseas Hardship Fund to provide support to the most vulnerable Australians to secure flights and return. Our support included loans and grants to help cover emergency living costs and part of the cost of a flight back to Australia. As at 30 June 2021, the number of approved applicants was 4,569.

A key challenge for the department’s consular work was ensuring we could maintain core services while managing the COVID-19 consular response. Fewer Australians travelling did not lead to a significant reduction in consular cases around the world. Individual consular cases remained at the pre-pandemic level of about 1,200 cases on any given day. Complex consular cases also continued at pre-pandemic levels, including the detention and release of an Australian in Iran, and other resource-intensive cases such as kidnappings and clients facing the death penalty. These sensitive cases required careful, dedicated management. The pandemic added another layer of complexity to managing consular cases, impacting our ability to make representations and undertake consular visits in person.

We also embarked on a consular modernisation program. The government is investing in DFAT’s consular capability to ensure the department can deliver more effective, responsive consular services that can be scaled up during times of crisis. This work will enable the vital human elements of our work to be supported and enhanced with modern systems and technology, in line with the government’s digital transformation strategy.

**TABLE 2: CONSULAR SERVICES PROVIDED TO AUSTRALIANS**

	2016–17	2017–18	2018–19	2019–20	2020–21
Australian resident departures <sup>(1)</sup>	10,974,271	11,428,528	11,823,849	8,285,131	329,742
Cases of Australians hospitalised given general welfare and guidance	1,701	1,585	1,506	1,555	798
Cases of Australians evacuated to another location for medical purposes	14	7	10	5	21
Cases of next of kin of Australians who died overseas given guidance and assistance	1,653	1,671	1,695	1,546	1,328
Cases of Australians having difficulty arranging their own return to Australia given guidance and assistance	52	44	23	297	236
Number of Australians who have been assisted in a crisis, including to return to Australia <sup>(2)(3)</sup>	2,546	2,510	4,957	30,078	30,570
Number of Australians assisted to return (during COVID) <sup>(2)</sup>	-	-	-	-	23,373
Number of vulnerable Australians assisted to return (during COVID) <sup>(2)(4)</sup>	-	-	-	-	4,521
Number of Australians approved for Special Overseas Hardship Fund <sup>(5)</sup>	-	-	-	-	4,569
Cases of Australians arrested overseas	1,641	1,540	1,572	1,443	755
Cases of Australians in prison <sup>(6)</sup>	370	386	371	386	347
Cases of Australians given general welfare and guidance <sup>(7)</sup>	4,477	4,137	3,573	5,803	4,729
Total number of cases involving Australians in difficulty who received consular assistance	12,454	11,880	13,707	41,113	38,784
Notarial acts <sup>(8)</sup>	219,463	199,448	201,696	175,033	160,655
Total assistance – total number of cases of Australians provided with consular services	231,917	211,328	215,403	216,146	199,439
Australians in financial difficulty who were lent public funds <sup>(9)</sup>	211	180	149	519	2,296

1 Statistics draw from Home Affairs data. Methodology has been reviewed to improve the measurement of Australian resident departures and figures for previous years adjusted accordingly. All figures include permanent long-term and short-term departures of Australian citizens and permanent residents

2 In line with the Consular Service Charter, this includes assistance provided to Australian permanent residents to return to Australia

3 Prior to 2019–20, this category reported enquiries about Australians overseas who could not be contacted by their next of kin. Under the extraordinary circumstances of COVID-19, since 2019–20 this data has also captured the number of Australians who received crisis assistance during the period, including to return to Australia

4 Vulnerability status was not separately recorded prior to September 2020

5 The number of Australians approved for the Special Overseas Hardship Fund. This includes repatriation grants and/or loans. Payments may not have been received in financial year

6 This figure shows the total number of cases of Australians in prison during the year

7 Welfare and guidance figure includes the following sub-categories: general (3), welfare and other serious matters (4,376), theft (15), assaults (140) and child parental responsibility (195)

8 Figures include notarial services performed by overseas posts, and services in Canberra and at state and territory offices in Australia

9 This figure includes those who received Traveller Emergency Loans during the financial year including loans issued as part of the Special Overseas Hardship Fund



## Informing Australian travellers

### Performance measure

6.5 Australians have information to prepare for safe travel overseas:

- 100 per cent of Travel Advisories reviewed bi-annually for posts in a volatile risk environment and/or where there are high Australian interests, and
- 100 per cent of Travel Advisories reviewed annually for all other posts.

### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 27; PBS 2020–21, program 2.1, pp. 40–41 | Funding: PBS 2020–21, program 2.1

\*Our assessment is based on in-built system reporting tools, analysis of Smartraveller data and communications with subscribers.

### Our performance

We rate our performance against this measure as 'achieved'. Our Smartraveller program provides information to help Australians planning to travel, or already travelling or living, overseas. In the complex and fluid travel environment caused by the pandemic, Smartraveller was central to the government's efforts to provide accurate, timely and relevant travel advice to Australians, particularly those overseas. Working closely with the departments of Health and Home Affairs, we communicated clear advice to Australians seeking to return during the COVID-19 pandemic and reinforced the 'do not travel' advice to Australians at home.

Through our website, social media channels and a paid advertising campaign, we provided comprehensive information on travel restrictions, risks and requirements to ensure Australians were aware of the latest advice and, if overseas, prepared for safe travel. Domestically, we engaged regularly with the travel, insurance and tourism industries, including through the Consular Consultative Group.

We continued to update our travel advice at an unprecedented rate compared to pre-pandemic years. Although the travel advice level remained at Level 4 (do not travel) for all countries (with the exception of New Zealand), we continued to review and update our travel advisories to inform citizens of risks overseas. We published 1,760 updates to travel advice for 177 destinations, compared to an average of 700 annually pre-COVID-19.

To inform the public about the types of consular services we provide, we published the annual *Consular State of Play* report, which included statistical reporting on consular services delivered by the department in 2019–20.

We regularly updated our website with travel information and developed a dedicated COVID-19 portal. More than six million people accessed the website, with 71,362 subscribing to travel advice updates. We published more than 1,100 Facebook posts, which received over 1.6 million engagements, and tweeted 965 times. We received more than 13,000 email enquiries and responded to 1,415 consular-related media enquiries – 62 per cent of all media enquiries received by the department.

To reach new and targeted audiences, strengthen awareness of Smartraveller and deliver important government messages, we ran an extension to our COVID-19 advertising campaign from 26 October 2020 to 28 February 2021. The campaign featured on social media, digital displays and the internet, and included material in different languages to target culturally and linguistically diverse communities. The campaign is estimated to have reached more than 8.8 million people and brought 611,000 visitors to the website. We launched a further extension on 6 June 2021 that will run to December 2021.

Figure 11 – Smartraveller in numbers 2020–21



**1,760**

updates to travel advice  
for **177 destinations**



The content on returning  
Australians to Australia  
was **viewed 875,061 times**



**6+ MILLION**

people used the site



**16,151,995**

visits to the website  
including **13,494,841**  
unique page views



**265,202**

total subscribers  
**71,362 subscribers gained**



**1,119**

Facebook posts



**965**

Tweets



**13,333**

emails received



**1,415**

media enquiries

Figure 12 – Smartraveller website use

## Where did people access the content from?

**Australia**  
3,787,512**United States**  
397,838**United Kingdom**  
341,464**India**  
122,166**New Zealand**  
99,447**Singapore**  
76,946**Canada**  
69,173**Philippines**  
58,818**Hong Kong**  
56,118**United Arab Emirates**  
54,711

## Top 5 most visited country pages (unique page views)

**New Zealand**  
588,626**Singapore**  
268,469**China**  
220,824**United Kingdom**  
214,091**United States**  
212,145

## Top 5 themes (non-country specific advice)

**COVID-19 and travel****Returning Australians****Travel zones****Notarial services****Advice for dual nationals**

## Responding to crises overseas

### Performance measure

6.6 The department is prepared to respond to overseas crises:

- 100 per cent of crisis action plans reviewed and exercised annually for countries of resident accreditation.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 27; PBS 2020–21, program 2.1, pp. 40–41 | Funding: PBS 2020–21, program 2.1

\*Our assessment is based on lessons learned from our international responses, exercises and training programs, case studies, and internal and external feedback. It is also informed by analysis of data in our registration and IT systems used during COVID-19 to track flights, cruise ships and Australians registered overseas.

### Our performance

We rate our performance against this measure as ‘on track’. The department is responsible for leading Australia’s whole-of-government response to overseas crises. Crisis and contingency planning continued during 2020–21, and we activated crisis response mechanisms concurrently with the COVID-19 response. Our consular staff in Canberra and at posts, including Regional Consular Officers in Abu Dhabi, London, Pretoria and Mexico City, provided guidance and training on crisis management and contingency planning to all officers proceeding on an overseas posting, as well as to Australia-based and locally engaged staff overseas. We moved to virtual training sessions during the height of the pandemic to ensure continuity of training, and continued some ad hoc virtual sessions to assist colleagues affected by state lockdowns, particularly in Victoria.

Our Global Watch Office provided real-time information to support decision-making and initial crisis response. We activated the department’s Emergency Call Unit in response to the COVID-19 pandemic and other incidents. We deployed 20 consular officers to support the Australian Embassy in Beirut following the 4 August explosions. They helped provide consular assistance to 79 Australian families directly affected by the explosions and assisted over 300 others to return from Lebanon to Australia. We also deployed members of our highly trained and rapidly deployable Crisis Response Team from Canberra to supplement the crisis response in both Beirut and Papua New Guinea.

In addition to our COVID-19 response, the department led the whole-of-government response to a number of critical events and incidents during the year:

- the 4 August explosions in Beirut
- the Myanmar coup
- the COVID-19 outbreak in Papua New Guinea
- the May 2021 violence in Israel and the Palestinian Territories.

Our Regional Consular Officers performed a critical role in the department’s response to the COVID-19 pandemic and other crisis responses. Located in key posts around the world, these officers supported Australia’s overseas missions to assist Australians affected by the COVID-19 pandemic. They worked with airlines and local authorities around the globe to assist Australians access commercial flights to return to Australia.



Regional Consular Officer Tracey Wunder, Second Secretary Madeleine Pillans and High Commissioner Gita Kamath from the Australian High Commission Pretoria farewell a Qantas facilitated commercial flight from OR Tambo International Airport, Johannesburg on 10 April 2021 [DFAT]

Along with in-country assistance provided by our network of overseas posts, the department responded to almost 54,000 enquiries from Australians in 2020–21 via the Consular Emergency Centre and Emergency Call Unit based in Canberra. Incoming call volumes remained at a consistent level despite border closures and international travel bans.

In preparation for the July–August 2021 Olympics and Paralympics in Japan, we provided consular guidance and contingency planning support to ensure Australia's Olympic and Paralympic teams were able to compete in these major international events and return safely to Australia.

To ensure preparedness in the event of a crisis (concurrent to the pandemic crisis) posts regularly reviewed their crisis action plans throughout 2020–21 and adjusted crisis response processes as the COVID-19 situation in their locations evolved. As at 30 June 148 crisis action plans remained activated in response to COVID-19 and/or other incidents or crises.

## Beirut port explosions

The port of Beirut experienced two major explosions on 4 August. More than 200 people were killed and over 6,000 were injured as a result. This was one of a number of significant consular and humanitarian crises that the department managed concurrently with the COVID-19 consular response.

Due to the extensive damage to the Australian Embassy building in Beirut, staff worked offsite to ensure critical consular and passport services to Australians could continue. This included support to 79 Australians significantly affected by the explosions, including the family of an Australian child who was tragically killed, and over 300 Australians and permanent residents registered with the department to access flights to return to Australia.

With COVID-19 already stretching hospital resources in Beirut, officers worked hard to ensure that injured Australians received medical attention. Despite international travel restrictions changing daily, we deployed 20 consular officers from around the globe to Beirut to support the embassy's response, working alongside consular staff in Canberra.

## Passports

The Australian Passport Office (APO) provides Australians, here and overseas, with secure identities to travel the world. We produce nine different travel documents, and provide a complete end-to-end service, from processing applications and responding to customer enquiries, through to printing and despatch. A key component of our work is the prevention of fraud. We do this by conducting over 180 different automated checks to inform application decisions, verifying data, and completing facial recognition checks. We also work with the police and other agencies to support a whole-of-government strategic approach to fraud control.

### Efficiency and integrity of the passport system

#### Performance measure

6.1 The department maintains a high standard in processing passport applications, investigating and prosecuting fraud:

- 95 per cent of passports processed within 10 business days
- 98 per cent of priority passports processed within two business days
- 100 per cent of identified high risk passport applications scrutinised by specialist staff
- 90 per cent of administrative investigations finalised within five business days, and
- 95 per cent of referrals to prosecuting authorities accepted for prosecution.

#### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 26; PBS 2020–21, program 2.2, pp. 41–42 | Funding: PBS 2020–21, program 2.2

\*Our assessment is informed by internal data sources tracking delivery against targets.

## Our performance

We rate our performance against this measure as ‘achieved’. Passport demand was affected significantly by COVID-19 and remained low throughout 2020–21. We issued 603,464 passports in 2020–21, which was 65 per cent less than the previous year. For most of the year, application rates averaged around 20 per cent of pre-pandemic expectations. Demand increased in March and April, coinciding with key events including the commencement of Australia’s vaccination program, the opening of quarantine-free travel with New Zealand and the rollout of a passport renewal reminder system. However in May and June passport demand again softened.

We helped individual Australian posts overseas tailor their passport services to the pandemic’s local circumstances. Where the pandemic caused restrictions on movement, we adapted procedures without compromising integrity, while still delivering a high standard of service.

We met all of our passport service standards. We processed 98 per cent of passports within 10 business days and 99 per cent of priority passports within two business days.

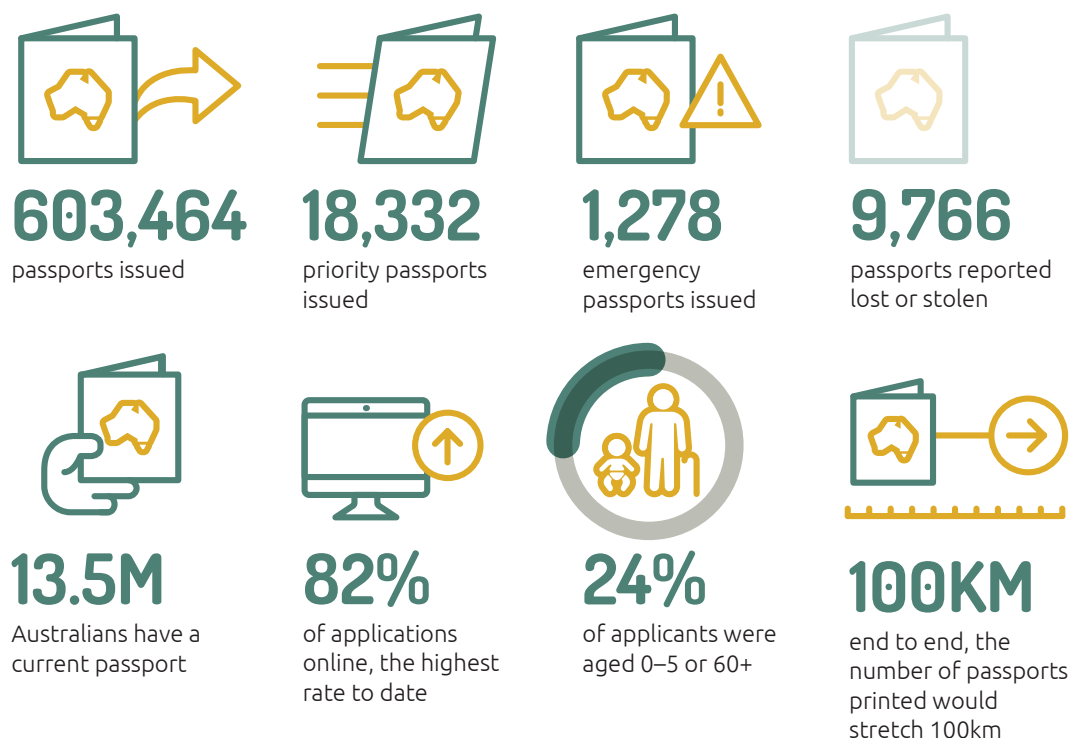
We did not allow our focus on operational efficiency to compromise passport integrity. All high-risk applications were individually scrutinised by specialist staff. We referred 16,196 passport applications to our face comparison experts for specialist manual assessment. As a result, three cases of passport identity fraud were detected using our facial recognition technology. A further six potential cases of passport identity fraud were detected through other means.

All fraud matters referred to our passport fraud investigators are assessed against a number of factors and crime types. Serious matters are undertaken as formal criminal investigations. For less serious matters, an administrative process is followed – either a letter of caution or application refusal. Such cases are referred to as ‘administrative investigations’. We commenced 137 administrative investigations and completed 134. Of these, 73 required a delegate’s decision, and all of these decisions were finalised within five business days.

We refused to process 48 applications on suspicion of fraud or dishonesty in the application. Three criminal matters were referred to the Commonwealth Director of Public Prosecutions. It accepted one of these cases for prosecution, with two remaining under assessment.

The Minister for Foreign Affairs cancelled 43 passports of reportable child sex offenders. Competent authorities (usually state or territory police) requested that a further 260 offenders without passports be refused travel documents should they apply. These actions were taken under the *Australian Passports Act 2005*, which is administered by the department.

Figure 13 – 2020–21 Passport statistics



### Passports assistance to Australians in crises

The Australian Passport Office (APO) worked closely with Australia's diplomatic and consular posts around the world to provide passport services to Australians in crisis overseas. We responded quickly and effectively, adapting our procedures to each situation while ensuring the quality and integrity of services provided.

In response to COVID-19, we engaged with individual posts to help tailor our services to the pandemic's local impacts. For example, in April we provided support and advice to the Australian High Commission in London to manage changes to its passport services, in line with the United Kingdom's transition out of its extended national lockdown.

Where COVID-19 restrictions prevented Australians from applying for passports in the usual way, the department adjusted its business systems to address the unique challenges posed, including through redirecting applications to Australia for processing.

Not all of our passports-related crisis assistance rendered for Australians overseas was COVID-19-related. The APO provided support to the Australian Embassy in Beirut following the devastating 4 August explosions. As the embassy building was left significantly compromised by the explosions, embassy staff were unable to process passport applications and had to move offsite to conduct passport interviews. To assist the post, applications were temporarily redirected to Canberra for processing. This support remained in place until October, after which the embassy was able to resume its passport processing work.



## Client satisfaction

### Performance measure

6.2 Clients are satisfied with passport services, including online services:

- 60 per cent of applications commenced online, and
- 85 per cent satisfaction rate of overall passport service from client survey.

### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 26; PBS 2020–21, program 2.2, p. 41 | Funding: PBS 2020–21, program 2.2

\*Our assessment is informed by delivery targets, using internal data sources and quarterly survey results.

## Our performance

We rate our performance against this measure as 'achieved'. With the pandemic posing an added challenge for some customers in submitting paper applications both domestically and overseas, a growing number of Australians turned to our online service as a quick and convenient alternative. The proportion of clients commencing passport applications online exceeded our target of 60 per cent, increasing from 70 per cent in 2019–20 to 82 per cent in 2020–21.

The department places a high priority on customer satisfaction with its passport services. To ensure rigorous performance measurement, we continued our quarterly independent survey of customer satisfaction conducted by ORIMA Research. The survey (ending March 2021) found that 94 per cent of respondents rated the department's passport services as satisfactory or very satisfactory, exceeding our target of 85 per cent.

## Delivering the R series passport

### Performance measure

6.3 Delivery of the R series passport by 2020–21.

### How we rate our performance\*

Not on track, because of the impact of COVID-19

Source: Corporate Plan 2020–21, p. 26; PBS 2020–21, program 2.2, p. 41 | Funding: PBS 2020–21, program 2.2

\*Our assessment is based on progress of R series passport development.

## Our performance

We rate our performance against this measure as 'not on track', because of the impact of COVID-19. Work is underway to finalise the design of the next-generation Australian passport – the R series – which will build on the current P series' world-leading security features to prevent forgeries and detect any alterations. However, the launch date will now be in 2022–23 as progress to deliver the R series by 2020–21 has been directly affected by COVID-19's impact on international travel and passport issuing rates.

### Redeployed passports staff support the government's COVID-19 efforts

Australian Passport Office (APO) staff redeployments to other areas of the public service continued to provide valued support as part of the government's response to COVID-19 throughout 2020–21. Lower passport demand and issuance enabled us to redeploy these staff internally and to other departments where they were most needed. In early July 2020, 228 passports staff – representing nearly 40 per cent of the APO's workforce – were on redeployment to Services Australia to help provide vital assistance to Australians left in financial hardship due to the pandemic.

During the same period, APO staff continued to operate the Australian Passport Information Service, which had previously been managed (until April 2020) by Services Australia. By taking over this telephony function, the APO freed up additional resources for Services Australia to provide support to Australians in need.

Separately, passports staff played a key role in the government's COVID-19 efforts to bring Australians home from abroad. They worked in consular emergency call units operating out of our state and territory offices, and also processed consular hardship loans from our Brisbane office. APO staff also pivoted to help support other departmental staff and their dependants return home from overseas postings, undertake business travel, and take respite leave critical for staff welfare.

## Priority 7: Provide a secure and effective overseas presence

The safety of our staff is one of the department's top priorities. The pandemic had a mixed impact on the global threat environment, leading to greater uncertainty and instability in some areas. In others, lockdowns resulted in short artificial pauses in some long-running protest, criminal and terrorist activities. Overall, however, the threat environment was trending in a negative direction, making our efforts to provide a more secure overseas presence more challenging.

The department's global operations take place against a background of increasingly complex, constantly evolving security threats and risks, including the effect of depressed global economic conditions caused by the pandemic.

The security services we deliver are a critical enabler of the department's performance. We are well positioned to respond and adapt to the dynamic security environment. We enable the department's global operations by providing real-time, considered, risk-based security advice to protect our presence in Australia and overseas.

The department saw a large proportion of our staff shift to remote work as a result of the pandemic, with associated security implications of staff working away from offices. The growing risk of compromise of government information by foreign intelligence services and other actors affected the threat environment across our network.

Construction and refurbishment across our overseas missions was also impacted by COVID-19, resulting in some delays, and in some instances increased costs.

We responded decisively to these and other environmental changes, providing advice and support on managing security risks at our highest threat posts, and upgrading physical and information security measures domestically and at key overseas posts in line with the risks.

## Security of our network

### Performance measure

7.1 Effective security management with evidence of risk-based decision making in line with the DFAT Security Framework.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.1, p. 45 | Funding: PBS 2020–21, program 3.1

\*Our assessments are informed by tracking implementation of recommendations from internal and external audits and reviews, assurance reports, project reporting and qualitative data.

### Our performance

We rate our performance against this measure as ‘on track’. Our risk-based approach underpinned by a robust DFAT Security Framework continued to drive the department’s protective security management. We conducted regular reviews and updates of our approach to ensure it remained fit for purpose and aligned to government policy. The framework enabled us to perform strongly as we adapted to challenges and assessed evolving security threats and risks to our overseas missions and domestic offices.

We implemented the government’s decision to close our mission in Kabul in May as a temporary measure due to the uncertain security environment. We rapidly deployed a security specialist to our mission in Beirut following the port explosions in August, and guided our Yangon mission’s response to the Myanmar coup. We improved domestic facilities and strengthened the security of workspaces, including for protected speech. We upgraded security measures to better protect government information and assets.

We implemented new policies, including to address the broadened risks of travel and remote working, to enable the department to meet the challenges of operating during the ongoing COVID-19 pandemic.

## Effective security controls and mitigations

### Performance measure

**7.2** Enhanced oversight of the functionality and effectiveness of the security controls and mitigations in place across the network.

### How we rate our performance\*

Partially on track

Source: Corporate Plan 2020–21, p. 28 | Funding: PBS 2020–21, program 3.1

\*Our assessments are informed by tracking implementation of recommendations from internal and external audits and reviews, assurance reports, project reporting and qualitative data.

### Our performance

We rate our performance against this measure as ‘partially on track’. Rolling governance reviews improved our security controls, providing strong assurance to internal and external oversight committees about our ability to pivot resources to the highest security risks. We expanded our Regional Security Officer (RSO) network from 16 positions in 10 locations to 26 positions in 20 locations. Our RSOs provide real-time security expertise and enhanced oversight of security mitigations for our overseas missions and domestic offices.

We established a Global Security Operations Capability to provide a snapshot of operational, cyber and technical risks and vulnerabilities facing our missions and domestic offices. Complementing our threat assessments, this capability supported technical security investigations and assessment of incidents overseas and domestically.

We strengthened contractual arrangements with equipment providers to improve assurance around maintenance, functionality and legislative compliance.

Despite travel and quarantine restrictions delaying installation of some security equipment at posts, we anticipate all nine Security Enhancements Program projects will be completed by the original timeline of 2024.

However, we still have work to do. We have yet to deliver our Strategic Training Framework to ensure that security training remains a key mitigation measure and we are behind in our commitment to regularly review threat and risk assessments for all of our posts – the highly dynamic external operating environment has meant that we have focused on our locations of highest risk.

And, while we have made recent gains to enhance our personnel security measures, such as improved clearance vetting practices and the development of a new digital footprint checking capability, of the 2019 Personal Security Risk Assessment’s 16 recommendations, we have only implemented five recommendations, made some progress on nine recommendations and limited progress on two recommendations. We continue to focus on and progress this work.

## Effective security culture and practices

### Performance measure

**7.3 Robust security culture, evidenced by staff engagement with security policy and responsiveness to contemporary and innovative security materials and training programs.**

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.1, p. 45 | Funding: PBS 2020–21, program 3.1

\*Our assessments are informed by tracking implementation of recommendations from internal and external audits and reviews, assurance reports, project reporting and qualitative data.

### Our performance

We rate our performance against this measure as ‘on track’. Our biennial security culture survey showed continued improvement in the department’s security culture, reflecting the positive trend of the 2018 survey. Surveys, security content accessed, and direct feedback from staff continued to inform our strategic planning. We produced nine awareness campaigns, with 86 per cent of staff having viewed security awareness material in the past year.

We launched the ‘Security Essentials’ package as part of the department’s mandatory training. This modular training creates and maintains a baseline level of staff security awareness in line with the government’s Protective Security Policy Framework. We delivered to the department and partner agencies over 40 security training courses each quarter, with 77 per cent of staff agreeing the training had improved their security awareness. We adapted Post Security Officer training for remote delivery, and established rolling briefing sessions with each of our domestic offices to build security culture and understanding of the DFAT Security Framework.

## Fit for purpose and secure ICT

The department provides a reliable, secure and sustainable information and communications technology (ICT) network that is critical to the government's international efforts. Our ICT network underpins the department's effectiveness in maintaining a secure overseas and domestic presence, protecting Australians abroad and advancing Australia's interests in global operations.

We continue to upgrade our ICT to more modern technologies and become more capable of detecting, thwarting and responding to ever-changing cyber threats, while facing the unique challenges of delivering worldwide ICT services. Throughout the ongoing COVID-19 pandemic, the department delivered technologies that have significantly improved the way our staff do their jobs across the globe, making remote and flexible work much easier.

While we have adapted well to the COVID-19 pandemic, the global environment continues to be volatile and presents ongoing challenges for delivering reliable ICT services. We need to continue to invest in our ICT infrastructure to ensure it remains fit for purpose and responsive in the face of ongoing change and complexity.

### Performance measure

7.4 Fit for purpose and secure ICT systems.

### How we rate our performance\*

On track

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.1, p. 45 | Funding: PBS 2020–21, program 3.1

\*Our assessments are informed by system testing and user feedback.

## Our performance

We rate our performance against this measure as 'on track'. The department developed a new ICT Strategy 2021–2024 to ensure we continue to adapt to an increasingly complex and challenging global environment. The strategy will guide our ICT investment around three key principles – customer focused, cyber safe and informed, and modern ICT. It will balance the need to deliver productivity and security benefits, while aligning to our current operational needs.

We continue to invest in cloud technology, secure applications and improving the experience for our staff while they work remotely. In late 2020, the department developed the Foreign Arrangements Scheme Portal using a cloud-based platform. This has made it easier and more secure for state and territory entities to create, manage and submit arrangements and notifications.

We have continued to modernise our network connectivity, improve our cyber capability and provide staff with secure applications. The upgrades to our infrastructure deployed prior to the COVID-19 pandemic enabled us to support staff through the change when working remotely became the norm and we provided improved virtual communications around the globe. Despite the advancements and our ability to work remotely, the ongoing impact of COVID-19 restrictions on staff and freight movements has impacted the rollout of some ICT programs.

### Supporting staff to work remotely

We are improving network connectivity at our overseas missions through a rolling initiative called the Network Modernisation Program. Over 50 per cent of our network's international users, and almost all domestic users, now have access to this faster, stronger and more secure connectivity, which has radically improved how our global network collaborates.

We made improvements to the way staff log in to the department's network remotely. We implemented a new access tool and multi-factor authentication that provides a more secure, reliable and stable connection.

We implemented additional cyber monitoring to further strengthen our network and support increased remote work arrangements. Our advanced user behaviour analytics platform provided detailed information to analysts, allowing them to detect and investigate malicious actions through insider threats.

The department's new Global Security Operations Capability enabled us to better detect and respond to cyber and security threats. Through combined intelligence from cyber, physical and operational security, we can view our global security posture and efficiently respond to threats and attacks.

### Effectively managing our property

The department's Overseas Property Office and Services (OPO) provides a safe, secure and efficient built environment to enable the department to prosecute Australia's international agenda effectively. We focused on four key areas to achieve this – financial sustainability, project delivery, property maintenance, and workforce capability and capacity. While COVID-19 impacted heavily on both construction and refurbishment across the overseas property estate, mitigations included COVID-19-safe worksite practices, early procurement of long-lead items, greater use of locally managed works, and offsite construction. These strategies meant we continued to deliver on our projects, albeit with delays and increased costs in some cases.



**Performance measure**

**7.5** Construction and refurbishment of departmental overseas property estate completed to agreed quality standards to meet government requirements and deliver operational efficiencies.

**How we rate  
our performance\***

Partially on track

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.2, p. 46 | Funding: PBS 2020–21, program 3.2

\*Our assessment is informed by tracking project progress against baseline schedules, outcomes delivered against defined deliverables, and the impact of COVID-19 on construction from February 2020.

**Performance measure**

**7.8** Management and refurbishment of the domestic property portfolio, including the State and Territory Offices, to meet government requirements and deliver operational efficiencies.

**How we rate  
our performance\***

Achieved

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.2, p. 46 | Funding: PBS 2020–21, program 3.2

\*Our assessment is informed by tracking project progress against schedules, and outcomes delivered against departmental priorities.

**Our performance**

We rate our performance against measure 7.5 as ‘partially on track’ and measure 7.8 as ‘achieved’. During 2020–21, COVID-19 significantly affected projects at all stages, from inception through to delivery and maintenance.

COVID-19 impacts included reduced workforce mobility due to travel and border restrictions, reduced onsite productivity and supply chain interruptions. Supply chain issues were exacerbated by cargo shipping demands and a worldwide shortage of containers. Projects with extended schedules incurred, and will continue to incur, additional costs, including exposure to significantly escalating construction costs.

Despite COVID-19 delays, we completed works in support of a new consulate-general in Shenyang in November, and a world-first, offsite-constructed embassy building in Rabat in March. We also commenced fit-out works in support of relocating embassies in Vienna and Warsaw.

## Australian Embassy in Rabat

The construction of the embassy chancery in Rabat, Morocco, is a finalist for the Development Innovation award in the 2021 Property Council of Australia / Rider Levett Bucknall Innovation and Excellence Awards.

These awards celebrate best practice in the property industry and its commitment to creating prosperity, jobs and strong communities for all Australians.

The department developed and delivered this innovative project by partnering with Australian industry. Extensive research identified significant advances in Australian offsite construction techniques, so the department decided to undertake a first-of-type modular construction method.

Design, construction and commissioning of the building modules for the chancery took place in Sydney, where safety and quality are best managed. Modules were then shipped to Casablanca and transported overland to Rabat, where they were reassembled and final works completed.

This award nomination recognises the innovative approach of the department's Overseas Property Office and Services, and is an example of how our work is providing jobs for Australians and supporting local communities.



Our Embassy in Rabat, Morocco, is Australia's first off-site constructed chancery and was opened in February 2021 [DFAT]

While we made good progress on construction of the new embassy in Washington DC, onsite productivity and supply chain issues – associated with the global shortage of shipping containers and high demand for building materials – will likely affect the schedule and budget for this project over the next 12 months.

Our property work was most affected in the Pacific, where border closures and extended quarantine requirements resulted in significant disruption to the department's ability to deliver projects. The

Tarawa redevelopment project has a forecast delay of up to two years. The offsite construction stage for the chancery and five residential properties is complete, but the constructed buildings are in storage until Kiribati border restrictions ease.

Our facility management focused on ensuring missions overseas remained safe, secure and fit for purpose. Over 30,000 preventative and reactive maintenance tasks were completed during the financial year. We conducted annual inspections of all chanceries and official residences. While many of these were undertaken virtually because of COVID-19-related restrictions, we put in place robust measures to ensure consistency and quality of inspections.

The department closely monitored implementation of our preventative maintenance program to mitigate risks when COVID-19 restrictions and associated supply chain issues disrupted access to properties. Posts where COVID-19 restrictions affected the minor capital works program include New Delhi (various works), Dhaka (chancery) and New York (head of mission residence).

The department continued to test models to modernise our domestic property portfolio to meet evolving operational needs and deliver efficiencies. We are trialling alternative office fit-outs designed to deliver a more modern, flexible and contemporary workplace for staff in Australia. The most recent pilot design includes more collaboration spaces, enhanced connectivity for staff working flexibly, improved security capabilities and more efficient allocation of work desks.

## Managing our assets

### Performance measure

7.6 Asset management plans are in place for all owned properties in the overseas estate.

### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.2, p. 46 | Funding: PBS 2020–21, program 3.2

\*Our assessment is informed by the delivery of asset management plans contained in the property management system, which is the repository for property-related information.

## Our performance

We rate our performance against this measure as ‘achieved’. Asset management plans helped ensure the department provides a secure, effective and efficient global property network aligned with corporate strategies. Plans are in place for all Commonwealth-owned properties in the overseas estate. These plans form a critical element in assessing our global property portfolio and prioritising activities, helping to optimise the management and performance of the portfolio. We review asset management plans (combined with valuation reports, financial metrics and property condition reports) annually as part of the portfolio strategic planning cycle. They inform property life cycle decisions on acquisition, refurbishment, upgrades and divestment.

The department focused on enhancing the asset management plan approach through expanded data collection and analysis to measure asset performance, including more detailed condition assessment, space utilisation and financial metrics.

COVID-19 continued to affect our ability to physically inspect all properties due to lockdown and safety requirements. However, the strength and capability of our facilities management network ensured that desktop building assessments produced suitable asset management plans for strategic planning purposes.

## Client satisfaction with property services

The Commonwealth's owned and leased portfolio is managed by the department's Overseas Property Office and Services (OPO) and global real estate service provider, Jones Lang LaSalle (JLL).

### Performance measure

**7.7** Satisfaction ratings of over 80 per cent on the performance of the service provider and the Overseas Property Office.

### How we rate our performance\*

Achieved

Source: Corporate Plan 2020–21, p. 28; PBS 2020–21, program 3.2, p. 46 | Funding: PBS 2020–21, program 3.2

\*Our assessment is informed by the annual client satisfaction survey results conducted by an independent third party.

## Our performance

We rate our performance against this measure as 'achieved'. The annual independent survey to assess client satisfaction with OPO and JLL's management of the domestic and international property portfolio recorded ratings of 97 per cent satisfaction for OPO and 88 per cent satisfaction for JLL. The outcome for both OPO and JLL is well above the agreed performance target of 80 per cent. The 2020–21 survey, conducted by ORIMA Research, received 226 individual responses from 104 locations, representing a 93 per cent response rate.

The 2020–21 survey showed a consolidation of the positive results achieved in 2019–20 despite a range of challenges experienced due to COVID-19 and other environmental and political challenges. In partnership with JLL, we continued to manage COVID-19-related risks in Australia and overseas, with a focus on ensuring our properties remained safe, secure and fit for purpose despite supply chain challenges.

During the year, OPO, in partnership with JLL, delivered almost 14,000 preventative maintenance services, over 15,000 reactive maintenance services, and 465 minor capital projects across our property portfolio.

# Report on financial performance

## How we are funded

The Australian Parliament, via the Appropriation Acts, provides the department with two types of funding: departmental and administered.

Departmental resources are used to develop and implement policies and deliver services (programs). Departmental financial statements include the activities of the Overseas Property Special Account, which manages the Commonwealth's overseas property portfolio.

We also administer payments, revenues, and other resources on behalf of the Australian Government, including the Official Development Assistance program. A shaded background in our Financial Statements indicates information that relates to an administered resource.

See also Managing our financial resources on pages 132–135 and the financial statements, starting on page 137.

## Departmental operating result

The department operated in an environment that continued to be heavily impacted by COVID-19. Interruption to business as usual saw reduced expenditure on travel, passports production, representation activity and employee expenses, offset by increased expenditure in the consular response. The appreciation in the Australian dollar resulted in lower operating expenses overseas and significantly impacted adjustments for the revaluation of the department's assets and liabilities. The withdrawal from Afghanistan increased expenditure near the end of the financial year, with the recognition of impairment of physical and right-of-use lease assets.

**TABLE 3: TRENDS IN DEPARTMENTAL FINANCES**

		2020–21 \$ million	2019–20 \$ million	Change \$ million
Revenue from the Australian Government		1,581.8	1,473.2	108.6
Other revenue		179.1	171.8	7.3
<b>Total income</b>		<b>1,760.9</b>	<b>1,645.0</b>	<b>115.9</b>
Employee benefits		841.5	888.5	(47.0)
Suppliers		514.0	558.4	(44.4)
Other expenses		468.4	393.4	75.0
<b>Total expenses</b>		<b>1,823.9</b>	<b>1,840.3</b>	<b>(16.4)</b>
<b>Deficit from continuing operations</b>		<b>(63.0)</b>	<b>(195.3)</b>	<b>132.3</b>
Financial assets	A	1,070.9	819.9	251.0
Non-financial assets	B	4,981.3	5,372.2	(390.9)
Liabilities	C	1,583.3	1,626.6	(43.3)
<b>Net assets (A+B-C)</b>		<b>4,468.9</b>	<b>4,565.5</b>	<b>(96.6)</b>

## Revenue

The department reported \$1,760.9 million of revenue in the Statement of Comprehensive Income, comprising:

- \$1,581.8 million of appropriation revenue from government
- \$152.8 million of own source income
- \$26.2 million in gains.

This represents an increase of \$115.9 million from 2019–20. The main factor contributing to this movement is an increase in appropriation revenue from government, including funding for new measures and security enhancements in the overseas network.

The department also reported a \$189.8 million loss from asset revaluation movements in the Statement of Comprehensive Income. This is recorded directly as equity on the Statement of Financial Position and is not incorporated into the departmental deficit from continuing operations.

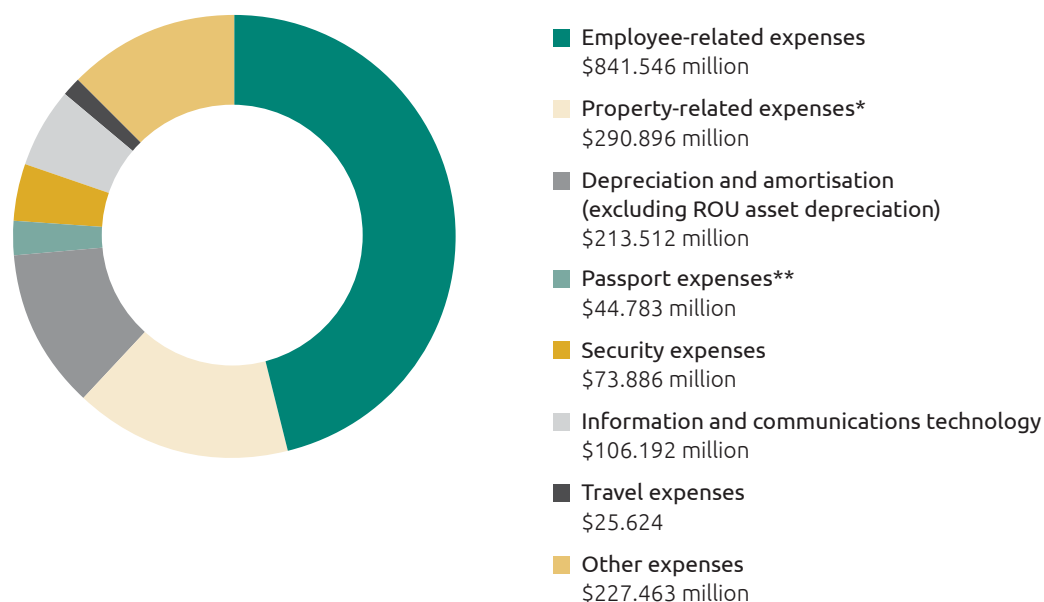
## Expenses

The department reported \$1,823.9 million of expenses in the Statement of Comprehensive Income. This is a decrease of \$16.4 million from 2019–20.

The main factors contributing to the movement in 2020–21 were:

- a decrease in employee expenses of \$47.0 million due to the increase in the 10-year government bond rate which decreased the long service leave provision; decrease in overseas expenses due to exchange rate fluctuations; and the decrease in employee allowances due to COVID-19-related disruptions to business as usual
- a decrease in supplier expenses of \$44.4 million from COVID-19 impacts on business as usual including passport production, property-related expenses and security expenses, and
- an increase in write down and impairment of other assets of \$55.4 million due to the closure of the Kabul embassy which required removing the plant and equipment and AASB 16 Right-of-Use assets from the Statement of Financial Position.

Figure 14 – Summary of departmental expenses



\* Property-related expenses include depreciation on right-of-use (ROU) property assets under AASB16 Leases

\*\* Passport expenses only include the direct supplier costs for passport production

## Assets and liabilities

The department reported a strong net asset position of \$4,468.9 million in the Statement of Financial Position, with liabilities equating to 26 per cent of the total asset base.

This is a decrease of \$96.6 million from 2019–20. The main factors contributing to the movement in 2020–21 were:

- a decrease in land assets of \$130.2 million and building assets of \$208.6 million due to the improvement in AUD exchange rates which resulted in a revaluation decrease
- an increase in cash of \$75.6 million from the sale of property near year end which increased the OPO special account balance, and
- an increase in appropriation receivable of \$175.4 million due to an increase in appropriation revenue and a decrease in drawdowns due to lower spending from COVID-19 impacts on business as usual.

## Administered program performance

In 2020–21 expenses administered by the department on behalf of government were \$4,709.9 million, an increase of \$305.2 million over 2019–20. The movement is attributed to an increase in international development assistance of \$419.7 million relating to increased government initiatives in the Pacific, including temporary, targeted and supplementary measures in response to COVID-19. This increase was partially offset by a decrease in multilateral replenishments and other loans of \$159.7 million resulting from a reduction in the value of new pledges in line with the pledge cycle and our commitments agreed with the World Bank.

In 2020–21 income administered by the department on behalf of government was \$323.7 million, which is \$260.0 million less than 2019–20. The movement is due to a decrease of \$278.9 million for passport, consular and other fee revenue resulting from the COVID-19 travel restrictions. The increase in the Export Finance Australia (EFA) National Interest Account of \$25.7 million resulted from a reassessment by EFA of its expected revenue.

Other comprehensive income was \$5.9 million, a decrease of \$134.7 million from 2019–20. Fair value movements in defined benefit plan liabilities and multilateral equity instruments as assessed by independent experts and the movement in the net asset position of portfolio agencies EFA and Tourism Australia are reflected in these figures. The valuation movement has decreased significantly from last year, particularly in regard to multilateral equity instruments, by \$104.4 million, resulting in the overall decrease.



**TABLE 4: TRENDS IN ADMINISTERED FINANCES**

		2020–21 \$ million	2019–20 \$ million	Change \$ million
Fees and charges		185.6	464.5	(278.9)
Other income		138.1	119.2	18.9
<b>Total income</b>		<b>323.7</b>	<b>583.7</b>	<b>(260.0)</b>
International development assistance		3,573.2	3,153.5	419.7
Multilateral replenishments and other loans		430.1	589.8	(159.7)
Other grants and contributions		521.0	507.9	13.1
Payments to corporate Commonwealth entities		139.4	139.5	(0.1)
Other expenses		46.2	14.0	32.3
<b>Total expenses</b>		<b>4,709.9</b>	<b>4,404.7</b>	<b>305.2</b>
Financial assets	A	3,425.2	3,383.3	41.9
Non-financial assets	B	0.7	2.2	(1.5)
Liabilities	C	2,163.5	1,960.6	202.9
<b>Net assets (A+B-C)</b>		<b>1,262.4</b>	<b>1,424.9</b>	<b>(162.5)</b>





## 03

# Management and accountability

# Managing a global operation during COVID-19

The department's seven Corporate Plan priorities, and three outcomes outlined in the department's 2020–21 Portfolio Budget Statements, provided a roadmap for how we delivered for the government and for Australia in an uncertain international environment.

Both in Australia and through our overseas network, the department continued to adapt and respond to effectively deliver outcomes for government. In the midst of the COVID-19 pandemic, all 113 posts managed by the department remained operational, providing high-quality services for Australia and Australians in line with government priorities.

COVID-19 was a key source of risk and disruption to our operations. As a global operation, the significant disparity of infection levels across the world, and the variety of public health measures implemented in response, required us to be flexible in our service and program delivery. As COVID-19 impacted the globe, we pivoted our operations to support the Australian Government response.

Our Enterprise Pandemic Plan remained active throughout the reporting period. The plan's three priorities drove our business continuity response to COVID-19 across the network:

- **Continuing services for Australians**, including meeting the increased level of consular demand.
- **Supporting the whole-of-government response to the pandemic**, including supporting regional and global partners to manage the pandemic, working to keep supply chains open and support Australian businesses, and providing government with assessments of the management of the pandemic globally and the potential security, trade and economic implications for Australia.
- **Ensuring the welfare of staff**, including measures to manage the risks of COVID-19 infection, and of psychosocial injury resulting from prolonged, high-tempo operations.

We managed Australia-based operations in line with the direction of the Australian Public Service Commission (APSC) and local state and territory health authorities.

We demonstrated our workforce agility, reorganising our staffing footprint to provide surge capacity to teams supporting core government priorities, including consular operations and delivery of vaccines in our region. We contributed to other high-priority COVID-19-related services provided by government, deploying staff to Services Australia, the departments of Health, Prime Minister and Cabinet, and Industry, Science, Energy and Resources, and the Australian Border Force. In August around 170 staff were deployed to other agencies, mostly to Services Australia, with the number of deployments declining over the reporting period.

On 29 September we reverted to primarily office-based work for our Australia-based operations.

For the remainder of 2020–21, the focus of Australia-based contingency planning was on ensuring we could promptly revert to remote work where appropriate in the event of lockdowns in Australian jurisdictions. These arrangements were activated by state and territory offices in response to lockdowns in Melbourne, Adelaide, Perth and Brisbane, and pre-emptively activated in response to outbreaks in Sydney. At all times, we maintained the consular, passport and protocol functions provided by our state and territory offices.

The department managed business continuity for our overseas posts through individual crisis action plans, which included a COVID-19 annex. We had in place crisis action plans for all countries to which posts were accredited. As at 30 June, 148 plans remained activated in response to COVID-19 and/or other incidents or crises.

Posts remained operational to deliver essential services, including consular support and supporting repatriation flights to Australia. Heads of missions and posts made decisions to control access to physical premises and provide face-to-face services based on assessment of the risk to staff and visitors and host government health directives. To support overseas operations, the department initiated a range of innovative responses, including remote work arrangements and virtual communication channels, short-term deployments, and teams working in Canberra to provide surge support to posts.

The pandemic presented an opportunity to recalibrate the way we work. Where health risks necessitated remote and flexible work, we found new and creative ways to deliver critical services securely. We increased our digital literacy and virtual engagement capabilities, as we adapted to the loss of face-to-face meetings, international negotiations and advocacy by shifting to virtual diplomacy. We also enhanced our virtual internal communications.

The department recognises that the health and wellbeing of our staff is essential to the long-term effectiveness of our global operations. We depend on our staff and their families accepting and managing the challenges of living in high-risk locations.

Throughout COVID-19, we ensured dedicated support to staff and dependants at posts as well as those temporarily back in Australia, providing regular updates on the pandemic and policy changes, medical advice and counselling services. We introduced additional supports and flexibilities within our existing conditions of service, including temporary return of staff and dependants to Australia based on risk assessments; an option to terminate a posting early for staff affected by COVID-19; alternative pathways for staff overseas to seek respite; and increasing the number of annual psychological therapy sessions available to overseas staff.

The department's Staff and Family Support Office provided all staff with access to counselling services tailored to COVID-19 challenges, focused on building resilience and coping with complex and stressful environments. The office provided 1,688 individual counselling sessions supporting over 1,103 staff and family members, and conducted 288 in-person and virtual training courses on topics such as mental health first aid, stress management and wellbeing while working remotely.

Our Medical Unit provided posts with 24/7 medical advice and support, managed individual medical care for staff or dependants with COVID-19, secured medical evacuation routes, and implemented medical evacuations.

Departmental and other government staff working overseas were included in Phase 1b of the national COVID-19 vaccination program. In accordance with the 1b priority group, from 10 March staff and dependants secured access to vaccinations prior to departing Australia for overseas service.

From 24 December 2020, staff overseas began to access COVID-19 vaccinations through accessing host government vaccine programs, vaccination by likeminded embassies, and Australian-supplied vaccine shipments. By 18 June 2021, vaccinations had commenced at all posts in the overseas network.

## Our people

At 30 June, 3,098 Australian Public Service (APS) staff worked in Australia and 856 APS employees worked at our overseas posts, with some temporarily working from Australia due to the impact of the pandemic (see Appendix 1).

At 30 June, we employed 2,180 locally engaged staff in our overseas missions. These staff play a crucial role in promoting, protecting and advancing Australia's interests internationally, and contributing to economic growth and global stability. They provide essential in-country knowledge, networks and continuity at our overseas posts. Locally engaged staff are engaged under local labour law as it applies to diplomatic and consular missions.

### Human resource modernisation

We continued our department-wide HR modernisation program, fast-tracking a number of deliverables, specifically related to improving access to HR information and processing enhancements, to support our employees working in an online environment. Implementation of the three-year program, including the restructure of our People Division and professionalisation of HR positions, is on track.

### Workforce planning and recruitment

Supporting Australia's response to the COVID-19 pandemic necessitated a major focus on recruitment, requiring staff to be redeployed and backfilled rapidly to support priority areas of work. An active pipeline of specialist and bulk recruitment processes, and innovative methods to reduce recruitment timeframes, helped the department deliver on a range of key government priorities. We implemented flexible approaches to recruitment and increasingly looked to bring in a range of new capabilities from outside the organisation, to strengthen the diversity of skills, backgrounds and experience in our workforce.

### Learning and development

The department's Diplomatic Academy continued to design and deliver training programs online, and face-to-face as restrictions eased, including for 26 languages. We piloted our first Massive Open Online Course (MOOC) – Understanding Australian Foreign Policy – to 250 staff across the APS in Australia and internationally. We delivered around 370 face-to-face and online courses and learning opportunities. With the shift to online learning, we were able to reach more staff both in Australia and overseas, as well as learners across the APS and state and territory governments. Programs focused on building capability across specialist and core skills and fostered whole-of-government knowledge and skills transfer. Albeit on a smaller scale, we continued with our outreach program, including international participation in core online programs and collaborative arrangements with regional neighbours.

### Employment arrangements and non-salary benefits

The department's Enterprise Agreement sets out the terms and conditions for non-Senior Executive Service (SES) APS employees.

SES staff are employed under the terms of a determination made by the Secretary under subsection 24(1) of the *Public Service Act 1999*. Key management personnel, SES and other highly paid staff remuneration is set out in Note 6.2 of the financial statements (see page 189) and in Appendix 2.

The department provides a range of non-salary benefits, including influenza vaccinations, onsite gym facilities in Canberra and at some posts, and prioritised access to designated childcare centres in Canberra. In 2021 the department allowed staff to obtain COVID-19 vaccinations on paid work time.

This year demonstrated the critical importance of accessible flexible and remote work policies, as set out in our 'if not, why not' approach. With changing COVID-19 restrictions, flexible and remote work options proved critical to our ability to continue delivering for government while protecting the health and welfare of our staff.

## Diversity and inclusion

Our people are at the heart of everything we do. Our rich diversity of backgrounds, skills and experiences enables us to reflect and represent Australia to the world, enhancing our representation and influence internationally. Our efforts to foster a diverse and inclusive workplace are outlined in our Diversity and Inclusion Framework, supported by senior diversity champions. Staff supported initiatives that celebrate our diversity and foster inclusion, including attending events and training.

Results from the 2020 APS Employee Census indicated that 82 per cent of staff (both APS and locally engaged) believe the department supports and actively promotes an inclusive workplace culture.

We supported better employment outcomes for Aboriginal and Torres Strait Islander peoples through the launch of the Indigenous Diplomacy Agenda and implementation of our Reconciliation Action Plan 2019–2022. At 30 June, 120 of our APS employees identified as Aboriginal and/or Torres Strait Islander, representing 3 per cent of all departmental APS employees. We worked to improve the cultural capability of our workforce and provide career advancement opportunities for Indigenous staff, including through delivery of Understanding Indigenous Australia and Ngannawal Language courses, and development opportunities for Indigenous staff.

In 2020–21, 144 of our APS employees reported a disability (3.6 per cent, compared to 3.09 per cent in 2019–20). We are committed to providing staff with a workplace free from barriers. We launched our workplace adjustment passport in December; this assists employees with disability to document the reasonable adjustments they require and discuss these with supervisors. Disability reporting details under the National Disability Strategy 2010–2020 are available at [dss.gov.au](https://dss.gov.au).

At 30 June, 693 of our APS employees reported being from a non-English-speaking background, representing 17.5 per cent of all departmental APS employees, compared to 17.78 per cent (684 individuals) in June 2020. We recommitted to the 'Racism. It Stops with Me' campaign, raising awareness of racial inequality and providing staff with the tools to address this form of discrimination. We hosted a 'You Can't Ask That' panel on racism, to debunk stereotypes and myths about people from culturally diverse backgrounds.

According to the APS Employee Census, 8 per cent of our employees identified as lesbian, gay, bisexual, transgender and/or intersex (LGBTI), a 1 per cent increase on the 2019 census. The department is committed to creating an environment where all staff feel comfortable to bring their whole selves to work. We held a 'You Can't Ask That' panel to debunk stereotypes and assumptions about the LGBTI community.

The department achieved its end-of-2020 Women in Leadership targets. As at December, women represented 43.3 per cent of SES Band 1 staff (against a 43 per cent target), 48.4 per cent of SES Band 2 staff (against a 40 per cent target), and 43 per cent of heads of missions and posts. We launched the Women in Leadership Refresh Strategy to take us forward to 2025. The strategy builds on progress made and captures lessons learned, particularly through our COVID-19 response.

To welcome different work and leadership styles, and remove implicit barriers to women's career progress, unconscious bias training was available to all staff. We supported leadership skills development through our mentoring program, leadership training, peer-to-peer coaching circles and networking opportunities targeting women.





DFAT's 2020 NAIDOC celebration in November 2020 (delayed due to COVID-19) featured a smoking ceremony with the Secretary and Indigenous Employee Network flag bearers. Pictured are then Secretary Frances Adamson, Tamika Mitchell, Daniel Hamilton, Angela Hansen, Warren Daley (Ngunnawal Elder) and Michelle Bedford [DFAT]

## The reform agenda

The department continued a comprehensive ICT reform program focusing on technology and productivity improvements, specifically corporate enabling services at our offices in Australia and overseas. Applications deployed for the initial COVID-19 response made it easier for staff to manage the high consular caseload and allowed Australians seeking assistance to directly input required information from anywhere in the world. The upgrades also improved security of private information stored in the system.

We supported overseas missions to adjust to the increased workload resulting from COVID-19. We implemented HR and finance system reforms to automate a number of routine tasks and strengthen and simplify workflows. Productivity gains from these reforms enabled the department to redeploy staff to support COVID-19 response activities.

We implemented the first round of e-invoicing functionality, a crucial step towards simplifying the invoicing process for businesses. We continued to establish global banking arrangements in overseas posts, streamlining banking relationships and simplifying payment processes. Our robotics process automation project delivered automations of a number of common HR and finance tasks.

We implemented a department-wide contracts management system, our latest step towards a fully integrated purchasing solution. Our work on the new suite of finance system access roles also contributed to a large reduction in fraud risk across our finance systems.

The department is designated as one of six shared service provider hubs as part of the Whole-of-Government Shared Services Transformation Initiative. In 2020–21 we continued our business transformation efforts in preparation for transitioning to a new whole-of-government enterprise resource planning platform (GovERP). This transformation is providing opportunities to implement standardised and better practice corporate services, modernise operations, and enhance corporate capability in Australia and overseas.

## Leading whole-of-government services overseas

The department provided APS-wide shared services to Australia-based and locally engaged staff at 28 partner agencies overseas. This included financial, property, human resources, security and ICT support. Our ability to provide these services during periods of significant international disruption was critical in enabling partner agencies to deliver their overseas operations remotely or with the flexibility needed to adhere to local COVID-19 restrictions.

We continued to refine our global service delivery model and expanded our service hub in London to include posts in Berlin, Brussels, Geneva, Moscow and Paris. We awarded our first regional contract, providing payroll and attendance services for locally engaged staff in Europe, improving compliance and reducing administrative burden for staff across the region. In Canberra, we began work to build a centralised service centre to deliver services to the remaining posts in our network.

We also collaborated with partner agencies to develop a more contemporary head agreement to simplify and improve coordination and delivery of shared services across the overseas network. The head agreement consolidates all overseas services into one whole-of-government framework, replacing multiple DFAT- and Austrade-managed service level agreements and memorandums of understanding. The new arrangement will be implemented in 2021–22, in addition to a reinvigorated deputy secretary-level interagency Global Service Delivery Board and working group.

We continued to improve support to partner agencies through our ICT workforce and mobile technology to ensure the successful shift to remote working arrangements where required. The department securely supported over 3,000 remote workers daily, up from around 300 on average before COVID-19. While we were able to support this shift, the sudden and significant reliance on ICT presented many challenges, including remote access network dropouts, issues with streaming applications and the need to find new ways to work together. Supply chain issues also required us to think differently about how we provide IT access to staff. In response, we upgraded remote access connectivity and cybersecurity, which improved staff productivity and ensured that sensitive information continued to be safely managed. We also increased our advanced videoconferencing capability, helping partner agencies collaborate virtually. Around 19,000 videoconferencing calls were made monthly compared to 6,000 monthly the previous year.

## Governance

The department's governance framework provides a mechanism for oversight, contestability, transparency and collaboration in decision-making, and supports the department in meeting its strategic and operational objectives. Our governance arrangements foster a culture of leadership, inclusion and innovation, and ensure a strong focus on enterprise risk and performance.

The Secretary chairs the Strategic Policy Committee and the Performance, Risk and Resourcing Committee – the department's primary governance bodies. These committees are supported by the Operations Committee and the Aid Governance Board, both of which are chaired at deputy secretary level.

The **Strategic Policy Committee** defines the department's strategic priorities and ensures a coherent policy approach for the department. The **Performance, Risk and Resourcing Committee** ensures the department is achieving its strategic and operational objectives.

The **Operations Committee** is responsible for supporting the effective functioning of the department and overseeing the management and delivery of its enabling functions and corporate services. The committee works to ensure the department's resources support our objectives and oversees the risk management systems. It has one independent member.

The **Aid Governance Board** oversees the development program and acts as an advisory body to the Strategic Policy Committee and Performance, Risk and Resourcing Committee. It ensures the development program is aligned with the government's strategic priorities, achieves development impact and promotes value for money. It has one independent member.

The **Workplace Relations Committee** comprises employee, union and management representatives and is our principal forum for consulting our workforce about employment conditions and exchanging views on workplace issues.

The **Indigenous Taskforce** provides advice and guidance on Indigenous issues across the department. It is a forum for the Indigenous Employees Network to engage with the executive.

The **Audit and Risk Committee (ARC)** provides independent advice to the Secretary on the appropriateness of the department's financial and performance reporting, risk oversight and management, system of internal control, and associated compliance frameworks to enable the department to meet its external accountability responsibilities. It has five independent members, including the chair. The Australian National Audit Office attends as an observer. Committee members bring a broad range of private and public sector experience and skills including strategy, policy, risk management, performance, security, finance, legal, compliance, change management and project management. See Appendix 5 for further details.

The ARC complies with section 45 of the *Public Governance, Performance and Accountability Act 2013* and section 17 of the Public Governance, Performance and Accountability Rule 2014, in line with its charter, which is available at [dfat.gov.au/about-us/corporate/corporate-information-and-resources/audit-and-risk-committee](https://dfat.gov.au/about-us/corporate/corporate-information-and-resources/audit-and-risk-committee).

In 2020–21 the ARC established two sub-committees. The Annual Performance Statement Sub-committee supports the ARC to perform its functions and meet requirements in relation to reviewing and giving independent advice on the appropriateness of the department's non-financial performance reporting. The Financial Statements Sub-committee provides advice to the ARC in regard to progress, assurance and sign-off of the department's annual statutory financial statements.

The Chief Auditor leads our Internal Audit Branch and, through the ARC, provides independent assurance and advice to the Secretary on managing risks and systems for internal control in relation to business performance and conformance. Internal Audit also works with second-line assurance functions to promote accountability, transparency, performance and sound governance aims.

## Engaging with risk and business continuity

Effectively identifying, managing and engaging with risk is a fundamental part of the department's business. In responding to COVID-19 and supporting Australia's recovery, we addressed risks to our national interests, met significant consular demands, and ensured the wellbeing of our staff.

The department's risk management framework helped us remain adept, innovative and resilient in delivering policy outcomes, programs and services. Our Risk Management Guide provides comprehensive guidance on how to manage risks, including accountabilities for managing risks and risk appetite and tolerance statements. The Chief Performance and Risk Officer and our specialist staff supported line areas to implement this framework.

Risk formed a core part of our strategic decision-making processes. Each item considered by senior governance committees articulated the risks of proposed actions to facilitate discussion. We monitored risks with a direct impact on our core objectives and performance through our Enterprise Risk Register. The register is updated three times a year and provides assurance of the critical controls we rely on to manage our operations. We commenced a program of deep dives into each enterprise-level risk to provide greater clarity on the drivers of each risk in a COVID-19 context and to assure our key controls.

We continued to promote a positive risk culture focused on clarifying accountabilities for managing risks across our overseas network and increasing collaboration across divisions and posts. This work will continue in 2021–22 with the development of an assurance framework.

Our business continuity framework helped us sustain operations across the network during the COVID-19 pandemic. We initiated work to refresh our approach to business continuity, absorbing the lessons from the COVID-19 response and recovery. A full business impact assessment commenced in 2020–21 and will continue in 2021–22. This will inform our revised business continuity framework to ensure it can meet future business disruptions.

## Countering fraud

Throughout 2020–21, the department's fraud control framework delivered appropriate and effective measures to prevent, detect and report on fraud. We continued to collaborate with other Australian Government departments to identify emerging risks arising from COVID-19 and how best to respond to them. We rolled out mandatory fraud training across the department. Regular targeted communication with staff and stakeholders helped coordinate our activities to prevent fraud.

## Values, conduct and ethics

The highest standards of conduct and professionalism are fundamental to our work in Australia and overseas. In 2020–21 we provided advice on ethics and investigated allegations of fraud and misconduct involving staff, including locally engaged staff overseas. The department's conduct and ethics policy manual clearly sets out the standard of behaviour expected of our employees and contains our policies and procedures. The manual is available on our website.

The department provided advice and guidance to employees about procedures for dealing with public interest disclosures made by a public official under the *Public Interest Disclosure Act 2013*. Consistent with the Act, the department supports staff to report wrongdoing in the APS and will act on disclosures as appropriate. We protect disclosers from any reprisals or threats of reprisals as a result of making a disclosure. We received one report through the public interest disclosure process.

In 2020–21, 68 allegations of misconduct were reported to our Employee Conduct and Ethics Section. All matters were assessed with 11 investigations formally commenced in the reporting period. Nine investigations were completed and two remain ongoing. A breach of the APS Code of Conduct was determined in all completed matters. Sanctions applied included reduction in classification and/or salary and formal warnings. Several staff resigned before a sanction was finalised.

The department made several changes to the way we declare, manage, record and monitor real or apparent conflicts of interest. Further to this, we implemented new internal investigation procedures, resulting in a more streamlined approach to conducting investigations into APS Code of Conduct matters.

We manage sexual assault and harassment allegations under subsection 13(3) of the *Public Service Act 1999* for APS employees. For locally engaged staff, these matters are managed through the locally engaged staff code of conduct for that post. Allegations made against contractors are referred to the agency that employs them for action under their guidelines. Our procedures for dealing with sexual assault and harassment allegations are outlined in our One Approach, Zero Tolerance statement and anti-bullying, harassment and discrimination policy, which provides staff with informal and formal avenues for reporting allegations, and for seeking advice and support. Where allegations of criminal conduct are received, we refer these to the appropriate law enforcement agency; no cases were referred in the reporting period.

## Our performance

### Enterprise performance

The department is committed to ongoing improvement of our planning and performance processes as part of our accountability to ministers, parliament and the Australian people. We assess both our service delivery to Australians and our policy outcomes. Measuring our impact in a fluid global operating environment can be challenging and we use a number of methods to test our success. We make judgements on our performance supported by verifiable evidence. We have a clear plan to update our corporate planning framework to build a more robust performance culture.

Our performance framework is as follows:

- **Plan:** The corporate plan is the department's primary planning document and sits alongside the portfolio budget statements. It informs work areas' business plans. These in turn are reflected in individual performance and development agreements. This cascading system is designed so our people have a direct line of sight between their daily work and the department's goals.
- **Monitor:** We monitor progress against the targets and metrics we establish and those that are set for the department by government. Results are endorsed by individual members of the departmental executive and through our governance committees.
- **Review:** Once a year, the department's executive reviews the performance of each group, division and state and territory office, and agrees a rating against relevant corporate plan and portfolio budget statements performance measures. The Performance, Risk and Resourcing Committee endorses the results for reporting in the annual performance statements. The executive reviews the performance of posts on a rolling basis throughout the year. Work is in train to strengthen post review processes further.
- **Learn:** The department provides feedback to business units on their performance. Business plans are living documents and we encourage teams to update these to reflect factors influencing our national and international operating environments, feedback and lessons learned.

### Individual performance

In August 2020 we launched Leadership@DFAT, a refreshed leadership framework that articulates the principles, personal attributes and capabilities that define departmental leaders now and for the future. Leadership@DFAT builds on progress already made through our joint commitment to the Women in Leadership Strategy, our One Approach, Zero Tolerance initiative on workplace behaviour, and leadership shadowing and mentoring initiatives.

Our leadership framework is grounded in clarity, commitment and care – clarity of our shared purpose, and commitment to a culture of high performance, while also leading people with care and consideration. New tools for leadership development include refreshed performance and development agreements that incorporate leadership key performance indicators.

## External accountability

### Courts and tribunals

We managed a range of legal matters before courts and tribunals during the reporting period.

The department was a defendant in two matters before the Federal Court of Australia, which commenced in 2019–20. One of these matters related to employee entitlements and the other to consular assistance provided by the department. Both are ongoing. The department was also a defendant in two matters that were commenced in the Fair Work Commission; both were resolved through conciliation.

The department continued to defend applications before the Administrative Appeals Tribunal (AAT) concerning passport decisions. In 2020–21, eight new matters in relation to passport decisions were initiated against the department. The department defended two AAT matters concerning freedom of information decisions, both of which are ongoing. At the end of the financial year, seven AAT matters remained active.

We defended two matters in foreign courts, including one matter relating to staffing on behalf of another agency. Both matters are ongoing.

The department complied with discovery, subpoena and other document production obligations in a range of matters. This included matters brought against the Commonwealth and other Australian government agencies.

The department facilitated, via diplomatic channels, the service of documents and taking of evidence in private litigation in matters brought overseas and in Australia. We also facilitated the service of documents on foreign states in a number of matters under the *Foreign States Immunities Act 1985*.

### Freedom of information and privacy

In 2020–21 the department finalised 240 freedom of information applications, a substantial increase from 2019–20. Consistent with requirements of the *Freedom of Information Act 1982*, we continued to publish information under the Information Publication Scheme contained in Part II of the Act. The content is available at [dfat.gov.au/about-us/corporate/freedom-of-information/pages/information-publications-scheme](https://dfat.gov.au/about-us/corporate/freedom-of-information/pages/information-publications-scheme).

The department strengthened privacy management systems and governance to promote privacy compliance. We recorded no eligible data breaches under the Office of the Australian Information Commissioner's Notifiable Data Breaches scheme. In 2020–21, 46 non-notifiable data breaches were managed under the department's internal privacy compliance scheme. The Australian Information Commissioner received three privacy complaints about the department.

## Parliamentary committees of inquiry

Information on the department's engagement with parliamentary committees of inquiry is in Appendix 8.

## Commonwealth Ombudsman

The Commonwealth Ombudsman commenced five investigations in 2020–21 with respect to the department's activities. No notices were provided to the department under subsection 12(4) of the *Ombudsman Act 1976* and no formal reports were issued.

## Australian Human Rights Commission

The Australian Human Rights Commission investigated seven claims with respect to the department's activities in 2020–21. Three have been resolved and four remain ongoing.

## Compensation for detriment caused by defective administration

In 2020–21, 11 claims were made under the Scheme for Compensation for Detriment caused by Defective Administration with respect to the department's activities. The department finalised 18 cases during the same period, including 11 initiated in the previous financial year.

# Managing our financial resources

## Assets management

Internal allocations for capital investments are set by the department's executive following assessment of key work units' planned programs of work. The executive reviewed capital investment throughout the year and reallocated resources where necessary. The finance division supported this through long-term strategic planning of the department's investments through implementation of a capital management plan. We conduct reviews and impairment testing of asset classes annually to ensure asset values are fairly stated in the end-of-year financial statements and use this as a basis for forward planning.

## Purchasing

The department's purchasing was undertaken in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Commonwealth Procurement Rules.

Information on significant procurements expected to be undertaken in 2021–22 is available in the department's annual procurement plan on the AusTender website, [tenders.gov.au](https://tenders.gov.au).

The department continued to support the government's Indigenous supplier diversity strategy, including through our Reconciliation Action Plan, Indigenous business charter and Indigenous Diplomacy Agenda.

We used Commonwealth procurement to promote reconciliation and contribute to closing the gap. The department was shortlisted for the fifth successive year as a finalist in the Government Member of the Year category in Supply Nation's 2021 Supplier Diversity Awards.

The department encouraged best practice in Indigenous procurement, including by showcasing Indigenous businesses to posts and embedding Indigenous procurement in our policies and practices. We profiled a number of export-ready Indigenous businesses – their details are on our website at [dfat.gov.au/about-us/business-opportunities/pages/indigenous-business-engagement](https://dfat.gov.au/about-us/business-opportunities/pages/indigenous-business-engagement).

The Foreign Affairs and Trade portfolio continues to exceed the Indigenous Procurement Policy volume and value targets set each year by the National Indigenous Australians Agency (NIAA). Further details are available on the NIAA website, [niaa.gov.au](http://niaa.gov.au).

## Consultancy and non-consultancy contracts

During 2020–21, 23 new reportable consultancy contracts were entered into involving total actual expenditure of \$966,312 (inclusive of GST). In addition, seven ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$140,303 (inclusive of GST) (tables 5 and 6).

The department selected consultants through panel arrangements or by making an approach to the market when required for specialist expertise or independent research, review and assessment or creative solutions to assist decision-making. Decisions to engage consultants were made in accordance with the PGPA Act and related rules, including the Commonwealth Procurement Rules and relevant departmental policies.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website, [tenders.gov.au](http://tenders.gov.au).

**TABLE 5: REPORTABLE CONSULTANCY CONTRACT EXPENDITURE IN 2020–21**

	Number	Expenditure (\$)
New contracts entered into during 2020–21	23	966,312
Ongoing contracts entered into during a previous reporting period	7	140,303
Total	30	1,106,615

**TABLE 6: ORGANISATIONS RECEIVING THE LARGEST SHARES OF REPORTABLE CONSULTANCY CONTRACT EXPENDITURE IN 2020–21**

Organisation	Expenditure (\$)	Share of total expenditure (%)
PricewaterhouseCoopers	273,727	24.7
Terra Schwartz Pty Ltd	110,800	10.0
Customer Driven Solutions Pty Ltd	86,871	7.9
Hall & Partners Pty Ltd	84,940	7.7
Conscia Pty Ltd	68,799	6.2
Indo-Pac Strategic Advisory Services	61,081	5.5



During 2020–21, 1,198 new reportable non-consultancy contracts were entered into. In addition, 1,172 ongoing reportable non-consultancy contracts were active during the period. The total actual expenditure for non-consultancy contracts was \$1.8 billion (inclusive of GST) (tables 7 and 8).

**TABLE 7: REPORTABLE NON-CONSULTANCY CONTRACT EXPENDITURE IN 2020–21\***

	Number	Expenditure (\$)*
New contracts entered into during 2020–21	1,198	1,830,802,967
Ongoing contracts entered into during a previous reporting period	1,172	
Total	2,370	1,830,802,967

\*This expenditure figure represents payments made in the 2020–21 financial year to vendors who have new and ongoing non-consultancy contracts published on AusTender

**TABLE 8: ORGANISATIONS RECEIVING THE LARGEST SHARES OF REPORTABLE NON-CONSULTANCY CONTRACT EXPENDITURE IN 2020–21**

Organisation	Expenditure (\$)	Share of total expenditure (%)
Cardno Emerging Markets (Australia) Pty Ltd	231,091,326	12.6
Abt Associates Pty Ltd	210,334,432	11.5
Palladium International Pty Ltd	134,696,212	7.4
Jones Lang LaSalle (ACT) Pty Ltd	115,046,718	6.3
Tetra Tech International Development Pty Ltd	93,806,308	5.1

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website, [tenders.gov.au](https://tenders.gov.au).

### Australian National Audit Office access clauses

The department's standard contract templates include provisions allowing the Australian National Audit Office to access a contractor's premises.

### Exempt contracts

There were 20 contracts in excess of \$10,000 (inclusive of GST), with a value of \$22.7 million, exempted from being published on AusTender on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

## Procurement initiatives to support small business

The department supports small business participation in the Commonwealth government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website, [finance.gov.au](https://finance.gov.au).

Despite the challenges arising from the COVID-19 pandemic, we remained committed to ensuring that SMEs could engage in fair competition and demonstrated this through procurement practices, including use of templates from the Commonwealth Contracting Suite.

The department continued to support small businesses, especially those in bushfire-affected communities. Products purchased from these vendors have become unique public diplomacy tools in high demand across our network of overseas posts.

The department recognises the importance of small businesses being paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury website, [treasury.gov.au](https://treasury.gov.au).

## Grants

Information on grants awarded by the department during 2020–21 is available on the GrantConnect website, [grants.gov.au](https://grants.gov.au).



# 04

## Financial Statements



## INDEPENDENT AUDITOR'S REPORT

**To the Minister for Foreign Affairs**

**To the Minister for Trade, Tourism and Investment**

### Opinion

In my opinion, the financial statements of the Department of Foreign Affairs and Trade (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### Key audit matter

#### Valuation of overseas properties

*Refer to Note 3.2A Land and buildings and Note 7.2A Fair value measurement, valuation techniques and inputs used*

As at 30 June 2021, the reported fair value of land was \$1,859 million and the carrying value of buildings was \$2,626 million (which is carried at fair value except for \$1,072 million right-of-use assets carried at cost). Overseas properties represent a significant proportion of the balances. The Entity engaged an independent valuer to undertake the valuation.

I focused on the fair value of overseas properties due to:

- significant value of the asset;
- large number of properties across a number of geographic locations;
- variety of valuation methodologies applied; and
- the degree of subjectivity applied by the valuer in determining the fair value of the properties, including evaluating the impact of economic conditions and local jurisdictional requirements.

### How the audit addressed the matter

To address this key audit matter, I:

- evaluated the competence, capability and objectivity of the Entity's valuer;
- on a sample basis, assessed the appropriateness of methodologies used for compliance with accounting standards, the entity's accounting policies and generally accepted valuation techniques; and
- on a sample basis, evaluated and substantiated the appropriateness of key assumptions and judgements applied by the Entity's valuer.

### Key audit matter

#### Accuracy and completeness of international development assistance

*Refer to Note 2.1A International Development Assistance*

The Entity reported international development assistance of \$3,573 million for the year ended 30 June 2021.

The international development assistance programs are focused on providing assistance to developing countries to reduce poverty and improve living standards.

I considered this to be a key audit matter due to the:

- significant value of the expenses incurred through the Entity's aid programs; and
- expenses being incurred across a broad range of agreements. These agreements cover a variety of geographical areas with various counterparties including international organisations, emergency and humanitarian programs, contributions to non-Government organisations and volunteer programs.

### How the audit addressed the matter

To address this key audit matter I:

- assessed and tested, on a sample basis, the design and operating effectiveness of the key controls supporting international development assistance relating to the recording, monitoring and approval of funding agreements and expenditure;
- assessed whether the Entity's aid management system's information technology general controls were designed and operating effectively, including:
  - the interface between the aid management system and financial management information systems; and
  - the workflow approval process supported the accurate and complete transfer of data; and
- examined supporting documentation for a sample of international development assistance payments to assess the accuracy of expenditure amounts including compliance with funding agreements and applicable acquittal processes.

**Accountable Authority's responsibility for the financial statements**

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

**Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the

matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

A handwritten signature in dark ink, appearing to read 'M Vial', is positioned above the printed name and title.

Mark Vial  
Acting Executive Director  
Delegate of the Auditor-General

Canberra  
2 September 2021



**Department of Foreign Affairs and Trade**  
**STATEMENT BY THE SECRETARY AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

The following exemptions to the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) are published on the Department of Finance website and have been applied to the Department of Foreign Affairs and Trade's (DFAT) financial statements:

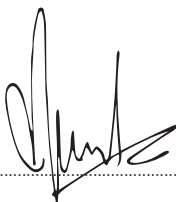
- a) Subsections 37(a) and 43(2)(b) to require net recording of receipts on behalf of other entities as per section 74 of the PGPA Act.
- b) Subsection 43(3)(a) to require net recording of cash payments on behalf of other entities made from appropriations.
- c) Section 47 to not require separate disclosure of money paid on behalf of other entities.

In our opinion, at the date of this statement, there are reasonable grounds to believe that DFAT will be able to pay its debts as and when they fall due.

  
Signed.....

Kathryn Campbell AO CSC  
Secretary

2 September 2021

  
Signed.....

Murali Venugopal  
Chief Finance Officer

02 September 2021

**Department of Foreign Affairs and Trade**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2021*

		2021	2020	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	841,546	888,534	928,072
Suppliers	1.1B	514,036	558,427	694,504
Depreciation and amortisation	3.2A	383,015	353,283	319,645
Impairment loss on financial instruments	1.1C	10	263	-
Write-down and impairment of other assets	1.1D	59,718	4,284	-
Grants and other contributions		10,881	9,799	-
Finance costs	1.1E	14,607	16,247	12,904
Losses from asset sales		89	-	1,793
Foreign exchange losses		-	9,462	-
<b>Total expenses</b>		<b>1,823,902</b>	<b>1,840,299</b>	<b>1,956,918</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	1.2A	93,471	102,603	121,660
Rental income	1.2B	52,629	49,848	33,060
Other revenue	1.2C	6,755	6,550	11,258
<b>Total own-source revenue</b>		<b>152,855</b>	<b>159,001</b>	<b>165,978</b>
<b>Gains</b>				
Gains from sale of assets		-	12,500	-
Foreign exchange gains		25,925	-	-
Other gains	1.2D	285	325	630
<b>Total gains</b>		<b>26,210</b>	<b>12,825</b>	<b>630</b>
<b>Total own-source income</b>		<b>179,065</b>	<b>171,826</b>	<b>166,608</b>
<b>Net cost of services</b>		<b>(1,644,837)</b>	<b>(1,668,473)</b>	<b>(1,790,310)</b>
Revenue from Government – departmental appropriations		1,581,771	1,473,158	1,641,851
<b>(Deficit) from continuing operations</b>		<b>(63,066)</b>	<b>(195,315)</b>	<b>(148,459)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve		(189,766)	131,309	-
<b>Total other comprehensive income</b>		<b>(189,766)</b>	<b>131,309</b>	<b>-</b>
<b>Total comprehensive (loss)</b>		<b>(252,832)</b>	<b>(64,006)</b>	<b>(148,459)</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2021*

		2021	2020	Original
	Notes	\$'000	\$'000	Budget
				\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	503,640	428,027	328,442
Trade and other receivables	3.1B	567,265	391,844	341,545
<b>Total financial assets</b>		<b>1,070,905</b>	<b>819,871</b>	<b>669,987</b>
<b>Non-financial assets<sup>1</sup></b>				
Land	3.2A	1,858,866	1,989,064	1,975,486
Buildings	3.2A	2,626,181	2,834,777	2,874,305
Plant and equipment	3.2A	241,327	278,516	390,602
Computer software	3.2A	139,090	145,689	154,306
Inventories	3.2B	52,886	42,430	42,430
Prepayments		43,835	69,305	69,305
<b>Total non-financial assets</b>		<b>4,962,185</b>	<b>5,359,781</b>	<b>5,506,434</b>
Assets held for sale		19,092	12,428	12,428
<b>Total assets</b>		<b>6,052,182</b>	<b>6,192,080</b>	<b>6,188,849</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	122,030	89,843	91,190
Other payables	3.3B	64,667	62,443	81,625
<b>Total payables</b>		<b>186,697</b>	<b>152,286</b>	<b>172,815</b>
<b>Interest bearing liabilities</b>				
Leases	3.4A	1,086,476	1,166,047	1,183,049
<b>Total interest bearing liabilities</b>		<b>1,086,476</b>	<b>1,166,047</b>	<b>1,183,049</b>
<b>Provisions</b>				
Employee provisions	6.1A	271,488	278,741	264,723
Provision for restoration	3.5A	38,649	29,528	29,528
<b>Total provisions</b>		<b>310,137</b>	<b>308,269</b>	<b>294,251</b>
<b>Total liabilities</b>		<b>1,583,310</b>	<b>1,626,602</b>	<b>1,650,115</b>
<b>Net assets</b>		<b>4,468,872</b>	<b>4,565,478</b>	<b>4,538,734</b>
<b>EQUITY</b>				
Contributed equity		2,973,282	2,817,056	2,970,595
Asset revaluation reserve		1,897,889	2,087,655	2,087,655
Accumulated deficit		(402,299)	(339,233)	(519,516)
<b>Total equity</b>		<b>4,468,872</b>	<b>4,565,478</b>	<b>4,538,734</b>

1. Right-of-use assets are included in land, buildings and plant and equipment.

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2021*

	RETAINED EARNINGS			ASSET REVALUATION RESERVE			CONTRIBUTED EQUITY			TOTAL EQUITY		
	2021 \$'000	2020 \$'000	Original Budget \$'000	2021 \$'000	2020 \$'000	Original Budget \$'000	2021 \$'000	2020 \$'000	Original Budget \$'000	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>Opening balance</b>												
Balance carried forward from previous period	(339,233)	(179,154)	(339,233)	2,087,655	1,956,346	2,087,655	2,817,056	2,713,340	2,817,056	4,565,478	4,490,532	4,565,478
Adjustment on initial application of AASB 16	-	35,236	-	-	-	-	-	-	-	-	35,236	-
<b>Adjusted opening balance</b>	<b>(339,233)</b>	<b>(143,918)</b>	<b>(339,233)</b>	<b>2,087,655</b>	<b>1,956,346</b>	<b>2,087,655</b>	<b>2,817,056</b>	<b>2,713,340</b>	<b>2,817,056</b>	<b>4,565,478</b>	<b>4,525,768</b>	<b>4,565,478</b>
<b>Comprehensive income</b>												
Revaluation adjustment	-	-	-	(184,861)	132,075	-	-	-	-	(184,861)	132,075	-
Makegood revaluation adjustment (Deficit) for the period	(63,066)	(195,315)	(148,459)	(4,905)	(766)	-	-	-	-	(4,905)	(766)	-
<b>Total comprehensive income</b>	<b>(63,066)</b>	<b>(195,315)</b>	<b>(148,459)</b>	<b>(189,766)</b>	<b>131,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,066)</b>	<b>(195,315)</b>	<b>(148,459)</b>
<b>Transactions with owners</b>												
<b>Contributions by owners</b>												
Equity injection – Appropriations	-	-	-	-	-	-	104,628	43,546	93,500	104,628	43,546	93,500
Departmental equity return	-	-	-	-	-	-	(1,807)	-	-	(1,807)	-	-
Departmental capital budget	-	-	-	-	-	-	69,539	60,170	60,039	69,539	60,170	60,039
Transfers to the Official Public Account	-	-	(31,824)	-	-	-	(16,134)	-	-	(16,134)	-	(31,824)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(31,824)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,226</b>	<b>103,716</b>	<b>153,539</b>	<b>156,226</b>	<b>103,716</b>	<b>121,715</b>
<b>Closing balance as at 30 June</b>	<b>(402,299)</b>	<b>(339,233)</b>	<b>(519,516)</b>	<b>1,897,889</b>	<b>2,087,655</b>	<b>2,087,655</b>	<b>2,973,282</b>	<b>2,817,056</b>	<b>2,970,595</b>	<b>4,468,872</b>	<b>4,565,478</b>	<b>4,538,734</b>

**Accounting Policy**

*Equity Injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

2020-21 includes \$1,807m (2020: \$nil) which is quarantined.

*Transfers to the Official Public Account*

2020-21 includes a transfer of \$16.134m from the Overseas Property special account to the consolidated revenue fund.

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		1,533,638	1,710,617	1,675,856
Sale of goods and rendering of services		196,015	131,386	155,751
GST received		35,552	43,224	41,108
Other		5,596	6,116	11,258
<b>Total cash received</b>		<b>1,770,801</b>	<b>1,891,343</b>	<b>1,883,973</b>
<b>Cash used</b>				
Employees		847,885	854,720	924,496
Suppliers		540,046	681,389	719,978
Interest payments on lease liabilities		14,469	15,966	12,904
Section 74 receipts transferred to OPA		170,156	129,978	31,824
Other		10,881	9,513	-
<b>Total cash used</b>		<b>1,583,437</b>	<b>1,691,566</b>	<b>1,689,202</b>
<b>Net cash from operating activities</b>		<b>187,364</b>	<b>199,777</b>	<b>194,771</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Proceeds from sales of property, plant and equipment		22,875	32,715	17,927
<b>Total cash received</b>		<b>22,875</b>	<b>32,715</b>	<b>17,927</b>
<b>Cash used</b>				
Purchase of land and buildings		107,654	99,763	198,452
Purchase of plant and equipment		47,507	64,210	73,627
Purchase and development of computer software		28,765	46,913	69,364
<b>Total cash used</b>		<b>183,926</b>	<b>210,886</b>	<b>341,443</b>
<b>Net cash (used by) investing activities</b>		<b>(161,051)</b>	<b>(178,171)</b>	<b>(323,516)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		180,908	136,810	153,539
<b>Total cash received</b>		<b>180,908</b>	<b>136,810</b>	<b>153,539</b>
<b>Cash used</b>				
Returns of contributed equity		16,134	-	-
Principal payments of lease liabilities		141,399	151,570	124,379
<b>Total cash used</b>		<b>157,533</b>	<b>151,570</b>	<b>124,379</b>
<b>Net cash from / (used by) financing activities</b>		<b>23,375</b>	<b>(14,760)</b>	<b>29,160</b>
<b>Net increase / (decrease) in cash held</b>		<b>49,688</b>	<b>6,846</b>	<b>(99,585)</b>
Cash and cash equivalents at the beginning of the reporting period		428,027	430,643	428,027
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		25,925	(9,462)	-
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>503,640</b>	<b>428,027</b>	<b>328,442</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
International development assistance	2.1A	3,573,164	3,153,451	3,115,342
Multilateral replenishments and other loans	2.1B	430,095	589,819	446,502
Other grants and contributions	2.1C	520,961	507,919	831,393
Export Finance Australia (EFA)		4,441	3,677	3,500
Impairment loss on financial instruments		3,881	427	-
Other expenses	2.1D	36,405	8,932	7,715
Payments to corporate Commonwealth entities – Tourism Australia		139,445	139,534	139,445
Depreciation and amortisation	4.2A	1,513	914	500
<b>Total expenses</b>		<b>4,709,905</b>	<b>4,404,673</b>	<b>4,544,397</b>
<b>Income</b>				
Fees and charges	2.2A	185,569	464,488	295,336
Loan Interest		13,254	12,999	13,254
EFA National Interest Account (NIA)	2.2B	61,622	35,882	32,435
EFA dividend and competitive neutrality	2.2C	12,840	27,359	13,596
Return of prior year administered expenses	2.2D	31,296	37,216	35,249
Other revenue and gains	2.2E	19,141	5,782	255
<b>Total income</b>		<b>323,722</b>	<b>583,726</b>	<b>390,125</b>
<b>Net cost of services</b>		<b>(4,386,183)</b>	<b>(3,820,947)</b>	<b>(4,154,272)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Remeasurements of defined benefit plans		5,508	(6,696)	-
<b>Items subject to subsequent reclassification to net cost of services</b>				
Remeasurements of multilateral subscriptions		3,860	108,300	-
Movement in the carrying amount of investments		(3,490)	39,001	-
<b>Total other comprehensive income</b>		<b>5,878</b>	<b>140,605</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(4,380,305)</b>	<b>(3,680,342)</b>	<b>(4,154,272)</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4.1A	25,615	23,138	8,228
Receivables and loans	4.1B	236,829	204,405	208,458
Investments	4.1C	3,162,781	3,155,707	3,162,411
<b>Total financial assets</b>		<b>3,425,225</b>	<b>3,383,250</b>	<b>3,379,097</b>
<b>Non-financial assets</b>				
Computer software internally developed	4.2A	717	2,230	2,258
<b>Total non-financial assets</b>		<b>717</b>	<b>2,230</b>	<b>2,258</b>
<b>Total assets administered on behalf of Government</b>		<b>3,425,942</b>	<b>3,385,480</b>	<b>3,381,355</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Grants	4.3A	1,258,362	1,058,130	1,865,992
Other payables	4.3B	807,334	808,713	144,402
<b>Total payables</b>		<b>2,065,696</b>	<b>1,866,843</b>	<b>2,010,394</b>
<b>Provisions</b>				
NIA financial guarantee		16,330	-	-
Employee provisions	6.1B	81,510	93,714	93,714
<b>Total provisions</b>		<b>97,840</b>	<b>93,714</b>	<b>93,714</b>
<b>Total liabilities administered on behalf of Government</b>		<b>2,163,536</b>	<b>1,960,557</b>	<b>2,104,108</b>
<b>Net assets</b>		<b>1,262,406</b>	<b>1,424,923</b>	<b>1,277,247</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Foreign Affairs and Trade**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*for the period ended 30 June 2021*

	2021 \$'000	2020 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>1,424,923</b>	<b>1,592,794</b>
<b>Net (cost of) / contribution by services</b>		
Income	323,722	583,726
Expenses		
Payments to entities other than corporate Commonwealth entities	(4,570,460)	(4,265,138)
Payments to corporate Commonwealth entities – Tourism Australia	(139,445)	(139,534)
<b>Other comprehensive income</b>		
Movement in the carrying amount of investments	(3,490)	39,001
Movement in the carrying amount of multilateral subscriptions	3,860	108,300
Actuarial gains / (losses) on defined benefit plans	5,508	(6,696)
<b>Transfers (to) / from the Australian Government</b>		
Appropriation transfers from OPA		
Administered assets and liabilities appropriations	86,704	-
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	4,086,435	4,095,958
Payments to corporate Commonwealth entities – Tourism Australia	139,445	139,534
Special accounts		
Payments to entities other than corporate Commonwealth entities	5,408	39,468
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	304,139	1,861
Appropriation transfers to OPA		
Transfers to OPA	(404,343)	(764,351)
<b>Closing assets less liabilities as at 30 June</b>	<b>1,262,406</b>	<b>1,424,923</b>

**Accounting Policy**

*Administered cash transfers to and from the Official Public Account*

Revenue collected by DFAT on behalf of the Government is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held by DFAT on behalf of the Government and reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

*Payments to corporate Commonwealth entities*

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to DFAT is disclosed in Note 5.1A: Annual Appropriations ('Recoverable GST exclusive').



**Department of Foreign Affairs and Trade**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Fees and charges		177,637	453,962
GST received		127,429	118,738
Return of prior year administered expenses		31,296	37,216
EFA dividend		5,596	13,425
EFA competitive neutrality		7,244	13,934
EFA – NIA		29,829	34,576
Other		5,336	1,037
<b>Total cash received</b>		<b>384,367</b>	<b>672,888</b>
<b>Cash used</b>			
International development assistance		3,863,728	3,391,592
Other contributions		508,463	507,918
Payments to corporate Commonwealth entities – Tourism Australia		139,445	139,534
Other		6,574	5,274
<b>Total cash used</b>		<b>4,518,210</b>	<b>4,044,318</b>
<b>Net cash (used by) operating activities</b>		<b>(4,133,843)</b>	<b>(3,371,430)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from concessional financial instruments		9,751	9,751
<b>Total cash received</b>		<b>9,751</b>	<b>9,751</b>
<b>Cash used</b>			
Purchase of intangibles		-	469
Purchase of concessional financial instruments		77,811	168,980
Investment in EMIIF		6,704	-
<b>Total cash used</b>		<b>84,515</b>	<b>169,449</b>
<b>Net cash (used by) investing activities</b>		<b>(74,764)</b>	<b>(159,698)</b>
<b>Net (decrease) in cash held</b>		<b>(4,208,607)</b>	<b>(3,531,128)</b>
Cash and cash equivalents at the beginning of the reporting period		23,138	41,796
<b>Cash from Official Public Account</b>			
Appropriations		4,610,019	4,237,353
Special accounts		5,408	39,468
<b>Total cash from official public account</b>		<b>4,615,427</b>	<b>4,276,821</b>
<b>Cash to Official Public Account</b>			
Appropriations		(404,343)	(764,351)
<b>Total cash to official public account</b>		<b>(404,343)</b>	<b>(764,351)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	4.1 A	<b>25,615</b>	<b>23,138</b>

The above statement should be read in conjunction with the accompanying notes.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Overview

##### Objectives of the Department of Foreign Affairs and Trade

The Department of Foreign Affairs and Trade (DFAT) is an Australian Government controlled entity. It is a not-for-profit, non-corporate Commonwealth entity. The continued existence of DFAT in its present form and with its present outcomes and programs is dependent on Government policy and on continuing funding by Parliament for DFAT's administration and programs.

DFAT's role is to advance the interests of Australia and Australians internationally, providing foreign, trade and investment, development and international security policy advice to the Government. DFAT works with other Government agencies to ensure that Australia's pursuit of its global, regional and bilateral interests is coordinated effectively. DFAT's role involves working to strengthen Australia's security, enhancing Australia's prosperity, delivering an effective and high quality aid program and helping Australian travellers and Australians overseas. The DFAT Portfolio Budget Statements are structured to meet three outcomes:

- **Outcome 1:** The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign, trade and international development policy priorities,
- **Outcome 2:** The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas, and
- **Outcome 3:** A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas property estate.

DFAT's activities that contribute towards these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by DFAT in its own right. Administered activities involve the management or oversight by DFAT, on behalf of the Government, of items controlled or incurred by the Government.

DFAT conducts the following administered activities on behalf of the Government:

- Official development assistance,
- Consular and passport services,
- Public information services and public diplomacy,
- International climate change engagement,
- The New Colombo Plan,
- Programs to promote Australia's international tourism interests, and
- Payments to international organisations.

Official development assistance administered by DFAT includes international development assistance and multilateral replenishments. Appropriation funding is allocated through country, regional and global programs, and includes payments to international organisations, emergency and humanitarian programs, contributions to non-Government organisations (NGOs) and volunteer programs. The aid program promotes Australia's national interest by contributing to sustainable economic growth and poverty reduction, particularly in the Indo-Pacific.

##### Basis of Preparation

The financial statements and notes are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements and notes have been prepared in accordance with:

- a) the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR), and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

DFAT has applied the Reduced Disclosure Requirements issued by the AASB with the exception of disclosures prepared under the following accounting standards, as required under subsection 18(3) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR):

- AASB 7 Financial Instruments: Disclosure (administered only),
- AASB 12 Disclosure of Interests in Other Entities (administered only),
- AASB 13 Fair Value Measurement (administered and departmental), and
- AASB 116 Property, Plant and Equipment (administered and departmental).

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified. Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current at the end of the reporting period. Exchange gains and losses are reported in the Statement of Comprehensive Income. DFAT does not enter into hedging arrangements for its foreign currency transactions and all foreign exchange gains or losses are considered non-speculative in nature.

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

**Taxation**

DFAT is exempt from all forms of Australian taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Overseas, DFAT may be subject to Value Added Tax (VAT) or similar on the purchase of goods and services. Revenues, expenses, assets and liabilities are recognised net of GST / VAT except:

- a) where the amount of GST or VAT incurred is not recoverable from the Australian Taxation Office or overseas taxation authority, and
- b) for receivables and payables.

**Events After the Reporting Period**

There have been no events after 30 June 2021 which will affect the financial position of DFAT materially at the reporting date.

**New Accounting Standards**

No accounting standard has been adopted earlier than the application date as stated in the standard. No future accounting standards have been identified that will result in a material impact on DFAT accounts.

**Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies detailed in these statements, DFAT has made the following estimate and judgement that have a significant impact on the amounts recorded in the departmental financial statements:

- The fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. The impact of COVID-19 has been taken into account using the best available market data. However, in some instances, DFAT's buildings are purpose built and may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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#### Administered

In the process of applying the accounting policies detailed in these statements, DFAT has made the following estimate and judgement that have a significant impact on the amounts recorded in the Administered financial statements:

- The fair value of the administered financial instruments in 2020-21 has been determined using professional valuation advice. The fair value of the financial instruments reported in future periods will be affected by variables such as discount rates, exchange rates and possible impairment.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1. Departmental Financial Performance

## 1.1 Expenses

	2021 \$'000	2020 \$'000
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	573,375	594,935
Superannuation		
Defined contribution plans	47,825	44,234
Defined benefit plans	36,284	49,181
Leave and other entitlements	50,914	71,692
Fringe benefits expense	121,371	117,163
Separations and redundancies	7,886	6,713
Other employee expenses	3,891	4,616
<b>Total employee benefits</b>	<b>841,546</b>	<b>888,534</b>

**Accounting policy**

Accounting policies for employee benefits are included in Section 6 People and Relationships.

**Note 1.1B: Suppliers****Goods and services supplied or rendered**

Passport expenses	44,783	106,317
Property related expenses (excluding rent)	118,378	99,317
Security expenses	73,886	86,965
Information and communication technology	106,192	106,616
Travel expenses	25,624	47,528
Staff related expenses	38,862	35,560
Office expenses	20,584	19,487
Legal and other professional services	27,152	12,537
Contractors	11,170	10,516
Consultants	6,862	4,851
Remuneration of auditors	615	611
Facilitated flights expenses	13,690	3,441
Other expenses	18,035	17,604

**Total goods and services supplied or rendered**

Goods supplied	56,192	73,788
Services rendered	449,641	477,562

**Total goods and services supplied or rendered**

	505,833	551,350
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**Other suppliers**

Short-term leases	3,015	3,281
Workers compensation expenses	5,188	3,796

**Total other suppliers**

	8,203	7,077
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**Total suppliers**

	514,036	558,427
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1. DFAT has short-term lease commitments of \$1.074m as at 30 June 2021.

**Department of Foreign Affairs and Trade**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>Note 1.1C: Impairment loss on financial instruments</u></b>		
Write-down of financial assets	10	68
Movement in impairment loss allowance	-	195
<b>Total impairment loss on financial instruments</b>	<b>10</b>	<b>263</b>
<b><u>Note 1.1D: Write-down and impairment of other assets</u></b>		
Write-down of buildings	52,483	1,631
Write-down of plant and equipment	4,103	1,727
Write-down of computer software	-	170
Impairment of non-current assets held for sale or divested	640	756
Write-down of assets under construction	1,982	-
Write-off of inventories	510	-
<b>Total write-down and impairment of other assets</b>	<b>59,718</b>	<b>4,284</b>
<b><u>Note 1.1E: Finance costs</u></b>		
Unwinding of discount	136	279
Interest on lease liabilities	14,469	15,966
Other interest payments	2	2
<b>Total finance costs</b>	<b>14,607</b>	<b>16,247</b>

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.2 Own-source revenue and gains

	2021 \$'000	2020 \$'000
<b>Note 1.2A: Revenue from contracts with customers</b>		
Sale of goods	571	290
Rendering of services	92,900	102,313
<b>Total revenue from contracts with customers</b>	<b>93,471</b>	<b>102,603</b>

*Disaggregation of revenue from contracts with customers*

DFAT generates revenue from agreements with customers. A significant portion of rendering of services revenue is derived from DFAT providing services for other Commonwealth agencies overseas \$91.606m (2020: \$100.567m). The remainder of the revenue are contributions by employees in relation to expenses that are incurred by DFAT \$1.294m (2020: \$1.746m).

DFAT can categorise services provided overseas into accommodation and general support \$72.245m (2020: \$75.511m) and information technology support \$19.361m (2020: \$25.056m). The risks and uncertainties in relation to timing of revenue and associate cash flows for both services are identical. Per unit costs are determined at the beginning of the revenue period. Revenue is recognised from customers in arrears based on the agreed unit values. At the end of the revenue period the unit costs are reviewed to determine appropriateness in terms of cost that have been incurred. Revenue recognised for each customer is then adjusted to reflect the actual costs that have been incurred in determining the unit value.

**Accounting policy**

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

DFAT will classify a service based agreement as within the scope of AASB 15 *Revenue from Contracts with Customers* and recognise revenue in relation to services rendered from that agreement when all the following conditions are satisfied:

- DFAT has an agreement that has been approved by all parties to the agreement;
- The obligations of each party under the agreement can be identified;
- A pattern of transfer of services can be identified;
- The agreement has commercial substance;
- It is highly probable that DFAT will collect the payments.

Service revenue is predominately generated from providing services to other Commonwealth agencies overseas. The agreements with customers typically involve multiple services. All services relate to specific performance obligations, and as such the services are bundled for the purpose of revenue recognition. Revenue is recognised on a per unit basis and is not considered variable revenue. The transaction price is the total amount of consideration to which the department expects to be entitled in exchange for transferring the promised services to a customer. The transaction price is based on a service unit price for recovering costs and is initially determined applying judgement. The unit price is reviewed at the end of the revenue period to adjust revenues recognised for the actual unit cost. This process can result in the recognition of a customer contract liability or receivable.

The benefits to the customers under the agreements are provided and consumed simultaneously. The likelihood of re-performance of any aspects of the services are low and, as such, DFAT recognises the services revenue over time with proportionate recognition over the period of the agreement. The services are typically charged in arrears and as such, liabilities are not raised in relation to those obligations.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts are reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**Department of Foreign Affairs and Trade**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b>Note 1.2B: Rental income</b>		
Operating lease:		
Lease income	38,151	34,105
Subleasing right-of-use assets	14,478	15,743
<b>Total rental income</b>	<b>52,629</b>	<b>49,848</b>

DFAT has in place a number of lease arrangements for operating lease commitments for right-of-use assets and DFAT owned properties. Lease revenue expected to be received is \$147.319m (2020: \$131.777m).

**Maturity analysis of operating lease income receivables:**

Within 1 year	47,452	45,658
One to two years	40,783	35,560
Two to three years	29,479	24,810
Three to four years	19,949	15,187
Four to five years	6,492	6,879
More than 5 years	3,164	3,683
<b>Total undiscounted lease payments receivable</b>	<b>147,319</b>	<b>131,777</b>

**Note 1.2C: Other revenue**

Foreign tax refunds	4,593	4,815
Sponsorship revenue	368	890
Resources received free of charge	615	619
Other revenue	1,179	226
<b>Total other revenue</b>	<b>6,755</b>	<b>6,550</b>

**Accounting policy**

Resources received free of charge, which relates to remuneration of auditors, are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Sponsorship revenue is recognised as revenue at the fair value of the sponsorship received or receivable when the probable economic benefits of the transaction will flow to DFAT.

Foreign tax refunds are recognised as revenue at the fair value of the foreign tax refund when the probable economic benefits of the transaction will flow to DFAT.

**Note 1.2D: Other gains**

Gain on restoration obligation	53	39
Assets previously expensed	232	286
<b>Total other gains</b>	<b>285</b>	<b>325</b>



## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**2. Income and Expenses Administered on Behalf of Government****2.1 Administered - Expenses**

	2021 \$'000	2020 \$'000
<b>Note 2.1A: International development assistance</b>		
<b>Delivery of Australian international development assistance</b>		
International development assistance – suppliers	3,539,325	3,114,351
Employee benefits supporting delivery	33,839	39,100
<b>Total international development assistance</b>	<b>3,573,164</b>	<b>3,153,451</b>
<b>Accounting Policy</b>		
Employee benefit expenses relate to both APS and locally engaged staff working on the direct delivery of the aid program.		
<b>Note 2.1B: Multilateral replenishments and other loans</b>		
New multilateral replenishments	414,543	230,726
Loss from measuring multilateral financial liabilities – at fair value through profit or loss	-	341,228
Unwinding costs – multilateral grants and contributions	15,552	17,865
<b>Total multilateral replenishments and other loans</b>	<b>430,095</b>	<b>589,819</b>
<b>Accounting Policy</b>		
Accounting policies for other loans and multilateral replenishments are included in Note 4.1: Administered - Financial Assets and Note 4.3: Administered - Payables.		
<b>Note 2.1C: Other grants and contributions</b>		
Payments to international organisations	355,139	384,447
New Colombo Plan	48,750	48,998
Tourism Australia – Asia marketing fund	19,923	14,000
Tourism Australia – Working holiday makers	-	2,500
Tourism Australia – Bushfire response package	29,500	41,500
Tourism Australia – Implementing Sport 2030	3,000	2,000
Non-Aid discretionary grants	36,939	12,818
Consular emergency services	26,867	149
Other	843	1,507
<b>Total other grants and contributions</b>	<b>520,961</b>	<b>507,919</b>
<b>Accounting Policy</b>		
DFAT administers a number of agreements on behalf of the Australian Government with international organisations. Liabilities are recognised to the extent that:		
a) the services required to be performed by the recipient have been performed, or		
b) the eligibility criteria has been satisfied, but payments due have not been made.		
<b>Note 2.1D: Other expenses</b>		
NIA financial guarantee	16,330	-
Facilitated flights	11,180	-
Defined benefit pension schemes	7,776	7,423
Passport fee refunds	1,115	933
Consular fee refunds	4	7
Other foreign exchange losses	-	569
<b>Total other expenses</b>	<b>36,405</b>	<b>8,932</b>

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 2.2 Administered - Income

Administered income relates to ordinary activities performed by DFAT on behalf of the Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

	2021 \$'000	2020 \$'000
<b>Note 2.2A: Fees and charges</b>		
Passport fees	171,410	449,328
Consular fees	13,310	14,285
Nuclear safeguard charges	849	875
<b>Total fees and charges</b>	<b>185,569</b>	<b>464,488</b>

#### Accounting Policy

Passport and consular income are based on a fee arrangement, collected both domestically and internationally, for the processing of new passport applications, registering lost or stolen passports, issuing emergency passports, and for other travel related documents and notarial endorsements. Fees are determined under the *Australian Passports (Application Fees) Act 2005* and the income is recognised on receipt of the fees and all income collected is returned to consolidated revenue. The nuclear safeguard charge income is the Uranium Producers Charge, under the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Act 1993*, for each kilogram of uranium ore concentrate produced in Australia with the income recognised on receipt of the charge and is all income returned to consolidated revenue.

#### **Note 2.2B: EFA – NIA**

NIA premiums	14,989	12,951
NIA repayments of interest subsidies and recoveries	46,633	22,931
<b>Total EFA - NIA</b>	<b>61,622</b>	<b>35,882</b>

#### Accounting Policy

Accounting policies for EFA are included in Note 4.1B: Receivables and loans.

#### **Note 2.2C: EFA dividend and competitive neutrality**

EFA dividend	5,596	13,425
Competitive neutrality	7,244	13,934
<b>Total EFA dividend and competitive neutrality</b>	<b>12,840</b>	<b>27,359</b>

#### Accounting Policy

Under section 61A of the *Export Finance and Insurance Corporation Act 1991* (the EFIC Act) the Minister may apply to EFA a debt neutrality charge in respect of short-term insurance contracts entered into by EFA. These arrangements ensure EFA does not have an unfair advantage over private sector financiers through its Australian Government ownership.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>Note 2.2D: Return of prior year administered expenses</u></b>		
Return of prior year administered expenses	31,296	37,216
<b>Total return of prior year administered expenses</b>	<b>31,296</b>	<b>37,216</b>
<b>Accounting Policy</b>		
Return of prior year administered expenses relates to funds returned after finalisation or acquittal of an agreement or funding arrangement which were originally paid from prior year appropriations. These funds are treated as administered revenue in the year the funds are returned and are transferred back to consolidated revenue.		
<b><u>Note 2.2E: Other revenue and gains</u></b>		
Gain from measuring multilateral financial liabilities – at fair value through profit or loss	9,621	-
Defined benefit pension schemes – contributions	4,582	5,461
Other foreign exchange gains	4,184	-
Other interest	717	311
Other revenue	37	10
<b>Total other revenue and gains</b>	<b>19,141</b>	<b>5,782</b>
<b>Accounting Policy</b>		
<i>Defined benefit schemes</i>		
Accounting policies for the defined benefit pension schemes – contributions are included in Note 7.6: Administered – Defined Benefit Pension Schemes.		

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 3. Departmental Financial Position

##### 3.1 Financial Assets

	2021 \$'000	2020 \$'000
<b>Note 3.1A: Cash and cash equivalents</b>		
Cash on hand or on deposit	87,377	92,667
Overseas property special account cash held by the entity	16,801	1,331
Overseas property special account cash held in the OPA	399,462	334,029
<b>Total cash and cash equivalents</b>	<b>503,640</b>	<b>428,027</b>

##### Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits on hand in bank accounts and special account cash held (excluding trust balances) in the OPA.

##### Note 3.1B: Trade and other receivables

##### Goods and services receivables

Goods and services	69,657	96,898
Other	15,329	24,853
<b>Total goods and services receivables</b>	<b>84,986</b>	<b>121,751</b>

Goods and services are associated with providing services for other Commonwealth agencies and contributions by employees in relation to expenses that are incurred by the Department.

##### Appropriations receivables

Departmental – operating	384,625	166,336
Departmental – capital	74,481	83,029
<b>Total appropriations receivable</b>	<b>459,106</b>	<b>249,365</b>

##### Other receivables

Advances	15,568	15,375
Statutory receivables	6,020	4,360
Cash held by outsiders	126	168
Other	1,638	1,119
<b>Total other receivables</b>	<b>23,352</b>	<b>21,022</b>
<b>Total trade and other receivables (gross)</b>	<b>567,444</b>	<b>392,138</b>

##### Less impairment loss allowance

	(179)	(294)
<b>Total trade and other receivables (net)</b>	<b>567,265</b>	<b>391,844</b>

##### Accounting policy

Aside from cash, financial assets are all classified as receivables. Terms for receivables for goods and services are 30 days (2020: 30 days).

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 3.1B: Trade and other receivables (continued)***Receivables*

Receivables have fixed or determinable payments and are not quoted in an active market. Receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method less impairment.

Receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Under AASB 9 *Financial Instruments*, DFAT can classify its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both DFAT's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when DFAT becomes a party to the contract and has a legal right to receive cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. Therefore, DFAT's trade and other receivable financial assets are measured, and carried, at amortised cost.

*Financial Assets at Amortised Cost*

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows; and
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

*Appropriations*

Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when DFAT gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

*Impairment*

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses (ECL).

The simplified approach has been adopted in measuring the impairment loss allowance for trade and other receivables at an amount equal to lifetime ECL.

Department of Foreign Affairs and Trade  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Non-Financial Assets

Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software

Reconciliation of the opening and closing balances for 2021

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Computer software <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2020</b>					
Gross book value	1,989,064	3,005,010	385,534	281,255	5,660,863
Accumulated depreciation, amortisation and impairment	-	(170,233)	(107,018)	(135,566)	(412,817)
<b>Total as at 1 July 2020</b>	<b>1,989,064</b>	<b>2,834,777</b>	<b>278,516</b>	<b>145,689</b>	<b>5,248,046</b>
Additions:					
Purchase	22	113,043	47,507	9,553	170,125
Internally developed <sup>1</sup>	-	-	-	19,212	19,212
Right-of-use assets	-	84,065	400	-	84,465
Revaluations and impairments recognised in other comprehensive income	(102,059)	(78,184)	(4,618)	-	(184,861)
Write-offs and impairments on right-of-use assets recognised in net cost of services	-	(24,380)	-	-	(24,380)
Assets held for sale <sup>2</sup>	(19,583)	-	-	-	(19,583)
Depreciation and amortisation expense	-	(107,309)	(66,042)	(40,162)	(213,513)
Depreciation on right-of-use assets	-	(167,548)	(1,954)	-	(169,502)
Other movements	-	-	-	-	-
Asset reclassification	-	1,398	(8,178)	6,780	-
Disposals	(8,578)	(29,681)	(4,304)	(1,982)	(44,545)
<b>Total as at 30 June 2021</b>	<b>1,858,866</b>	<b>2,626,181</b>	<b>241,327</b>	<b>139,090</b>	<b>4,865,464</b>
<b>Net book value as of 30 June 2021 represented by:</b>					
Gross book value	1,858,866	2,978,579	298,081	310,274	5,445,800
Accumulated depreciation, amortisation and impairment	-	(352,398)	(56,754)	(171,184)	(580,336)
<b>Total</b>	<b>1,858,866</b>	<b>2,626,181</b>	<b>241,327</b>	<b>139,090</b>	<b>4,865,464</b>
Carrying amount of right-of-use assets	-	1,072,018	359	-	1,072,377

1. The carrying amount of computer software included \$5.039m purchased software and \$134.051m internally generated software.

2. Assets held for sale relates to land in Jakarta.

No indicators of impairment were identified for property, plant and equipment, and computer software.

No land and building assets are to be sold within the next 12 months, other than those identified as assets held for sale in the Statement of Financial Position.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (continued)****Contractual commitments for the acquisition of property, plant, equipment and computer software assets**

DFAT has a number of contractual commitments in place for the purchase and / or development of buildings, leasehold improvements and computer software assets, aged as follows:

	2021 \$'000	2020 \$'000
Within 1 year	96,308	88,451
Between 1 to 5 years	10,877	85,992
More than 5 years	-	-
<b>Total commitments</b>	<b>107,185</b>	<b>174,443</b>

The majority of these commitments relate to contracts in place for the development, refurbishment and upgrade of properties in DFAT's diplomatic network, and are managed through the Overseas Property Office. Commitments are GST / VAT inclusive where relevant.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (continued)**

Reconciliation of the opening and closing balances for 2020

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Computer software <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2019</b>					
Gross book value	1,973,538	1,666,641	342,898	233,899	4,216,976
Accumulated depreciation, amortisation and impairment	-	(147,795)	(38,659)	(109,185)	(295,639)
<b>Net book value 1 July 2019</b>	<b>1,973,538</b>	<b>1,518,846</b>	<b>304,239</b>	<b>124,714</b>	<b>3,921,337</b>
Recognition of right of use asset on initial application of AASB 16	-	1,259,312	3,792	-	1,263,104
<b>Adjusted total as at 1 July 2019</b>	<b>1,973,538</b>	<b>2,778,158</b>	<b>308,031</b>	<b>124,714</b>	<b>5,184,441</b>
<b>Additions:</b>					
Purchase	3	101,955	62,491	25,805	190,254
Internally developed <sup>1</sup>	-	880	1,719	21,108	23,707
Right-of-use assets	-	87,855	134	-	87,989
Revaluations and impairments recognised in other comprehensive income	25,310	105,852	913	-	132,075
Write-offs and impairments on right-of-use assets recognised in net cost of services	-	(1,213)	-	-	(1,213)
Assets held for sale <sup>2</sup>	(9,787)	(3,228)	-	-	(13,015)
Depreciation and amortisation expense	-	(83,888)	(69,662)	(31,647)	(185,197)
Depreciation on right-of-use assets	-	(166,073)	(2,013)	-	(168,086)
Other movements	-	-	-	-	-
Asset reclassification	-	14,897	(20,776)	5,879	-
Disposals	-	(418)	(2,321)	(170)	(2,909)
<b>Net book value 30 June 2020</b>	<b>1,989,064</b>	<b>2,834,777</b>	<b>278,516</b>	<b>145,689</b>	<b>5,248,046</b>
<b>Net book value as of 30 June 2020 represented by:</b>					
Gross book value	1,989,064	3,005,010	385,534	281,255	5,660,863
Accumulated depreciation, amortisation and impairment	-	(170,233)	(107,018)	(135,566)	(412,817)
<b>Total</b>	<b>1,989,064</b>	<b>2,834,777</b>	<b>278,516</b>	<b>145,689</b>	<b>5,248,046</b>
Carrying amount of right-of-use assets	-	1,179,881	1,913	-	1,181,794

1. The carrying amount of computer software included \$9.393m purchased software and \$136.296m internally generated software.

2. Assets held for sale relates to two properties located in London. The land and buildings for these properties were revalued prior to classification as assets held for sale. The properties are expected to be disposed via orderly market transactions within the forward estimates period.

No indicators of impairment were identified for property, plant and equipment, and computer software.

No land and building assets are to be sold within the next 12 months, other than those identified as assets held for sale in the Statement of Financial Position.



**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (continued)****Accounting Policy**

Non-financial assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Non-financial assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

*Lease Right of Use (ROU) Assets*

Lease ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to the corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Lease ROU assets continue to be measured at cost after initial recognition. An impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired.

*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 (2020: \$5,000), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by DFAT where there exists an obligation to restore the property to its original condition on termination of the lease. These costs are included in the value of DFAT's leasehold improvements with a corresponding provision for the 'make good' disclosed in Note 3.5A: Provision for restoration.

*Depreciation*

Depreciable property, plant and equipment assets are written-down to their estimated residual values over their estimated useful lives to DFAT using, in all cases, the straight-line method of depreciation. Depreciation and amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following typical useful lives:

Asset Class	2021	2020
Buildings	Based on remaining useful life	Based on remaining useful life
Leasehold Improvements	Lesser of lease term or up to 15 years	Lesser of lease term or up to 15 years
ROU Assets	Lesser of lease term or useful life	Lesser of lease term or useful life
Plant and Equipment (other than Works of Art)	3 to 25 years	3 to 25 years
Plant and Equipment (Works of Art)	100 years	100 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### **Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (continued)**

##### *Revaluations*

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure the carrying amount of assets did not differ materially from the assets' fair value as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

The Commonwealth owned, non-Defence overseas property estate, comprising both land and buildings, and managed by OPO, is subject to a three-year rolling revaluation cycle in which each property is subject to a full revaluation once in the cycle. A desktop report is required where there has been material movement in the market in excess of 10% over the past 12 months, or when substantial works have been undertaken on an asset. The top 20 by value property assets receive a desktop update as a minimum each year, with remaining properties subject to a market review.

##### *Restrictions on Title*

Due to the diplomatic nature of the overseas property portfolio, some properties have restrictions on title. Restrictions on title vary depending on local Government rules and regulations, such as long term title that prohibits the Commonwealth of Australia from profiting from sale of land. Whilst the effect of restrictions on some titles can be quantified, there are others that cannot, such as those titles held in limited or unsophisticated markets. As part of the valuation process, consideration is given to the restrictions on title.

Due to Covid travel restrictions, DFAT has amended its rolling revaluation program and full valuations have not been undertaken in 2021. A desktop valuation has been undertaken in its place.

The other tangible assets are subject to revaluation every three years by class based on the following cycle:

	Asset Class to be Revalued
Year 1	Vehicles / Plant and Equipment / Furniture and Fittings / Office Equipment
Year 2	Works of Art / Leasehold Improvement
Year 3	IT Equipment / Special Assets

DFAT has engaged CIVAS to undertake the revaluation of land and buildings and JLL to undertake the revaluation of other tangible assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus / deficit. Revaluation decrements for a class of assets are recognised directly in the surplus / deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the re-valued amount. Assets held overseas are valued in local currencies and translated into Australian dollars at the exchange rates current at revaluation date.

##### *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (continued)***Impairment*

All assets were assessed for impairment at 30 June 2021. Where indications of impairment existed, the asset's recoverable amount was estimated and an impairment adjustment made if the asset's recoverable amount was less than its carrying amount.

The recoverable amount of any asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if DFAT were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

*Computer software*

DFAT's computer software comprises purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of DFAT's software is 5 to 10 years (2020: 5 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2021.

*Assets held for sale*

Non-current assets are classified as held for sale if the carrying amount is to be recovered principally through a sale transaction rather than through continuing use. On classification as held for sale, the asset is measured at the lower of its carrying amount and fair value less costs to sell. Any write down to fair value less costs to sell is recognised as an impairment loss. Assets which have been classified as held for sale are no longer subject to depreciation or amortisation.

*Assets Under Construction*

Assets under construction (AUC) are recorded at acquisition cost. They include expenditure to date on various capital projects carried as AUC. AUC projects are reviewed annually for indicators of impairment and all tangible AUC older than 12 months prior to the reporting date are externally revalued to fair value. Computer software AUC are reviewed through an internal monthly process. Prior to rollout into service, the accumulated AUC balance is reviewed to ensure accurate capitalisation of built or purchased assets.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b><u>Note 3.2B: Inventories</u></b>		
<b>Inventories held for sale</b>		
Finished goods	<u>52,886</u>	<u>42,430</u>
<b>Total inventories</b>	<u>52,886</u>	<u>42,430</u>

During 2021, \$12.739m of inventory held for sale was recognised as an expense (2020: \$40.608m) and \$0.510m inventory was written off in the current financial year (2020: nil).

#### Accounting policy

Inventories held for sale are valued at cost. Costs incurred in bringing each item of inventory to its present location and condition include the cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**3.3 Payables**

	2021 \$'000	2020 \$'000
<b>Note 3.3A: Suppliers</b>		
Trade creditors and accruals	118,230	79,152
Other	3,800	10,691
<b>Total suppliers</b>	<b>122,030</b>	<b>89,843</b>

Settlement terms for trade creditors were within 20 days (2020: 20 days).

**Note 3.3B: Other payables**

Wages and salaries	14,117	11,831
Superannuation	7,603	12,238
Separations and redundancies	110	121
Unearned income	42,260	37,657
Other	577	596
<b>Total other payables</b>	<b>64,667</b>	<b>62,443</b>

**Accounting policy**

Payables are classified as other financial liabilities and are recognised and measured at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

The liability for wages and salaries and superannuation recognised as at 30 June 2021 represents outstanding amounts and contributions for the final payroll fortnight of the financial year.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3.4 Leases**

	2021 \$'000	2020 \$'000
<b>Note 3.4A: Leases</b>		
Lease Liabilities		
Land	1,037	-
Buildings	1,085,107	1,165,903
Plant and equipment	332	144
<b>Total leases</b>	<b>1,086,476</b>	<b>1,166,047</b>
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Within 1 year	152,759	165,440
Between 1 to 5 years	456,618	577,680
More than 5 years	674,159	649,541
Adjustment for discount	(197,060)	(206,614)
<b>Total leases</b>	<b>1,086,476</b>	<b>1,166,047</b>

Total cash outflow for leases for the year ended 30 June 2021 was \$155.868m (2020: \$167.536m)

DFAT in its capacity as lessee has 97 leases with fixed price escalation clauses (2020: 100) and 455 leases with extension options (2020: 397). It is assumed DFAT will take all of the extension options if they are available, and it has been reflected in the lease liabilities calculations.

**Accounting Policy**

For all new contracts entered into, DFAT considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the re-assessment or modification.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**3.5 Provisions**

	2021 \$'000	2020 \$'000
<b>Note 3.5A: Provision for restoration</b>		
Provision for restoration obligations	38,649	29,528
<b>Total other provisions</b>	<b>38,649</b>	<b>29,528</b>
<b>Provision for restoration</b>		
<b>As at 1 July 2020</b>	<b>29,528</b>	<b>25,385</b>
Additional provisions made	5,411	3,052
Amounts used	(11)	-
Amounts reversed	(53)	(39)
Revaluation of provision	4,905	766
Changes in foreign exchange rates	(1,267)	85
Unwinding of discount	136	279
<b>Total as at 30 June 2021</b>	<b>38,649</b>	<b>29,528</b>

DFAT currently has 86 agreements (2020: 69) for the leasing of premises where DFAT has raised a provision to restore the premises to their original condition at the conclusion of the lease. The provision reflects the present value of these obligations.

**Accounting Policy**

For a number of property leases, DFAT has obligations to restore to their original condition or makegood leasehold improvements. These are assessed on a site-by-site basis in line with the relevant clauses of the underlying lease, with fair value calculated based on estimated costs per square metre at the time the makegood obligation falls due, discounted to present value.

DFAT engages an independent expert to assist in the valuation of the estimated costs to makegood. The total provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the adjustment relates to the revaluation of the provision and there is sufficient related asset revaluation surplus for the associated leasehold improvement assets, the adjustment is recorded against the asset revaluation reserve. All other adjustments are recognised in the Statement of Comprehensive Income.

Department of Foreign Affairs and Trade

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**4. Assets and Liabilities Administered on Behalf of Government**

**4.1 Administered – Financial Assets**

	2021	2020
	\$'000	\$'000
<b>Note 4.1A: Cash and cash equivalents</b>		
Cash on hand or on deposit	8,585	5,001
Special account cash held by the entity	5	-
Cash in special accounts held in the OPA	17,025	18,137
<b>Total cash and cash equivalents</b>	<b>25,615</b>	<b>23,138</b>
<b>Accounting policy</b>		
The closing balance of cash in special accounts does not include amounts held in trust of \$4.976m (2020: \$4.981m). See Note 5.2A: Special accounts and Note 5.2B: Assets held in trust for more information.		
<b>Note 4.1B: Receivables and loans</b>		
<b>Receivables</b>		
Passport fines	9	28
Scholarship debts	2,603	1,966
Statutory receivables	23,084	17,291
Net position of EFA – NIA	40,101	12,749
Other	575	10,241
<b>Total receivables</b>	<b>66,372</b>	<b>42,275</b>
<b>Loans</b>		
Concessional loan receivable – AIPRD	165,840	162,337
Other – travellers emergency loans	9,486	2,495
<b>Total loans</b>	<b>175,326</b>	<b>164,832</b>
<b>Total receivables and loans (gross)</b>	<b>241,698</b>	<b>207,107</b>
<b>Less impairment allowance</b>		
Advances and loans – travellers emergency loans	(2,277)	(712)
Other receivables – external parties	(2,592)	(1,990)
<b>Total impairment allowance</b>	<b>(4,869)</b>	<b>(2,702)</b>
<b>Total receivables (net)</b>	<b>236,829</b>	<b>204,405</b>
<b>Receivables and loans (net) are expected to be recovered</b>		
No more than 12 months	55,374	42,039
More than 12 months	181,455	162,366
<b>Total receivables and loans (net)</b>	<b>236,829</b>	<b>204,405</b>

The impairment loss allowance is based on an assessment of debts outstanding and is predominantly aged more than 90 days.



## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 4.1B: Receivables and loans (continued)****Reconciliation of the impairment loss allowance****Movements in relation to 2021**

	Advances and loans \$'000	Receivables – external parties \$'000	Total \$'000
<b>Opening balance</b>	712	1,990	2,702
Amounts impaired	1,565	621	2,186
Amounts recovered and reversed	-	(19)	(19)
<b>Closing balance</b>	2,277	2,592	4,869

**Movements in relation to 2020**

	Advances and loans \$'000	Receivables – external parties \$'000	Total \$'000
<b>Opening balance</b>	651	1,771	2,422
Amounts impaired	61	220	281
Amounts recovered and reversed	-	(1)	(1)
<b>Closing balance</b>	712	1,990	2,702

**Accounting Policy***Receivables and loans*

Consistent with DFAT's outcomes, long-term loans were provided to other entities at concessional rates. On DFAT providing these loans, differences between the nominal value of the loan subscription and the fair value of the associated assets were recorded in the administered schedule of comprehensive income as an expense administered on behalf of Government.

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, de-recognition and amortisation are recognised through profit or loss.

*EFA – NIA*

Part 5 of the EFIC Act provides for the Minister for Trade, Tourism and Investment to give an approval or direction to EFA to undertake any transaction that the Minister considers is in the national interest. Such transactions may relate to a class of business which EFA is not authorised to undertake, or involve terms and conditions EFA would not accept in the normal course of business on its Commercial Account. EFA manages these transactions on the NIA.

For these transactions, the credit risk is borne by the Government and the funding risk is borne by EFA on the Commercial Account. Accordingly, premium or other income arising from these transactions are paid by EFA to the Government. EFA recovers from the Government the costs of administration and any losses incurred in respect of such business.

Loans on the NIA are funded from the EFA Commercial Account at fair value. The amount disclosed above reflects the Commonwealth's exposure on business undertaken on the NIA. It reflects the net amount of:

- Assets in the form of loans to and rescheduled credit insurance debts owing by foreign governments, commitment fees on loans received by EFA but not yet paid to the Commonwealth and bond premiums receivable from exports; and,
- Liabilities relating to the reimbursement to EFA for debt forgiveness on loans, provisions for unearned income on loan premiums, accrued expenses including EFA administration fees and other creditors.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Note 4.1C: Investments</b>		
Non-monetary IDA and ADF Subscriptions – fair value through OCI	2,560,275	2,556,415
EFA – Commercial Account	542,792	537,045
Tourism Australia	53,010	62,247
Emerging market impact investment fund	6,704	-
<b>Total investments</b>	<b>3,162,781</b>	<b>3,155,707</b>

#### Accounting Policy

Administered investments are measured at their fair value through other comprehensive income as at 30 June 2021. Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the whole-of-Government level. Financial instruments are recognised on a trade date basis.

#### *Non-monetary International Development Association (IDA) and Asian Development Fund (ADF) Subscriptions*

The Australian Government holds these investments long-term for policy reasons, with the issuers being partner foreign governments and multilateral aid organisations including the IDA and the ADF. The investment represents subscription-based membership rights held by the Australian Government in accordance with the articles of association for the IDA and the ADF.

The subscriptions to the IDA and the ADF are classified as equity investments and have been reclassified at fair value through other comprehensive income under AASB 9: *Financial Instruments*. There is no intention to trade these investments, as there is no observable market value for them. DFAT, based on independent expert valuation advice, values the investment on a discounted cash flow basis. The basis assumes the redemption of the Commonwealth's pro-rata share of the outstanding loan principal for each fund. The redemption basis is consistent with the withdrawal provisions of the articles of association with the IDA and the ADF.

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor. The discount rate range uses the "build up method" based on the following components: risk free rate (20 year US Government bond rate), currency risk premium, sovereign risk premium and liquidity risk premium. Changes in fair value are recognised directly in the administered reconciliation schedule. Foreign currency movements and impairment losses and reversals are recorded in the administered schedule of comprehensive income.

#### *EFA – Commercial Account*

EFA's principal activity is the provision of competitive finance and insurance services to Australian exporters and Australian companies investing in new projects overseas. The Australian Government guarantees to EFA's creditors the payment of monies payable by EFA on the Commercial Account. The Minister for Trade, Tourism and Investment has the powers to determine and instruct EFA to pay a dividend in accordance with section 55(1) of the EFIC Act. Fair value has been taken to be the Australian Government's proportional interest in the net assets of EFA as at the end of the reporting period.

#### *Tourism Australia*

Tourism Australia is the Australian Government agency responsible for attracting international visitors to Australia, both for leisure and business events. DFAT administers Tourism Australia on behalf of the Government for oversight and management purposes and to improve linkages internationally. Funding appropriated to DFAT for Tourism Australia is disclosed as Payments to corporate Commonwealth entities in the Administered Schedule of Comprehensive Income. Fair value has been taken to be the Australian Government's proportional interest in the net assets of Tourism Australia as at the end of the reporting period.

#### *Emerging Markets Impact Investment Fund (EMIIF)*

EMIIF is a development financing mechanism for the Australian Government. It provides investment capital and technical assistance to financial intermediaries who in turn provide access to financing for small and medium enterprises in South Asia, Southeast Asia and the Pacific. Value is based on fair value of net assets which this year reflects actual cash transferred to the Trust in late June.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**4.2 Administered - Non-Financial Assets****Note 4.2A: Reconciliation of the opening and closing balances for computer software**

	2021 \$'000	2020 \$'000
<b>As at 1 July</b>		
Gross book value	13,144	12,675
Accumulated depreciation, amortisation & impairment	(10,914)	(10,000)
<b>Net book value 1 July</b>	<b>2,230</b>	<b>2,675</b>
Additions		
Internally developed	-	469
Depreciation & amortisation expenses	(1,513)	(914)
<b>Net book value 30 June</b>	<b>717</b>	<b>2,230</b>
<b>Net book value as of 30 June represented by</b>		
Gross book value	13,144	13,144
Accumulated depreciation, amortisation & impairment	(12,427)	(10,914)
<b>Net book value 30 June</b>	<b>717</b>	<b>2,230</b>

No indicators of impairment were identified for computer software in 2021 (2020: nil).

**Accounting Policy**

Accounting policies are included in Note 3.2: Non-Financial Assets.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**4.3 Administered - Payables**

	2021 \$'000	2020 \$'000
<b>Note 4.3A: Grants</b>		
Multilateral grants payable – fair value through profit or loss	1,258,362	1,058,130
<b>Total grants</b>	<b>1,258,362</b>	<b>1,058,130</b>
<b>Note 4.3B: Other payables</b>		
Multilateral contributions – fair value through profit or loss	582,234	664,311
International development assistance	212,602	144,402
Other payables	12,498	-
<b>Total other payables</b>	<b>807,334</b>	<b>808,713</b>

**Accounting Policy**

Financial liabilities are classified either at fair value through profit or loss, or as other financial liabilities. Financial liabilities are recognised and derecognised upon 'Trade Date'.

Financial liabilities at fair value through profit or loss include multilateral grants payable and multilateral contributions payable. Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss.

Other financial liabilities include trade creditors and accruals and are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

## Department of Foreign Affairs and Trade NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5. Funding

#### 5.1 Appropriations

Note 5.1A: Annual appropriations (recoverable GST exclusive<sup>1</sup>)

#### Annual Appropriations for 2021

	Annual Appropriation \$'000	Section 74 PGPA Act \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental<sup>2</sup></b>					
Ordinary annual services	1,710,249	170,156	1,880,405	(1,537,270)	343,135
Capital budget <sup>3</sup>	69,539	-	69,539	(67,376)	2,163
Equity	104,628	-	104,628	(113,532)	(8,904)
<b>Total departmental</b>	<b>1,884,416</b>	<b>170,156</b>	<b>2,054,572</b>	<b>(1,718,178)</b>	<b>336,394</b>
<b>Administered</b>					
Ordinary annual services					
Capital budget <sup>3</sup>	528	-	528	-	528
Administered items <sup>4</sup>	4,358,782	-	4,358,782	(3,968,376)	390,406
Payments to corporate Commonwealth entities	139,445	-	139,445	(139,445)	-
Other services					
Administered assets and liabilities	6,704	-	6,704	(86,704)	(80,000)
<b>Total administered</b>	<b>4,505,459</b>	<b>-</b>	<b>4,505,459</b>	<b>(4,194,525)</b>	<b>310,934</b>

1. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are lower than funding received or are not settled by financial year end.

2. In 2020–21, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue, capital budget or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were: a decrease to revenue of \$14.073m relating to no-win / no-loss funding for foreign exchange; a decrease to revenue of \$82.491m relating to no-win / no-loss funding for Passport Funding Agreement; a decrease to revenue of \$31.914m relating to no-win / no-loss funding for FBT payable on living away from home allowance; and, a reduction in equity of \$1.807m relating to no-win/no-loss funding for Security Kabul capital projects.

A net decrease in appropriation of \$128.478m will be applied against 2020-21 Appropriation Act (No.1) and a net decrease in appropriation of \$1.807m will be applied against 2020-21

Appropriation Act (No.2).

3. Departmental Capital Budgets are appropriated through Supply Act (No. 1) and Appropriations Acts (No. 1 and No. 3). They form part of the ordinary annual services, and are not separately identified in the Supply Act and Appropriations Acts.

4. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund on behalf of DFAT in accordance with the *Papua New Guinea (Staffing Assistance) Act 1973*. In 2020-21 CSC has drawdown \$3.881m from DFAT's administered appropriation. This amount is included in the appropriation applied amount above.

## Department of Foreign Affairs and Trade NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5.1A: Annual appropriations (recoverable GST exclusive) (continued)

#### Annual Appropriations for 2020

	Annual Appropriation <sup>1</sup> \$'000	Section 74 PGPA Act \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	1,510,017	129,978	1,639,995	(1,710,618)	(70,623)
Capital budget <sup>3</sup>	60,170	-	60,170	(60,170)	-
Equity	43,546	-	43,546	(76,640)	(33,094)
<b>Total departmental</b>	<b>1,613,733</b>	<b>129,978</b>	<b>1,743,711</b>	<b>(1,847,428)</b>	<b>(103,717)</b>
<b>Administered</b>					
Ordinary annual services					
Capital budget <sup>3</sup>	528	-	528	(457)	71
Administered items <sup>4</sup>	3,971,208	-	3,971,208	(3,970,677)	531
Payments to corporate Commonwealth entities	139,534	-	139,534	(139,534)	-
Other services					
Administered assets and liabilities	605,072	-	605,072	-	605,072
<b>Total administered</b>	<b>4,716,342</b>	<b>-</b>	<b>4,716,342</b>	<b>(4,110,668)</b>	<b>605,674</b>

1. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are not settled by financial year end.

2. In 2019-20, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue, capital budget or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were: an increase to revenue of \$17.661m relating to no-win/no-loss funding for foreign exchange; a decrease to revenue of \$18.897m relating to no-win/no-loss funding for Passport Funding Agreement; and, a decrease to revenue of \$12.507m relating to no-win/no-loss funding for FBT payable on living away from home allowance.

The net decrease in appropriation of \$13.743m will be applied against 2019-20 Appropriation Act (No.1).

3. Departmental and Administered Capital Budgets are appropriated through Appropriations Acts (No. 1, 3 and 5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts.

4. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund on behalf of DFAT in accordance with the *Papua New Guinea (Staffing Assistance) Act 1973*. In 2019-20 CSC has drawn down \$4.525m from DFAT's administered appropriation. The Department of Education (DoE) also makes withdrawals on behalf of DFAT under the New Colombo Plan Agreement. In 2019-20, DoE has drawn down \$26.908m from DFAT's administered appropriation for this purpose. These amounts are included in the appropriation applied amount above.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 5.1B: Unspent annual appropriations ('recoverable GST exclusive')**

	2021 \$'000	2020 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2017–18 <sup>1</sup>	-	4,384
Appropriation Act (No. 2) 2017–18 <sup>2</sup>	-	5,829
Appropriation Act (No. 1) 2018–19 – DCB <sup>3</sup>	9,638	9,638
Appropriation Act (No. 2) 2018–19 <sup>4</sup>	3,016	3,016
Appropriation Act (No. 4) 2018–19	-	39,483
Appropriation Act (No. 1) 2019–20 <sup>5</sup>	13,743	180,079
Appropriation Act (No. 2) 2019–20	-	25,401
Supply Act (No. 2) 2019–20	-	18,145
Appropriation Act (No. 1) 2019–20 – Cash at bank and on hand	-	92,667
Supply Act (No. 2) 2020–21	51,526	-
Appropriation Act (No. 1) 2020–21 <sup>6</sup>	430,761	-
Appropriation Act (No. 2) 2020–21 <sup>7</sup>	11,471	-
Appropriation Act (No. 3) 2020–21	82,341	-
Appropriation Act (No. 3) 2020–21 – DCB	2,163	-
Appropriation Act (No. 4) 2020–21	11,128	-
Appropriation Act (No. 1) 2020–21 – Cash at bank and on hand	87,377	-
<b>Total departmental</b>	<b>703,164</b>	<b>378,642</b>

1. Appropriation Act (No. 1) 2017–18 includes \$4.384m repealed on 1 July 2020.

2. Appropriation Act (No. 2) 2017–18 includes \$5.829m repealed on 1 July 2020.

3. Appropriation Act (No. 1) 2018–19 DCB includes \$9.638m withheld under section 51.

4. Appropriation Act (No. 2) 2018–19 includes \$3.016m withheld under section 51.

5. Appropriation Act (No. 1) 2019–20 includes \$13.743m withheld under section 51.

6. Appropriation Act (No. 1) 2020–21 includes \$128.478m which is quarantined.

7. Appropriation Act (No. 2) 2020–21 includes \$1.807m which is quarantined.

DFAT has in place a number of no-win / no-loss funding agreements due to the complex and variable environment the department operates in overseas. The difference between the balance of departmental appropriation receivable disclosed in Note 3.1B: Trade and other receivables and the above balance on unspent annual appropriations is due to these agreements and cash at bank and on hand. Adjustments relating to the no-win / no-loss agreements are recognised as a reduction to appropriation available in the year of the agreement, however, are not removed from the above until the amounts lapse and are formally repealed.

**Department of Foreign Affairs and Trade**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1B: Unspent annual appropriations ('recoverable GST exclusive') (continued)**

	2021	2020
	\$'000	\$'000
<b>Administered</b>		
Appropriation Act (No. 1) 2017–18 <sup>1</sup>	-	125,108
Appropriation Act (No. 1) 2017–18 – ACB <sup>1</sup>	-	95
Appropriation Act (No. 1) 2018–19	73,156	73,156
Appropriation Act (No. 1) 2018–19 – ACB	461	461
Supply Act (No. 1) 2019–20	202	202
Appropriation Act (No. 1) 2019–20	80,320	167,529
Appropriation Act (No. 1) 2019–20 – ACB	71	71
Appropriation Act (No. 1) 2019–20 Cash at Bank and on hand	-	5,001
Supply Act (No. 2) 2019–20	252,114	252,114
Appropriation Act (No. 2) 2019–20	272,958	352,958
Supply Act (No. 1) 2020–2021	52,148	-
Supply Act (No. 1) 2020–2021 – ACB	308	-
Appropriation Act (No. 1) 2020–21	317,948	-
Appropriation Act (No. 1) 2020–21 – ACB	220	-
Appropriation Act (No. 1) 2020–21 Cash at Bank and on hand	8,585	-
Appropriation Act (No. 3) 2020–21	107,522	-
<b>Total administered</b>	<b>1,166,013</b>	<b>976,695</b>

1. Appropriation Acts (No.1) 2017-18 and Appropriation Act 2017–18 – ACB were repealed on 1 July 2020.



## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 5.1C: Special appropriations ('recoverable GST exclusive')**

Authority	Type	Purpose	Appropriation applied	
			2021 \$'000	2020 \$'000
<i>Export Finance and Insurance Corporation Act 1991</i> s.54(10), Administered	Unlimited Amount	For the payment by the Commonwealth to EFA of amounts equal to the amount of capital determined by the EFA Board as necessary to overcome the inadequacies, in the moneys or other assets of EFA to meet the expected liabilities, losses or claims against EFA.	-	-
<i>Public Governance, Performance and Accountability Act 2013</i> s77, Administered <sup>1</sup>	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.	1,148	1,861
<i>Special Appropriation – Official Development Assistance Multilateral Replenishment Obligations (Special Appropriation) Act 2020 – s6 official development payments</i> , Administered	Unlimited Amount	To provide an appropriation for the payment of Official Development Assistance Multilateral Replenishment encashment obligations	302,991	-
<b>Total special appropriation applied</b>			<b>304,139</b>	<b>1,861</b>

1. DFAT uses section 77 of the PGPA Act to make refunds of passport and consular fees in certain circumstances, where there is no other specific appropriation available to make the repayment.

2. On 16 June 2020 the *Official Development Assistance Multilateral Replenishments Obligations (Special Appropriation) Act 2020* came into effect. The Act allows funding out of the Consolidated Revenue Fund for expenditure in relation to Australia's official development assistance multilateral replenishment obligations and for related purposes. Previously these expenses were funded from Appropriation Act 1.

DFAT also hold a special appropriation under section 5 *International Fund for Agricultural Development Act 1977*. This appropriation has not been drawn against in both the current and prior year.

Department of Foreign Affairs and Trade  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Special Accounts

Note 5.2A: Special accounts ('recoverable GST exclusive')

	Overseas property special account <sup>1</sup> (Departmental)		Services for Other Entities and Trust Monies (SOETM) – DFAT special account <sup>2</sup> (Administered)		DFAT SOETM Special Account 2019 <sup>3</sup> (Administered)	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance brought forward from previous period	335,360	337,822	-	5,202	5,619	-
Increases	239,187	185,807	-	18,163	11,115	23,554
Total increases	239,187	185,807	-	18,163	11,115	23,554
Available for payments	574,547	523,629	-	23,365	16,734	23,554
Decreases	-	-	-	-	-	-
Administered	(158,284)	(188,269)	-	(23,365)	(11,537)	(17,935)
Departmental	(158,284)	(188,269)	-	-	-	-
Total decreases	(158,284)	(188,269)	-	(23,365)	(11,537)	(17,935)
Total balance carried to the next period	416,263	335,360	-	-	5,197	5,619
Balance represented by:						
Cash held in entity bank accounts	16,801	1,331	-	-	-	-
Cash held in the Official Public Account	399,462	334,029	-	-	5,197	5,619
Total balance carried to the next period	416,263	335,360	-	-	5,197	5,619
EXPO 2020 Dubai <sup>5</sup> (Administered)						
	Consular services special account <sup>4</sup> (Administered)		2021		2020	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000		
Balance brought forward from previous period	37	47	17,514	34,974		
Increases	176	240	4,243	1,044		
Total increases	176	240	4,243	1,044		
Available for payments	213	287	21,757	36,018		
Decreases	-	-	-	-		
Administered	(136)	(250)	(5,026)	(18,504)		
Total decreases	(136)	(250)	(5,026)	(18,504)		
Total balance carried to the next period	77	37	16,731	17,514		
Balance represented by:						
Cash held in entity bank accounts	-	-	5	-		
Cash held in the Official Public Account	77	37	16,726	17,514		
Total balance carried to the next period	77	37	16,731	17,514		

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 5.2A: Special accounts ('recoverable GST exclusive') (continued)**

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78  
Establishing Instrument: PGPA Act Determination (Establishment of Overseas Property Special Account 2017)  
Purpose:
  - a) acquire, lease, construct, manage, operate, repair, maintain, divest, finance, identify or advise on, and undertake any other activities in relation to, the real property of the Commonwealth outside Australia
  - b) repay to an original payer amounts credited to the special account or to the former special account, after any necessary payments made for the purposes mentioned in paragraph (a)
  - c) carry out activities that are incidental to a purpose mentioned in paragraph (a)
  - d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment, including to give effect to the remittance of amounts to the Official Public Account as agreed between the Finance Minister and the responsible minister
  - e) repay amounts where an Act or other law requires or permits the repayment of an amount received.
  
2. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78  
Establishing Instrument: Financial Management and Accountability (Special Accounts) Determination 2009/25  
Purpose:
  - a) disburse amounts held in trust or otherwise for the benefit of a person other than the Commonwealth
  - b) disburse amounts in connection with services performed on behalf of other governments and bodies that are corporate Commonwealth entities under the PGPA Act
  - c) repay amounts where an Act or other law requires or permits the repayment of an amount received
  - d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

This special account was sunsetted on 18 September 2019 and replaced with the below special account from this date.

3. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78  
Establishing Instrument: PGPA Act Determination (DFAT SOETM Special Account 2019)  
Purpose:
  - a) to disburse an amount held on trust or otherwise for the benefit of a person other than the Commonwealth;
  - b) to disburse an amount in connection with services performed for or on behalf of other governments and bodies, including Commonwealth entities;
  - c) to disburse an amount in connection with joint activities performed for, on behalf of, or together with, another Commonwealth entity, Commonwealth company, another government, organisation or person;
  - d) to disburse an amount in connection with an agreement between the Commonwealth and another government;
  - e) to repay an amount where a court order, Act or other law requires or permits the repayment of an amount received; and
  - f) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment.

The SOETM Special Account includes the balance of funds held in trust for overseas governments via delegated co-operation agreements and for private individuals for amounts being transferred back to Australia in accordance with established policy. These amounts are \$4,896,806.25 and \$2,430.78 respectively and have, therefore, been excluded from presentation in the Administered Financial Statements.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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#### Note 5.2A: Special accounts ('recoverable GST exclusive') (continued)

4. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78  
Establishing Instrument: PGPA Act (Consular Services Special Account 2015 – Establishment) Determination 2015/05  
Purpose:
- a) providing assistance to Australian citizens and permanent residents overseas:
    - i. in circumstances of urgency
    - ii. when commercial money transfer services are unavailable or inappropriate
  - b) to repay to an original payer amounts credited to the Special Account and residual after any necessary payments have been made under paragraph (a)
  - c) activities that are incidental to a purpose mentioned in paragraphs (a) or (b)
  - d) to reduce the balance of the Special Account (and, therefore, the available appropriation for that Account) without making a real or notional payment
  - e) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

The entire balance of the Consular Special Account is held in trust.

5. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78  
Establishing Instrument: PGPA Act Determination (Expo 2020 Dubai Special Account).  
Purpose:
- a) to undertake activities in relation to the Commonwealth's participation at Expo 2020, including, but not limited to:
    - i. acquiring, leasing, hiring, constructing, managing, operating, repairing, maintaining, identifying or advising on assets;
    - ii. costs related to staff and contractors to carry out activities listed in clause (a)i above; and,
    - iii. activities that are incidental to those listed in clause (a)i above.
  - b) to disburse an amount in connection with an agreement between the Commonwealth and another government in relation to the Expo 2020;
  - c) to repay an amount where an Act, other law, or court order requires or permits the repayment of an amount credited to the special account;
  - d) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>Note 5.2B: Assets held in trust</u></b>		
As at 1 July	4,981	3,439
Receipts	11,535	24,436
Payments	(11,540)	(22,894)
<b>Total as at 30 June</b>	<b>4,976</b>	<b>4,981</b>
<b>Total assets held in trust</b>	<b>4,976</b>	<b>4,981</b>

**Accounting policy**

All trust funds are held as cash within special accounts in OPA for the benefit of third parties. The SOETM Special Account includes the balance of funds held in trust for overseas governments via delegated co-operation agreements and for private individuals for amounts being transferred back to Australia in accordance with established policy. Consular trust funds are held to provide assistance to Australian citizens and permanent residents overseas in circumstances of urgency, or when commercial money transfer services are unavailable or inappropriate.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**6. People and Relationships**

**6.1 Employee Provisions**

	2021 \$'000	2020 \$'000
<b>Note 6.1A: Employee provisions</b>		
Leave	202,516	204,795
Separations and redundancies	21,940	22,511
Superannuation	17,759	17,716
Other employee provisions	29,273	33,719
<b>Total employee provisions</b>	<b>271,488</b>	<b>278,741</b>

**Accounting policy**

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefit liabilities are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

*Leave*

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including DFAT's employer superannuation contribution rates and other employment on-costs, to the extent that the leave is likely to be taken during service rather than paid out on separation.

The liability for long service leave has been determined with reference to the work of an actuary as at 31 October 2019. The estimate of the present value of the liability takes into account attrition rates, pay increases through promotion and inflation. DFAT engages an actuary every three years unless it is assessed that there is a material movement in DFAT's staff profile.

*Separation and Redundancy*

In some countries, locally engaged staff employed by DFAT at overseas posts are entitled to separation benefits under local labour laws. DFAT provides for these separation benefits, and they have been classified as an employee benefit.

DFAT recognises a provision for redundancy when a decision by management has been made and affected employees have been informed that DFAT will carry out those terminations of employment.

*Superannuation*

The Australian-based staff of DFAT are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the Public Sector Superannuation accumulation plan (PSSap), or other superannuation schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and the other superannuation schemes are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

DFAT makes employer contributions to the employee superannuation schemes at rates determined by the Government. For defined benefit scheme employer contribution rates are determined by an actuary to be sufficient to meet the current cost to the Government. DFAT accounts for these as if they were contributions to defined contributions plans.

Where required, DFAT makes superannuation contributions for locally engaged staff overseas to comply with local labour laws. Australian based staff who are engaged on a temporary basis and locally engaged staff overseas who are considered to be Australian residents for taxation purposes have compulsory employer superannuation contributions made on their behalf by DFAT.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>Note 6.1B: Administered employee provisions</u></b>		
Leave	5,581	5,686
Superannuation	429	428
Separations and redundancies	4,696	4,947
Defined benefit pension schemes	70,804	82,653
<b>Total administered employee provisions</b>	<b>81,510</b>	<b>93,714</b>

**Accounting Policy**

DFAT administers defined benefit pension schemes for some locally engaged staff in Washington, Ottawa, London, Port Louis and New Delhi on behalf of the Australian Government. DFAT recognises an administered liability for the present values of the Government's expected future payments arising from the unfunded components of the Washington, Ottawa, London and Port Louis Pension Schemes and the New Delhi Gratuity Scheme.

Increases in the accrued benefits liability, pursuant to regular estimates of the liability taking account of actuarial reviews, are recognised as an expense and classified as employee superannuation expense. Re-measurement of the net defined benefit obligation is recognised in other comprehensive income as outlined in AASB 119 *Employee Benefits*. DFAT engages actuaries to estimate the unfunded provisions and expected future cash flows as at the end of the reporting period each year. More details on the defined benefit pension schemes are included in Note 7.6: Administered – Defined Benefit Pension Schemes.

## Department of Foreign Affairs and Trade NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 6.2 Key Management Personnel Remuneration

DFAT's key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the department. DFAT has determined the key management personnel to be the Portfolio and Assisting Ministers, the Secretary, Deputy Secretaries, Chief People Officer, Chief Performance and Risk Officer and Chief Finance Officer. Key management personnel remuneration is reported in the table below:

	2021 \$'000	2020 \$'000
Short-term employee benefits	3,740	3,804
Post-employment benefits	627	622
Other long-term employee benefits	94	154
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>4,461</b>	<b>4,580</b>

The total number of key management personnel that are included in the above table are 13 (2020: 12), however the total number of positions defined as key management personnel remains the same at 10.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Ministers. The Portfolio Ministers remuneration and other benefits are set by the Remuneration Tribunal and are not paid by DFAT.

### 6.3 Related Party Disclosures

#### Related party relationships

DFAT is an Australian Government controlled entity. DFAT's related parties are key management personnel including the DFAT Portfolio and Assisting Ministers, and other Australian Government entities.

#### Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Transactions with related parties of DFAT have occurred within normal customer or supplier relationships on terms and conditions no more favourable than those which it is reasonable to expect DFAT would have entered into on an arm's-length basis. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by DFAT, it has been determined that there are no related party transactions (2020: nil) to be separately disclosed.



## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 7. Managing Uncertainties

##### 7.1 Contingent Assets and Liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are disclosed when the probability of settlement is greater than remote.

##### Note 7.1A: Contingent assets and liabilities

	Guarantees		Claims for damages or costs		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Contingent liabilities</b>						
Balance from previous period	710	709	470	1,905	1,180	2,614
New contingent liabilities recognised	454	-	-	-	454	-
Re-measurement	(4)	1	-	32	(4)	33
Obligations expired	-	-	(470)	(1,467)	(470)	(1,467)
<b>Total contingent liabilities</b>	<b>1,160</b>	<b>710</b>	<b>-</b>	<b>470</b>	<b>1,160</b>	<b>1,180</b>
<b>Net contingent (liabilities)</b>	<b>(1,160)</b>	<b>(710)</b>	<b>-</b>	<b>(470)</b>	<b>(1,160)</b>	<b>(1,180)</b>

##### Quantifiable Contingencies

The above table reports contingent liabilities in respect of claims for damages / costs of \$nil (2020: \$0.470m). This amount represents an estimate of DFAT's liability based on precedent cases and on advice from DFAT's external legal service providers. The department is defending the claims.

The above table also reports contingent liabilities in respect of financial guarantees made by the department of \$1.160m (2020: \$0.710m)

##### Unquantifiable Contingencies

At 30 June 2021, DFAT was involved in a number of litigation matters for alleged losses suffered by claimants. DFAT is defending these claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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#### **Note 7.1B: Administered – contingent assets and liabilities**

DFAT has no administered contingent assets or liabilities (2020: nil).

#### **Quantifiable Administered Contingencies**

There are no quantifiable administered contingencies disclosed in the Administered Schedule of Assets and Liabilities (2020: nil).

#### **Unquantifiable Administered Contingencies**

At 30 June 2021, DFAT was involved in a number of matters relating to the recovery of funds. It is not possible to estimate the amounts of any eventual recoveries that may be received in relation to these matters. There are no unquantifiable administered liabilities.

#### **Significant Remote Administered Contingencies**

Under section 62 of the EFIC Act, the Australian Government guarantees EFA's creditors the due payment of all monies payable, or that may at any time become payable, by EFA on the Commercial Account and has a \$1.2B (2019: \$1.2B) callable capital facility available for this purpose. This guarantee has never been exercised.

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****7.2 Fair Value Measurements**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

**Accounting policy**

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from their fair value. DFAT's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use. DFAT's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

*Buildings and Leasehold Improvements - Replacement Cost of New Assets and Contracted Prices*

DFAT also controls assets situated in locations where construction cost evidence is limited. In determining the replacement cost for new assets measured using the depreciated replacement cost approach, reference has been made to the available building cost information. The valuer has used significant professional judgement in determining the fair value measurements of these assets.

*Leasehold improvements - Physical depreciation and obsolescence*

Assets that are not transacted with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach, the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

*Land and Buildings - Adjusted Market Transactions, Estimated Market Rental Values and Capitalisation Rates*

DFAT also controls assets situated in locations where property markets experience relatively few transactions. In determining fair value of these assets, reference has been made to available sales evidence together with other relevant information related to local economic conditions and property market conditions. The valuer has used significant professional judgement in determining the fair value measurements of these assets.

*Investment in the EFA Commercial Account and Tourism Australia*

DFAT has determined that the reported net asset values represent fair value at the end of the reporting period.

*Financial Liabilities at Fair Value Through Profit or Loss*

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

*Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

## Department of Foreign Affairs and Trade NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 7.2A: Fair value measurements, valuation techniques and inputs used

	2021 \$'000	2020 \$'000	Category (Level 1, 2 or 3)	Valuation Technique	Inputs Used
<b>Non-financial assets:</b>					
Land	969,176	1,082,222	2	Market approach	AMT
Land	889,690	906,842	3	Market approach	AMT, SPJ
Buildings	240,546	181,560	2	Market approach	AMT
Buildings	15,507	9,672	3	Market approach	AMT, SPJ
Buildings	287,896	301,890	2	Income approach	MRT, CR
Buildings	16,160	17,600	3	Income approach	MRT, CR, SPJ
Buildings	740,845	819,349	3	Cost approach	RCN, CEB
Leasehold Improvements	253,210	324,825	3	Cost approach	RCN, CEB
Plant and Equipment	185,839	199,152	2	Market approach	AMT
Plant and Equipment	19	831	3	Market approach	AMT, SPJ
Plant and Equipment	55,110	76,620	3	Cost approach	RCN, CEB
Assets held for sale – land	19,092	9,346	2	Market approach	AMT
Assets held for sale – building	-	3,082	2	Market approach	AMT
<b>Total non-financial assets</b>	<b>3,673,090</b>	<b>3,932,991</b>			
<b>Total fair value measurement of assets in the statement of financial position</b>					
	<b>3,673,090</b>	<b>3,932,991</b>			

#### **Valuation Techniques:**

**Market Approach:** This approach seeks to estimate the current value of an asset with reference to recent market transactions involving identical or comparable assets.

**Income Approach:** Converts future amounts (cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

**Cost Approach:** The amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for physical depreciation and obsolescence.

#### **Inputs Used:**

**Adjusted Market Transactions (AMT):** Market transactions of comparable assets, adjusted to reflect differences in price sensitive characteristics.

**Significant Professional Judgement (SPJ):** Significant professional adjustments, made by the independent valuer, to the available market transactions to reconcile the valuation.

**Market Rental Transactions (MRT):** Market rental transactions of comparable assets, adjusted to reflect differences in price.

**Capitalisation Rate (CR):** Capitalisation rates as represented by the income produced by an investment property, expressed as a percentage of the assets value.

**Replacement Cost of New Assets (RCN):** The amount a market participant would pay to acquire or construct a new substitute asset of comparable utility.

**Consumed Economic Benefits (CEB):** Obsolescence of assets, physical deterioration, functional or technical obsolescence and conditions of the economic environment specific to the asset.

The COVID-19 pandemic has had varied financial impacts on markets in which DFAT controls property, plant and equipment which has led to some uncertainty over values at year end. The external independent valuer has taken into account the impact of COVID-19 on the valuation inputs by using the best available market data, noting that in some cases the markets have experienced limited observable inputs.

DFAT reclassified one land asset in 2021 valued at \$19.092m (2020: \$13.015m) to assets held for sale. The land was measured at fair value less cost to sell at 30 June.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 7.2B: Reconciliation for recurring level 3 fair value measurements**

	Non-Financial assets - 2021				
	Land \$'000	Buildings \$'000	Leasehold improve- ments \$'000	Plant and equipment \$'000	Total \$'000
<b>Opening balance - 1 July 2020</b>	<b>906,842</b>	<b>846,621</b>	<b>324,825</b>	<b>77,451</b>	<b>2,155,739</b>
Total gains / (losses) recognised in other comprehensive income <sup>1</sup>	(68,167)	(89,077)	(62,512)	(20,527)	(240,283)
Reclassifications	-	-	1,398	-	1,398
Purchases	138	2,238	17,601	49	20,026
Disposals	(414)	(215)	(28,102)	(1,844)	(30,575)
Transfers into Level 3 <sup>2</sup>	83,624	12,945	-	-	96,569
Transfers out of Level 3 <sup>3</sup>	(32,333)	-	-	-	(32,333)
<b>Closing balance - 30 June 2021</b>	<b>889,690</b>	<b>772,512</b>	<b>253,210</b>	<b>55,129</b>	<b>1,970,541</b>

	Non-Financial assets - 2020				
	Land \$'000	Buildings \$'000	Leasehold improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Opening balance - 1 July 2019	489,708	574,322	200,162	100,855	1,365,047
Total gains / (losses) recognised in other comprehensive income <sup>1</sup>	(14,918)	(3,796)	49,490	(23,785)	6,991
Purchases	-	6,557	75,591	1,074	83,222
Disposals	-	-	(418)	(693)	(1,111)
Transfers into Level 3 <sup>2</sup>	432,052	269,538	-	-	701,590
Transfers out of Level 3 <sup>3</sup>	-	-	-	-	-
<b>Closing balance - 30 June 2020</b>	<b>906,842</b>	<b>846,621</b>	<b>324,825</b>	<b>77,451</b>	<b>2,155,739</b>

1. These gains / (losses) are presented in the Statement of Comprehensive Income under Depreciation and Amortisation, Write-down and Impairment of Assets, and change resulting from asset revaluation.
2. There have been transfers of land and buildings assets into Level 3 due to a combination of, limited market transactions, use of significant professional judgement, or a change in the valuation technique from the market approach to depreciated replacement cost approach.
3. There have been transfers of land out of Level 3 due to a combination of, the identification of market transactions, or a change in the valuation technique from the depreciated replacement cost approach to the market approach.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**7.3 Financial Instruments**

		2021 \$'000	2020 \$'000
<b>Note 7.3A: Categories of financial instruments</b>			
<b>Financial assets</b>	<b>Notes</b>		
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	3.1A	503,640	428,027
Goods and services receivables (gross)	3.1B	69,657	96,898
Cash held by outsiders	3.1B	126	168
<b>Total financial assets at amortised cost</b>		<b>573,423</b>	<b>525,093</b>
<b>Total financial assets</b>		<b>573,423</b>	<b>525,093</b>
<b>Financial liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Trade creditors and accruals	3.3A	118,230	79,152
<b>Total financial liabilities measured at amortised cost</b>		<b>118,230</b>	<b>79,152</b>
<b>Total financial liabilities</b>		<b>118,230</b>	<b>79,152</b>

**Accounting policy**

Accounting policies for financial assets can be found in Note 3.1: Financial Assets. Accounting policies for financial liabilities can be found in Note 3.3: Payables.

**Note 7.3B: Net gains or losses on financial assets**

<b>Financial assets at amortised cost</b>		
Foreign exchange (losses)	(10,410)	(11,448)
Movement in impairment loss allowance	115	(195)
<b>Net (losses) on financial assets at amortised cost</b>	<b>(10,295)</b>	<b>(11,643)</b>
<b>Net (losses) on financial assets</b>	<b>(10,295)</b>	<b>(11,643)</b>

**Note 7.3C: Net gains or losses on financial liabilities**

<b>Financial liabilities measured at amortised cost</b>		
Foreign exchange gains	36,335	1,986
<b>Net gains on financial liabilities measured at amortised cost</b>	<b>36,335</b>	<b>1,986</b>
<b>Net gains on financial liabilities</b>	<b>36,335</b>	<b>1,986</b>

## Department of Foreign Affairs and Trade NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 7.4 Administered – Fair Value Measurements

The following tables provide an analysis of administered assets and liabilities measured at fair value. The remaining assets and liabilities disclosed in the Schedule of Administered Assets and Liabilities do not apply the fair value hierarchy. See Note 7.2: Fair Value Measurements for an overview of the different levels of the fair value hierarchy and techniques and inputs used to determine fair value.

#### Note 7.4A: Fair value measurements, valuation techniques and inputs used

	Fair value measurements at the end of the reporting period using			For Levels 2 and 3 fair value measurements	
	2021 \$'000	2020 \$'000	Level (1, 2 or 3)	Valuation technique(s) <sup>1</sup>	Inputs used <sup>2</sup>
<b>Financial assets:</b>					
Other investments:					
Non-monetary IDA and ADF subscriptions at FVOCI	2,560,275	2,556,415	3	Discounted cash flow method	A discounted rate range using the “build up” method based on the following components: risk free rate (20 year US government bond rate), currency risk premium, sovereign risk premium and liquidity risk premium to discount the expected loan principal repayments of the loan portfolio of IDA and ADF.
Investment in EFA's Commercial Account	542,792	537,045	3	Net asset position	Statement of financial position of EFA's Commercial Account.
Tourism Australia EMIIF	53,010 6,704	62,247 -	3 3	Net asset position Net asset position	Statement of financial position of Tourism Australia. Statement of financial position of EMIIF.
<b>Total financial assets</b>	<b>3,162,781</b>	<b>3,155,707</b>			
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>			
<b>Total fair value measurements of assets in the administered schedule of assets and liabilities</b>	<b>3,162,781</b>	<b>3,155,707</b>			

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.4A: Fair value measurements, valuation techniques and inputs used (continued)

	Fair value measurements at the end of the reporting period using		Level (1, 2 or 3)	Valuation technique(s) <sup>1</sup>	For Levels 2 and 3 fair value measurements Inputs used <sup>2</sup>
	2021 \$'000	2020 \$'000			
<b>Financial liabilities:</b>					
Multilateral grants	1,258,362	1,058,130	3	Discounted cash flow method	A discounted rate range and a 10 year government bond rate is used to discount the expected payment schedules of each loan agreement.
Multilateral contributions payable	582,234	662,142	3	Discounted cash flow method	A 10 year Australian government bond rate and a discounted rate range (comprising a risk free rate (20 year US government bond rate), and currency, sovereign and liquidity risk premium) is used to discount the expected payment schedules of each loan agreement.
<b>Total financial liabilities</b>	<b>1,840,596</b>	<b>1,720,272</b>			
<b>Total fair value measurements of liabilities in the administered schedule of assets and liabilities</b>	<b>1,840,596</b>	<b>1,720,272</b>			

There have been no transfers between levels during the year (2020: nil). DFAT's policy for determining when transfers between levels are deemed to have occurred can be found in Note 7.2: Fair Value Measurements.

**Fair value measurements – highest and best use differs from current use for non-financial assets**

DFAT's Administered assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

1. There have been no changes to valuation techniques used.
2. There were no significant inter-relationships between unobservable inputs that materially affect fair value.

The future economic benefits of DFAT's assets are not primarily dependent on their ability to generate cash flows. The determination of fair value and the use of observable and unobservable data is disclosed as part of Note 4.1C: Investments.



## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 7.4B: Reconciliation for recurring level 3 fair value measurements****Recurring Level 3 fair value measurements - reconciliation for assets**

	Financial assets	
	Investments	Total
	2021 \$'000	2021 \$'000
<b>Opening balance – 1 July 2020</b>	<b>3,155,707</b>	<b>3,155,707</b>
Total gains recognised in other comprehensive income <sup>1</sup>	370	370
<b>Closing balance – 30 June 2021</b>	<b>3,156,077</b>	<b>3,156,077</b>
Changes in unrealised gains / (losses) recognised in net cost of services for assets held at the end of the reporting period <sup>2</sup>	-	-
	Financial assets	
	Investments	Total
	2020 \$'000	2020 \$'000
Opening balance – 1 July 2019	3,006,238	3,006,238
Total gains recognised in other comprehensive income <sup>1</sup>	149,469	149,469
Closing balance – 30 June 2020	3,155,707	3,155,707

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.4B: Reconciliation for recurring level 3 fair value measurements (continued)

**Recurring Level 3 fair value measurements - reconciliation for liabilities**

	Financial Liabilities		
	Multilateral grants 2021 \$'000	Multilateral contributions payable 2021 \$'000	Total 2021 \$'000
<b>Opening balance – 1 July 2020</b>	1,058,130	664,311	1,722,441
Total gains / (losses) recognised in net cost of services <sup>3</sup>	425,411	(4,266)	421,145
Settlements	(225,179)	(77,811)	(302,990)
<b>Closing balance – 30 June 2021</b>	1,258,362	582,234	1,840,596
Changes in unrealised gains / (losses) recognised in net cost of services for assets held at the end of the reporting period <sup>2</sup>	-	-	-

	Financial Liabilities		
	Multilateral grants 2020 \$'000	Multilateral contributions payable 2020 \$'000	Total 2020 \$'000
<b>Opening balance – 1 July 2019</b>	930,179	494,521	1,424,700
Total gains recognised in net cost of services <sup>3</sup>	253,217	338,770	591,987
Settlements	(125,266)	(168,980)	(294,246)
<b>Closing balance – 30 June 2020</b>	1,058,130	664,311	1,722,441
Changes in unrealised gains / (losses) recognised in net cost of services for assets held at the end of the reporting period <sup>2</sup>	-	-	-

1. These gains / (losses) are represented in the Administered Schedule of Comprehensive Income.
2. There are no unrealised gains (losses) for level 3 assets and liabilities in the Administered Schedule of Comprehensive Income as at both 30 June 2021 and 30 June 2020.
3. These gains / (losses) are represented in the Administered Schedule of Comprehensive Income and in Note 2.1B: Multilateral replenishments and other loans.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**7.5 Administered – Financial Instruments**

	Notes	2021 \$'000	2020 \$'000
<b>Note 7.5A: Categories of financial instruments</b>			
<b>Financial assets</b>			
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	4.1A	25,615	23,138
Receivables (gross)	4.1B	2,612	1,994
Concessional loan receivable	4.1B	165,840	162,337
Net position of EFA – NIA	4.1B	40,101	12,749
Traveller Emergency Loans	4.1B	9,486	2,495
<b>Total financial assets at amortised cost</b>		<b>243,654</b>	<b>202,713</b>
<b>Financial assets at fair value through other comprehensive income (FVOCI)</b>			
Non-monetary equity instrument	4.1C	2,560,275	2,556,415
EFA – Commercial Account	4.1C	542,792	537,045
Tourism Australia	4.1C	53,010	62,247
Emerging market impact investment fund	4.1C	6,704	-
<b>Total financial assets at fair value through other comprehensive income</b>		<b>3,162,781</b>	<b>3,155,707</b>
<b>Total financial assets</b>		<b>3,406,435</b>	<b>3,358,420</b>
<b>Financial Liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
International development assistance	4.3B	212,602	144,402
Other payables	4.3B	12,498	-
<b>Total financial liabilities measured at amortised cost</b>		<b>225,100</b>	<b>144,402</b>
<b>Financial liabilities at fair value through profit or loss</b>			
Multilateral grants payable	4.3A	1,258,362	1,058,130
Multilateral contributions payable	4.3B	582,234	664,311
<b>Total financial liabilities at fair value through profit or loss</b>		<b>1,840,596</b>	<b>1,722,441</b>
<b>Total financial liabilities</b>		<b>2,065,696</b>	<b>1,866,843</b>

The carrying value of DFAT's administered assets and liabilities has also been assessed as the fair value of these assets and liabilities. The process for determining fair value is regularly reviewed.

The table at Note 7.4A: Fair value measurements, valuation techniques and inputs used provides an analysis of financial instruments that are measured at fair value, by valuation method.

Department of Foreign Affairs and Trade

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2021 \$'000	2020 \$'000
<b>Note 7.5B: Net gains or losses on financial assets</b>			
<b>Financial assets at amortised cost</b>			
Interest revenue		13,971	13,310
Impairment	4.1B	(2,186)	(281)
Write-off		(1,695)	(146)
Remeasurements of multilateral subscriptions		3,860	108,300
Dividend revenue	2.2C	5,596	13,425
Competitive neutrality revenue	2.2C	7,244	13,934
Gains recognised in profit or loss for reversal of impairment	4.1B	19	1
<b>Net gain on financial assets at amortised cost</b>		<b>26,809</b>	<b>148,543</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Revaluation losses / gains recognised in equity		(3,490)	39,001
<b>Net gain on financial assets at fair value through other comprehensive income</b>		<b>(3,490)</b>	<b>39,001</b>
<b>Net gain on financial assets</b>		<b>23,319</b>	<b>187,544</b>
<b>Note 7.5C: Net income and expense from financial liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Foreign exchange gains / (losses)		4,184	(569)
<b>Net gain on financial liabilities measured at amortised cost</b>		<b>4,184</b>	<b>(569)</b>
<b>Financial liabilities at fair value through profit or loss</b>			
Gains / (losses) on remeasuring at fair value through profit or loss		9,621	(341,228)
<b>Net (loss) on financial liabilities at fair value through profit or loss</b>		<b>9,621</b>	<b>(341,228)</b>
<b>Net (loss) on financial liabilities</b>		<b>13,805</b>	<b>(341,797)</b>

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 7.5D: Credit risk

##### Recognised in the DFAT Administered Accounts

DFAT's senior executive has endorsed policies and procedures for debt management (including the provision of credit terms) to reduce the incidence of credit risk. Collateral is not required on any loan.

Credit risk is the possibility that a debtor will not repay all or a portion of a loan or will not repay in a timely manner and will therefore cause a loss to DFAT. DFAT has exposure to concentrations of credit risk with regard to the 'loan receivable' and the 'non-monetary equity instrument'. The maximum exposure DFAT has to credit risk at reporting date in relation to each class of recognised financial assets is presented in the following table excluding any collateral or credit enhancements.

DFAT has assessed the risk of default on payment and has allocated \$4,869m (2020: \$2,702m) to an impairment allowance for doubtful debts account. DFAT has no collateral to mitigate against credit risk.

##### Maximum exposure to credit risk (excluding any collateral or credit enhancements)

##### Credit quality of financial instruments not best representing maximum exposure to credit risk

Amortised cost

Fair value through other comprehensive income

**Total credit quality of financial instruments not best representing maximum exposure to credit risk**

##### Credit quality of financial liabilities not best representing maximum exposure to credit risk

Amortised cost

Through profit or loss

**Total credit quality of financial liabilities not best representing maximum exposure to credit risk**

##### Credit quality of financial assets not past due or individually determined as impaired

	Not past due or impaired 2021 \$'000	Not past due or impaired 2020 \$'000	Past due or impaired 2021 \$'000	Past due or impaired 2020 \$'000
Loans and receivables	208,292	185,822	5,453	1,292
Fair value through other comprehensive income	3,162,781	3,155,707	-	-
<b>Total</b>	<b>3,371,073</b>	<b>3,341,529</b>	<b>5,453</b>	<b>1,292</b>

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 7.5E: Liquidity risk

The continued existence of DFAT in its present form and with its present programs is dependent on government policy and on continuing appropriations by Parliament for DFAT's administration and programs. The probability of the Government encountering difficulties meeting its administered financial obligations is less than remote.

#### Maturities for non-derivative financial liabilities 2021

	On demand \$'000	Within 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities measured at amortised cost	-	225,100	-	-	-	225,100
Financial liabilities at fair value through profit or loss	-	288,103	300,524	912,081	339,888	1,840,596
<b>Total</b>	-	513,203	300,524	912,081	339,888	2,065,696

#### Maturities for non-derivative financial liabilities 2020

	On demand \$'000	Within 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities measured at amortised cost	-	144,402	-	-	-	144,402
Financial liabilities at fair value through profit or loss	-	274,461	284,312	728,036	435,632	1,722,441
<b>Total</b>	-	418,863	284,312	728,036	435,632	1,866,843

DFAT had no derivative financial liabilities in both the current and prior financial year.

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 7.5F: Market risk**

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk, either alone or in combination: interest rate risk, sovereign risk and liquidity risk (for the purposes of discounting the future value of the non-monetary equity instrument); currency risk (for the purposes of converting to Australian dollars the discounted United States dollar value of the non-monetary equity instrument); and the 10-year government bond rate for the purposes of discounting future liabilities relating to multilateral loan and grant commitments. The following sensitivity analysis discloses the effect that a reasonable possible change in each risk variable, either alone, or in total, would have on DFAT's administered income and expenses.

The following table illustrates the effect on DFAT's administered net income less expenses and equity as at 30 June 2021 from 7.89% (2020: 8.41%) increase or decrease against the AUD in the currencies in which the financial instruments were administered by DFAT with all other variables held constant.

**Sensitivity analysis of the risk that the entity is exposed to for 2021**

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	\$/USD	+ 7.89%	(187,376)	(187,376)
Currency risk	\$/USD	- 7.89%	219,103	219,103
Interest rate risk	Discount rates	+ 0.74%	(98,583)	(98,583)
Interest rate risk	Discount rates	- 0.74%	122,079	122,079

**Sensitivity analysis of the risk that the entity is exposed to for 2020**

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	\$/USD	+ 8.41%	(198,366)	(198,366)
Currency risk	\$/USD	- 8.41%	234,540	234,540
Interest rate risk	Discount rates	+ 0.09%	(9,431)	(9,431)
Interest rate risk	Discount rates	- 0.09%	16,659	16,659

All other items are denominated in AUD and are not subject to market risk due to exchange fluctuations.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.6 Administered - Defined Benefit Pension Schemes**

	2021 \$'000	2020 \$'000
<i>The amounts recognised in the Administered Schedule of Assets and Liabilities are as follows:</i>		
Present value of funded obligations	64,460	63,070
Fair value of plan assets	(45,202)	(41,092)
	<u>19,258</u>	<u>21,978</u>
Present value of unfunded obligations	51,546	60,675
Net liability in schedule of administered assets and liabilities	<u>70,804</u>	<u>82,653</u>
<i>Movements in the net liability recognised in the Administered Schedule of Assets and Liabilities as follows:</i>		
Net liability at the start of the year	82,653	77,613
Exchange differences on foreign plans	(4,148)	622
Net expense recognised in the Administered Schedule of Comprehensive Income	2,320	3,089
Net actuarial (gains) / losses	(5,508)	6,696
Contributions by employers	(4,513)	(5,367)
Net liability at the end of the year	<u>70,804</u>	<u>82,653</u>
<i>Reconciliation of opening and closing balance of the defined benefit obligation:</i>		
Opening liability	123,745	117,974
Exchange differences on foreign plans	(3,275)	104
Service cost	658	771
Interest cost	2,480	3,371
Contributions by plan participants (funded schemes)	-	18
Actuarial (gains) due to experience	(1,261)	(14)
Actuarial (gains) / losses due to changes in financial assumptions	(688)	7,469
Actuarial (gains) due to changes in demographic assumptions	(767)	(698)
Benefits paid	(4,886)	(5,250)
Closing liability	<u>116,006</u>	<u>123,745</u>
<i>Reconciliation of opening and closing balance of the fair value of plan assets:</i>		
Opening assets	41,092	40,361
Exchange differences on foreign plans	872	(518)
Expected return on plan assets	817	1,053
Contributions by plan participants (funded schemes)	-	18
Contributions by employer	1,512	2,143
Actuarial gains	2,794	61
Benefits paid	(1,885)	(2,026)
Closing liability	<u>45,202</u>	<u>41,092</u>



## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**7.6 Administered - Defined Benefit Pension Schemes (continued)**

	2021 \$'000	2020 \$'000
<i>The amounts recognised in the Administered Schedule of Comprehensive Income are as follows:</i>		
Current service cost	658	771
Net interest on net defined benefit liability	1,662	2,318
Total included 'employee benefit expense account'	2,320	3,089
<i>Amounts recognised directly in administered equity</i>		
<b>Financial year ended</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Actuarial gains / (losses)	5,508	(6,696)
<i>Cumulative amounts of losses recognised in administered equity</i>		
<b>Financial year ended</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Actuarial losses	(44,147)	(49,655)
<i>Pension Scheme Assets</i>		
<i>The fair value of scheme assets is represented by:</i>		
<b>Financial year ended</b>	<b>2021</b>	<b>2020</b>
Cash	0.0%	0.8%
Insured Pensioner	1.6%	1.7%
Investment in LIC India	4.7%	5.3%
Diversified Growth Fund	79.0%	74.9%
Liability Driven Investments	13.7%	16.0%
Deposit Administration Policy	1.1%	1.3%
<i>Fair Value of pension scheme assets</i>		
The fair value of scheme assets does not include amounts relating to:		
- any of DFAT's (and the Australian Government's) own financial instruments, and		
- any property occupied by, or other assets used by DFAT (or the Australian Government).		
<i>Principal actuarial assumptions at the reporting date (expressed as weighted averages):</i>		
<b>Financial year ended</b>	<b>2021</b>	<b>2020</b>
Discount rate at 30 June	2.33%	2.09%
Expected return on assets at 30 June		
Salary growth	2.86%	2.60%
Price inflation	3.05%	2.81%
Pension growth	2.89%	2.66%

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.6 Administered - Defined Benefit Pension Schemes (continued)**

*Historical Information*

Financial year ended	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Present value of defined benefit obligations	(116,006)	(123,745)	(117,974)	(107,375)	(110,624)
Fair value of scheme assets	45,202	41,092	40,361	37,767	37,221
Deficit in the scheme	(70,805)	(82,653)	(77,613)	(69,608)	(73,403)
Actuarial gains / (losses) - net liabilities	5,508	(6,696)	(5,309)	6,414	2,991
Effect of exchange rate gains / (losses)	4,148	(622)	(3,126)	(2,966)	3,213

*Expected Employer Contributions*

Financial year ended	2022 \$'000	2021 \$'000
Expected employer contributions	4,637	4,747

*Scheme information*

DFAT administers on behalf of the Australian Government, defined benefit pension schemes for locally engaged staff across a number of agencies at posts in London, Port Louis and New Delhi, and also Ottawa and Washington (the North American Pension Scheme). Port Louis and New Delhi are still open to new employees. All schemes, with the exception of the New Delhi Gratuity Scheme, provide pensions that are linked to final salaries. Figures disclosed are based on formal actuarial reviews that are generally conducted triennially and reviewed and updated by the actuary on an annual basis. The liabilities are not offset by assets held within the relevant schemes with the exception of London, New Delhi and Mauritius which are partially offset. Contributions for the North American Scheme are made to the Consolidated Revenue Fund, which will provide funding for the benefits payable under the scheme.

*Weighted average maturity profile of defined benefit obligation*

Financial year ended	2021	2020
Weighted average duration of defined benefit obligation (years)	14.15	13.83

*Sensitivity to assumptions*

DFAT's defined benefit obligation at the reporting date has been determined using actuarial calculations that require assumptions about future events. The estimated sensitivity of the defined benefit obligation to each significant assumption shown below has been determined at an individual scheme level if each assumption were changed in isolation. In practice, the schemes are subject to multiple externally experienced items which may vary the defined benefit obligation over time. The methods and assumptions used in preparing these sensitivity results remain consistent with those used in previous reporting periods.

The estimated effects of variations in the principal actuarial assumptions on DFAT's defined benefit obligation at the reporting date are as follows:

*Increase / (decrease) in defined benefit obligation*

Financial year ended	2021 \$'000	2020 \$'000
Discount rate		
Increase of 0.5%	(8,080)	(8,629)
Decrease of 0.5%	8,371	9,008
Future salary increases		
Increase of 0.5%	570	579
Decrease of 0.5%	(549)	(556)
Future inflation increases		
Increase of 0.5%	7,747	8,495
Decrease of 0.5%	(7,528)	(8,215)

## Department of Foreign Affairs and Trade

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 8. Other Information

## 8.1 Current/Non-Current Distinction For Assets and Liabilities

	2021 \$'000	2020 \$'000
<b>Note 8.1A: Current / non-current distinction for assets and liabilities</b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	503,640	428,027
Trade and other receivables	540,341	363,016
Inventories	18,976	18,163
Assets held for sale	19,092	12,428
Prepayments	42,567	63,973
<b>Total no more than 12 months</b>	<b>1,124,616</b>	<b>885,607</b>
<b>More than 12 months</b>		
Trade and other receivables	26,924	28,828
Land	1,858,866	1,989,064
Buildings	2,626,181	2,834,777
Plant and equipment	241,327	278,516
Computer software	139,090	145,689
Inventories	33,910	24,267
Prepayments	1,268	5,332
<b>Total more than 12 months</b>	<b>4,927,566</b>	<b>5,306,473</b>
<b>Total assets</b>	<b>6,052,182</b>	<b>6,192,080</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	122,030	89,843
Other payables	59,530	58,016
Employee provisions	95,344	96,299
Provision for restoration	5,593	4,252
Leases	126,355	135,861
<b>Total no more than 12 months</b>	<b>408,852</b>	<b>384,271</b>
<b>More than 12 months</b>		
Other payables	5,137	4,427
Employee provisions	176,144	182,442
Provision for restoration	33,056	25,276
Leases	960,121	1,030,186
<b>Total more than 12 months</b>	<b>1,174,458</b>	<b>1,242,331</b>
<b>Total liabilities</b>	<b>1,583,310</b>	<b>1,626,602</b>

Department of Foreign Affairs and Trade

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2021 \$'000	2020 \$'000
<b>Note 8.1B: Administered – current / non-current distinction for assets and liabilities</b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	25,615	23,138
Receivables and loans	63,780	40,285
<b>Total no more than 12 months</b>	<b>89,395</b>	<b>63,423</b>
<b>More than 12 months</b>		
Receivables and loans	173,049	164,120
Computer software internally developed	717	2,230
Investments	3,162,781	3,155,707
<b>Total more than 12 months</b>	<b>3,336,547</b>	<b>3,322,057</b>
<b>Total assets</b>	<b>3,425,942</b>	<b>3,385,480</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Grants	193,747	215,471
Other payables	225,100	144,402
Employee provisions	2,313	2,207
<b>Total no more than 12 months</b>	<b>421,160</b>	<b>362,080</b>
<b>More than 12 months</b>		
Grants	1,064,615	842,659
Other payables	582,234	664,311
NIA financial guarantee	16,330	-
Employee provisions	79,197	91,507
<b>Total more than 12 months</b>	<b>1,742,376</b>	<b>1,598,477</b>
<b>Total liabilities</b>	<b>2,163,536</b>	<b>1,960,557</b>

**Department of Foreign Affairs and Trade****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****8.2 Budgetary Reporting - Explanation of Major Variances****8.2A: Explanation of major departmental variances**

The following provides explanations of major variances between DFAT's original budget estimates, as published in the 2020-21 Portfolio Budget Statements (PBS) and the final outcome for the financial year, as presented, in accordance with the Australian Accounting Standards. Major variances are those relevant to an analysis of DFAT's performance, not merely on numerical differences between the actual amounts and budget. Unless otherwise individually significant, no additional commentary has been included.

There are a number of items not incorporated into PBS estimates due to their unpredictable, uncontrollable and / or unplanned nature. This includes:

- The write-down, impairment and sale of assets reported in the Statement of Comprehensive Income;
- Gains or losses from foreign exchange differences reported in the Statement of Comprehensive Income and Cash Flow Statement;
- Accounting adjustments for DFAT's provision for the future make-good of leasehold improvements in leased properties reported in the Statement of Comprehensive Income and Statement of Changes in Equity; and
- Adjustments to revenue from Government for no-win/no-loss funding arrangements with the Department of Finance which are reported in the Statement of Comprehensive Income and Statement of Financial Position.

DFAT does not estimate or factor in revaluation adjustments for land, buildings and plant and equipment assets as these movements are beyond DFAT's control and are difficult to predict. This item impacts depreciation and other comprehensive income reported in the Statement of Comprehensive Income, Statement of Changes in Equity and non-financial asset balances reported in the Statement of Financial Position. The COVID-19 pandemic also impacted 2020-21 expenditure across the department's operations.

Major variances between actual figures reported in the financial statement and the PBS estimates include:

- Employee benefits are \$86.5m (9.3%) lower than budget primarily due to an increase in the long-term Government bond rate used for valuing employee provisions, a stronger AUD relative to payment currencies for locally engaged staff expenses and reduced expenditure on overseas allowances following COVID-19 disruptions to posts. In addition, DFAT staffing numbers were below estimated levels;
- Supplier expenses are \$180.5m (26.0%) lower than budget primarily due to COVID-19 travel restrictions, which reduced the demand for passports, resulting in lower expenditure of \$61.5m (57.9%) on passport raw materials and outsourced service providers and reduced travel expenses. Additionally, the AUD has been stronger than other currencies resulting in a decrease in overseas supplier expenses. This also impacts the cash used for suppliers in the Cash Flow Statement.
- Overall own-source revenue is \$13.1m (7.9%) lower than budget due to lower recoveries from related entities driven by reduced expenditure. This also affects the Sale of goods and rendering of services in the Cash Flow Statement.
- Cash and cash equivalents are \$175.2m (53.3%) higher due to several Posts holding additional cash balances to accommodate payments throughout the COVID-19 crisis and timing of rent receipts from other related entities. Additionally receipts not budgeted for from the sale of property of \$83.6m were receipted into the Overseas Property special account to fund future property purchases;
- Trade and other receivables are \$225.7m (66.1%) higher mainly due to higher appropriation received this year but lower appropriation drawdowns, as the impact from COVID-19 resulted in overall lower expenditure;
- Lease liabilities are \$96.6m (8.2%) lower mainly due to cash outflow of lease payments and a stronger AUD relative to payment currencies for leases. This also impacts Principal Payments of Lease Liabilities in the Cash Flow Statement.
- Cash used for investing activities is \$157.5m (46.1%) lower due to delays in implementing IT and security capital projects as a result of the COVID-19 crisis. This impacts non-financial assets in both the Cash Flow Statement and the Statement of Financial Position.
- Timing of payments had an impact on Statement of Financial Position balances for Prepayments which are \$25.5m (36.8%) lower and total payables which are \$13.9m (8.0%) higher than budget.

The Cash Flow Statement variance to budget analysis also includes variances due to items excluded from PBS estimates. Excluded items are section 74 receipts transferred to the Official Public Account (OPA) and subsequently re-drawn as appropriations, GST payments to suppliers and subsequent refunds received from the Australian Taxation Office.

## Department of Foreign Affairs and Trade

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### **8.2B: Explanation of major administered variances**

There are a number of items excluded from the Portfolio Budget Statement (PBS) estimates on the Administered Schedule of Comprehensive Income, due to the unpredictable, uncontrollable and/or unplanned nature of some transactions, specifically items such as contributions, unplanned revenue and gains, impairments and EFA NIA income.

Further, DFAT does not estimate or factor in adjustments for re-measurement of the net liability for defined benefit pension schemes or movements in the carrying amount of investments, on the Administered Schedule of Assets and Liabilities for PBS purposes. Nor does it estimate the corresponding entries in Other Comprehensive Income (100.0% variance) as part of the PBS estimates. This is because the main factors that drive these movements are beyond DFAT's control, such as movements due to changes in the value of the Australian Dollar (AUD) on currency markets.

Overall expenses are \$165.5m (3.6%) higher than the original PBS budget. International Development Assistance expenses are higher by \$457.8m (14.7%) due to the Government providing budget funding for temporary targeted and supplementary measures in Portfolio Additional Estimates 2020-21 for COVID-19 response packages to support the Pacific and Timor-Leste, enhanced partnerships in Southeast Asia and for support for COVID-19 vaccine access in these areas. These measures were in part offset by a decrease in other grants and contributions of \$310.4m (37.3%) due to budget adjustments and foreign exchange movements. The original PBS estimates for other grants and contributions were based on obligations to pay as assessed by international organisations such as the United Nations (UN), whereas the actual contributions paid depend on resolutions passed by UN members.

Other expenses were higher than budget by \$28.7m (371.9%) and include for the first time in 2020-21 a financial guarantee for NIA loans of \$16.2m, also recognised as a provision, as well as costs associated with COVID-19 facilitated flights of \$11.2m, both not originally budgeted for. EFA expenses for administering the NIA were \$0.9m (26.9%) higher than budget due to increased activity on AIIFP and COVID-19 loans.

Total administered revenue is \$95.4m (24.5%) lower than budget. Passport and consular fees, which comprise the majority of fees and charges collected, have decreased by \$109.8m (37.2%) due to a significant drop in demand for passports and notarial services associated with the COVID-19 pandemic and restrictions on travel. This was offset by higher EFA NIA revenue \$29.2m (90.0%) following a reassessment by EFA of the collectability of debts which is also reflected as higher receivables and loans \$28.4m (13.6%).

Returns of prior year administered expenses reported as revenue were lower than budget by \$4.0m (11.2%). These funds relate to acquittal of funding provided upfront subject to unforeseen circumstances in delivery that influence the actual amounts spent. Accordingly, the actual funds returned, and the budget can be difficult to anticipate.

The actual cash on hand or on deposit balance reported in the Administered Schedule of Assets and Liabilities is higher than budget by \$17.4m (211.3%) as it includes a non-trust special account balance of \$16.7m held for the delayed Dubai Exposition 2020.

The timing of the preparation of estimates included in the PBS can also result in variances to actual results. PBS estimates generally prepared in March for inclusion in the Federal Budget, are based on the current financial year estimates at that point in time. Movements and adjustments that occur late in a financial year are not able to be incorporated into the estimates, resulting in variances.

The impacts of the timing of PBS estimates are most pronounced through higher variances to budgets for employee provisions including defined benefit pension schemes (13.0%), grants (32.6%) and other payables (-459.1%) administered on behalf of Government and reported in the Administered Schedule of Assets and Liabilities.



## 05 Appendixes



# Appendix 1: Staffing overview

TABLE 9: ALL ONGOING EMPLOYEES 2020–21

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW	18	1	19	36	13	49	68
Qld	8	-	8	28	8	36	44
SA	9	1	10	12	6	18	28
Tas	7	1	8	8	4	12	20
Vic	24	1	25	48	15	63	88
WA	7	1	8	9	10	19	27
ACT	988	76	1,064	1,372	284	1,656	2,720
NT	3	-	3	5	1	6	9
Overseas	1,052	7	1,059	1,243	61	1,304	2,363
Americas	92	-	92	118	1	119	211
Asia	538	1	539	579	24	603	1,142
<i>South Asia</i>	65	-	65	94	12	106	171
<i>Southeast Asia</i>	211	-	211	158	2	160	371
<i>North Asia</i>	262	1	263	327	10	337	600
Europe	145	2	147	163	21	184	331
Middle East and Africa	126	1	127	119	1	120	247
Multilateral	33	1	34	46	4	50	84
New Zealand and the Pacific	118	2	120	218	10	228	348
<b>Total</b>	<b>2,116</b>	<b>88</b>	<b>2,204</b>	<b>2,761</b>	<b>402</b>	<b>3,163</b>	<b>5,367</b>

TABLE 10: ALL ONGOING EMPLOYEES 2019–20

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW	15	1	16	35	14	49	65
Qld	9	-	9	26	10	36	45
SA	2	2	4	9	3	12	16
Tas	9	-	9	6	2	8	17
Vic	26	1	27	56	13	69	96
WA	8	2	10	12	7	19	29
ACT	1,013	64	1,077	1,361	266	1,627	2,704
NT	2	-	2	5	2	7	9
Overseas	1,045	22	1,067	1,202	81	1,283	2,350
Americas	99	3	102	117	6	123	225
Asia	533	10	543	567	33	600	1,143
<i>South Asia</i>	141	1	142	88	2	90	232
<i>Southeast Asia</i>	305	9	314	374	19	393	707
<i>North Asia</i>	87	-	87	105	12	117	204
Europe	151	3	154	151	28	179	333
Middle East and Africa	124	2	126	116	1	117	243
Multilateral	29	1	30	46	4	50	80
New Zealand and the Pacific	109	3	112	205	9	214	326
<b>Total</b>	<b>2,129</b>	<b>92</b>	<b>2,221</b>	<b>2,712</b>	<b>398</b>	<b>3,110</b>	<b>5,331</b>

**TABLE 11: ALL NON-ONGOING EMPLOYEES 2020–21**

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW	1	-	1	1	-	1	2
Qld			-			-	-
SA			-			-	-
Tas			-			-	-
Vic			-	1		1	1
WA			-			-	-
ACT	29	11	40	31	20	51	91
NT			-			-	-
<b>Overseas</b>	237	36	273	319	81	400	673
Americas	14	3	17	22	7	29	46
Asia	68	8	76	91	42	133	209
<i>South Asia</i>	9	3	12	14	12	26	38
<i>Southeast Asia</i>	25	3	28	17	4	21	49
<i>North Asia</i>	34	2	36	60	26	86	122
Europe	17	13	30	24	11	35	65
Middle East and Africa	47	6	53	63	8	71	124
Multilateral	8	2	10	9	2	11	21
New Zealand and the Pacific	83	4	87	110	11	121	208
<b>Total</b>	<b>267</b>	<b>47</b>	<b>314</b>	<b>352</b>	<b>101</b>	<b>453</b>	<b>767</b>

**TABLE 12: ALL NON-ONGOING EMPLOYEES 2019–20**

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW			-			-	-
Qld			-			-	-
SA			-			-	-
Tas			-			-	-
Vic			-			-	-
WA			-			-	-
ACT	18	17	35	21	12	33	68
NT			-			-	-
<b>Overseas</b>	231	30	261	274	54	328	589
Americas	11	2	13	14	2	16	29
Asia	73	14	87	73	23	96	183
<i>South Asia</i>	29	1	30	9	1	10	40
<i>Southeast Asia</i>	38	6	44	54	18	72	116
<i>North Asia</i>	6	7	13	10	4	14	27
Europe	9	7	16	24	8	32	48
Middle East and Africa	46	1	47	53	7	60	107
Multilateral	6	2	8	8	2	10	18
New Zealand and the Pacific	86	4	90	102	12	114	204
<b>Total</b>	<b>249</b>	<b>47</b>	<b>296</b>	<b>295</b>	<b>66</b>	<b>361</b>	<b>657</b>

TABLE 13: APS ONGOING EMPLOYEES 2020–21

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
Secretary			-	1		1	1
Dir Safeguards	1		1			-	1
SES Band 3	8		8	5		5	13
SES Band 2	28		28	29		29	57
SES Band 1	95	2	97	75		75	172
Medical Officer CI 5	1		1			-	1
SES unattached	10		10	7		7	17
Medical Officer CI 4	-		-	1	1	2	2
Medical Officer CI 3			-			-	-
EL 2	243	10	253	280	29	309	562
EL 1	501	35	536	614	133	747	1,283
APS 6	239	17	256	341	53	394	650
APS 5	217	9	226	376	93	469	695
APS 4	34	1	35	48	6	54	89
APS 3	9	1	10	18	5	23	33
APS 2			-		1	1	1
APS 1			-			-	-
Graduates	45		45	43		43	88
Non-SES unattached	49	6	55	96	24	120	175
<b>Total</b>	<b>1,480</b>	<b>81</b>	<b>1,561</b>	<b>1,934</b>	<b>345</b>	<b>2,279</b>	<b>3,840</b>

TABLE 14: APS ONGOING EMPLOYEES 2019–20

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
Secretary			-	1		1	1
Dir Safeguards	1		1			-	1
SES Band 3	8		8	5		5	13
SES Band 2	27		27	27		27	54
SES Band 1	103	1	104	79	3	82	186
Medical Officer CI 5	1		1			-	1
SES unattached	19		19	7		7	26
Medical Officer CI 4			-			-	-
Medical Officer CI 3			-			-	-
EL 2	252	8	260	276	27	303	563
EL 1	470	33	503	547	116	663	1,166
APS 6	237	13	250	362	58	420	670
APS 5	223	10	233	420	86	506	739
APS 4	25		25	31	1	32	57
APS 3	11	1	12	20	6	26	38
APS 2			-			-	-
APS 1			-			-	-
Graduates	46		46	49		49	95
Non-SES unattached	63	5	68	95	24	119	187
<b>Total</b>	<b>1,486</b>	<b>71</b>	<b>1,557</b>	<b>1,919</b>	<b>321</b>	<b>2,240</b>	<b>3,797</b>

TABLE 15: APS NON-ONGOING EMPLOYEES 2020–21

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
Secretary			-			-	-
Dir Safeguards			-			-	-
SES Band 3	5		5	1		1	6
SES Band 2	5		5	2		2	7
SES Band 1	1		1			-	1
Medical Officer Cl 5			-			-	-
SES unattached			-			-	-
Medical Officer Cl 4	2		2	4	1	5	7
Medical Officer Cl 3			-			-	-
EL 2	6		6	2	2	4	10
EL 1	14	9	23	6	9	15	38
APS 6	3	1	4	9	1	10	14
APS 5	3	1	4	14	5	19	23
APS 4	1		1	2	1	3	4
APS 3			-			-	-
APS 2			-			-	-
APS 1			-			-	-
Graduates			-			-	-
Non-SES unattached	2		2	1	1	2	4
Total	42	11	53	41	20	61	114

TABLE 16: APS NON-ONGOING EMPLOYEES 2019–20

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
Secretary			-			-	-
Dir Safeguards			-			-	-
SES Band 3	5		5	1		1	6
SES Band 2	3		3		1	1	4
SES Band 1	2		2	1		1	3
Medical Officer Cl 5			-			-	-
SES unattached			-			-	-
Medical Officer Cl 4	5		5	2		2	7
Medical Officer Cl 3			-		1	1	1
EL 2	3		3	2	1	3	6
EL 1	7	15	22	7	6	13	35
APS 6	2	1	3	4	1	5	8
APS 5	4	1	5	8	2	10	15
APS 4			-			-	-
APS 3			-			-	-
APS 2			-			-	-
APS 1			-			-	-
Graduates			-			-	-
Non-SES unattached			-			-	-
Total	31	17	48	25	12	37	85

TABLE 17: APS EMPLOYEES BY FULL-TIME AND PART-TIME STATUS 2020–21

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
Secretary	1		1			-	1
Dir Safeguards	1		1			-	1
SES Band 3	13	-	13	6		6	19
SES Band 2	57	-	57	7		7	64
SES Band 1	170	2	172	1		1	173
Medical Officer Cl 5	1	-	1			-	1
SES unattached	17	-	17			-	17
Medical Officer Cl 4	1	1	2	6	1	7	9
Medical Officer Cl 3			-			-	-
EL 2	523	39	562	8	2	10	572
EL 1	1,115	168	1,283	20	18	38	1,321
APS 6	580	70	650	12	2	14	664
APS 5	593	102	695	17	6	23	718
APS 4	82	7	89	3	1	4	93
APS 3	27	6	33			-	33
APS 2		1	1			-	1
APS 1			-			-	-
Graduates	88		88			-	88
Non-SES unattached	145	30	175	3	1	4	179
<b>Total</b>	<b>3,414</b>	<b>426</b>	<b>3,840</b>	<b>83</b>	<b>31</b>	<b>114</b>	<b>3,954</b>

TABLE 18: APS EMPLOYEES BY FULL-TIME AND PART-TIME STATUS 2019–20

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
Secretary	1		1			-	1
Dir Safeguards	1		1			-	1
SES Band 3	13		13	6		6	19
SES Band 2	54		54	3	1	4	58
SES Band 1	182	4	186	3		3	189
Medical Officer Cl 5	1		1			-	1
SES unattached	26		26			-	26
Medical Officer Cl 4			-	7		7	7
Medical Officer Cl 3			-		1	1	1
EL 2	528	35	563	5	1	6	569
EL 1	1,017	149	1,166	14	21	35	1,201
APS 6	599	71	670	6	2	8	678
APS 5	643	96	739	12	3	15	754
APS 4	56	1	57			-	57
APS 3	31	7	38			-	38
APS 2			-			-	-
APS 1			-			-	-
Graduates	95		95			-	95
Non-SES unattached	158	29	187			-	187
<b>Total</b>	<b>3,405</b>	<b>392</b>	<b>3,797</b>	<b>56</b>	<b>29</b>	<b>85</b>	<b>3,882</b>

**TABLE 19: APS EMPLOYMENT TYPE BY LOCATION 2020–21**

	Ongoing	Non-ongoing	Total
NSW	68	2	70
Qld	44		44
SA	28		28
Tas	20		20
Vic	88	1	89
WA	27		27
ACT	2,720	91	2,811
NT	9		9
Overseas	836	20	856
Americas	69	3	72
Asia	367	6	373
<i>South Asia</i>	66	1	67
<i>Southeast Asia</i>	210	5	215
<i>North Asia</i>	91		91
Europe	95	2	97
Middle East and Africa	110		110
Multilateral	41	2	43
New Zealand and the Pacific	154	7	161
<b>Total</b>	<b>3,840</b>	<b>114</b>	<b>3,954</b>

**TABLE 20: APS EMPLOYMENT TYPE BY LOCATION 2019–20**

	Ongoing	Non-ongoing	Total
NSW	65		65
Qld	45		45
SA	16		16
Tas	17		17
Vic	96		96
WA	29		29
ACT	2,704	68	2,772
NT	9		9
Overseas	816	17	833
Americas	69	3	72
Asia	368	7	375
<i>South Asia</i>	70	1	71
<i>Southeast Asia</i>	207	5	212
<i>North Asia</i>	91	1	92
Europe	96	1	97
Middle East and Africa	106		106
Multilateral	39	2	41
New Zealand and the Pacific	138	4	142
<b>Total</b>	<b>3,797</b>	<b>85</b>	<b>3,882</b>

TABLE 21: APS INDIGENOUS EMPLOYMENT 2020–21

	Total
Ongoing	118
Non-ongoing	2
<b>Total</b>	<b>120</b>
	Total
SES Band 2	1
SES Band 1	5
Exec. Level 2	8
Exec. Level 1	23
APS Level 6	21
APS Level 5	44
APS Level 4	11
APS Level 3	0
Graduate	7
<b>Total</b>	<b>120</b>

TABLE 22: APS INDIGENOUS EMPLOYMENT 2019–20

	Total
Ongoing	118
Non-ongoing	2
<b>Total</b>	<b>120</b>
	Total
SES Band 2	1
SES Band 1	5
Exec. Level 2	9
Exec. Level 1	19
APS Level 6	19
APS Level 5	37
APS Level 4	18
APS Level 3	4
Graduate	8
<b>Total</b>	<b>120</b>

TABLE 23: APS EMPLOYMENT ARRANGEMENTS 2020–21

	SES	Non-SES	Total
Enterprise agreement		3,635	3,635
Individual flexibility arrangements		6	6
Australian workplace agreements		-	-
Common law contracts		-	-
Determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	274	37	311
<b>Total</b>	<b>274</b>	<b>3,678</b>	<b>3,952</b>

\* The Secretary and the Director General of the Australian Safeguards and Non-proliferation Office have not been included in the above figures as they are statutory appointments

**TABLE 24: APS EMPLOYMENT SALARY RANGES BY CLASSIFICATION LEVEL 2020–21**

	Minimum salary	Maximum salary
SES 3	\$ 287,323	\$ 382,006
SES 2	\$ 233,225	\$ 291,480
SES 1	\$ 181,420	\$ 250,466
Med 5	\$ 181,420	\$ 255,316
Med 4	\$ 162,549	\$ 232,770
Med 3		
EL 2	\$ 128,748	\$ 174,488
EL 1	\$ 106,570	\$ 166,493
APS 6	\$ 85,578	\$ 133,986
APS 5	\$ 77,619	\$ 115,487
APS 4	\$ 70,390	\$ 75,841
APS 3	\$ 62,816	\$ 77,259
APS 2	\$ 55,431	\$ 59,861
APS 1		
Graduate	\$ 68,467	\$ 70,390

\* Includes annualised shift penalties

\*\* Includes Executive Level 2 staff deployed to Head of Mission SES positions overseas

\*\*\* The Secretary and the Director General of the Australian Safeguards and Non-proliferation Office have not been included in the above figures as their remuneration is set by Prime Ministerial Determinations and the Remuneration Tribunal respectively

**TABLE 25: APS PERFORMANCE PAY BY CLASSIFICATION LEVEL 2020–21**

	Number of employees receiving performance pay	Aggregated (sum total) of all payments made (\$)	Average of all payments made (\$)	Minimum payment made to employees (\$)	Maximum payment made to employees (\$)
SES 3					
SES 2					
SES 1					
EL 2	16	11,020	689	500	724
EL 1	32	20,920	654	284	724
APS 6	51	34,541	677	333	723
APS 5	208	141,881	682	274	724
APS 4	6	3,982	664	521	724
APS 3	20	12,644	632	280	711
APS 2					
APS 1					
Other					
<b>Total</b>	<b>333</b>	<b>224,988</b>			

Note: SES employees in DFAT do not receive performance pay. Non-SES staff working in the Australian Passport Offices are eligible for performance pay in accordance with the DFAT Enterprise Agreement Annex 4.2



# Appendix 2: Executive remuneration

## Remuneration policies and practices

SES staff are remunerated via determinations made under subsection 24 (1) of the *Public Service Act 1999*. The Secretary is the delegate for any changes made to the remuneration provided by the determinations. The remuneration of the Secretary and the Director General of the Australian Safeguards and Non-proliferation Office is determined by the Remuneration Tribunal.

All other highly paid personnel are remunerated under the terms set out in the DFAT Enterprise Agreement 2019.

‘Other short-term benefits’ include overseas allowances, accommodation and fringe benefits tax paid on behalf of APS employees posted overseas. Employees posted overseas are remunerated in accordance with the department’s ‘overseas conditions of service’ framework. The framework exists to compensate for the differences in locations such as cost of living, hardship and security environment. It also addresses additional costs incurred, such as family medical and educational costs, to ensure posted staff are not disadvantaged.

The department provides accommodation for staff and their families for the duration of their posting. While staff and families benefit from this provision, they do not receive direct remuneration for rental costs.

The reported value of accommodation in Tables 29 and 30 reflects the high property costs and rental costs in many of the 113 locations of our posts, such as Hong Kong, Moscow or New York.

The total cost of accommodation reported also covers the full rental value of properties used by ambassadors and high commissioners. It does not recognise that most official residences have a residential component and a working component, which is used to support Australian Government objectives, including engagement with local political and business representatives and visiting Australian ministers.

## Remuneration governance arrangements

The department’s Performance, Risk and Resourcing Committee, chaired by the Secretary, is responsible for assessing and reallocating resources across the department. The department adjusts overseas allowances fortnightly in response to changes to the overseas environment and foreign exchange movements based on a common methodology used by all APS agencies with staff posted to Australian posts. These adjustments draw on data from an independent commercial provider (Conditions Abroad International ECA).

## Key management personnel

The department's key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the department. The department has determined the key management personnel to be the Secretary, Deputy Secretaries, Chief People Officer, Chief Performance and Risk Officer and Chief Finance Officer.

Their names and the length of term as KMP are summarised below:

**TABLE 26: KEY MANAGEMENT PERSONNEL**

Name	Position title	Term as KMP
Frances Adamson	Secretary	1 July 2020 – 25 June 2021
Justin Hayhurst*	Deputy Secretary	1 July 2020 – 30 June 2021
Tony Sheehan	Deputy Secretary	1 July 2020 – 30 June 2021
Christopher Langman	Deputy Secretary	1 July 2020 – 30 June 2021
Ewen McDonald	Deputy Secretary	1 July 2020 – 30 June 2021
Harinder Sidhu	Deputy Secretary	24 August 2020 – 30 June 2021
Nikki Penelope Williams	Deputy Secretary	1 July 2020 – 21 August 2020
Kathy Klugman	Deputy Secretary	3 July 2020 – 30 June 2021
Murali Venugopal	Chief Finance Officer	1 July 2020 – 30 June 2021
Joanne Talbot	Chief People Officer	15 October 2020 – 30 June 2021
Daniel Sloper	Chief People Officer	1 July 2020 – 14 October 2020
Mary Balzary	Chief Performance and Risk Officer	6 July 2020 – 30 June 2021
Suzanne McCourt	Chief Performance and Risk Officer	1 July 2020 – 3 August 2020

\* Justin Hayhurst acted as Secretary of the department following the departure of Frances Adamson AC from the role on 25 June 2021. Kathryn Campbell AO CSC commenced as Secretary on 26 July 2021.

The following tables are prepared on an accruals basis.

**TABLE 27: KEY MANAGEMENT PERSONNEL REMUNERATION 2020–21**

	2021 \$
<b>Short-term benefits</b>	
Base salary	3,556,015
Bonus	-
Other benefits and allowances	184,411
<b>Total short-term benefits</b>	<b>3,740,426</b>
Superannuation	627,206
<b>Total post-employment benefits</b>	<b>627,206</b>
Other long-term benefits	-
Long service leave	94,286
<b>Total other long-term employee benefits</b>	<b>94,286</b>
Termination benefits	-
<b>Total key management personnel remuneration</b>	<b>4,461,918</b>

In accordance with the PGPA Rule, this information is disaggregated in table 28.

**TABLE 28: KEY MANAGEMENT PERSONNEL REMUNERATION 2020–21**

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration <sup>3</sup>
		Base salary <sup>1</sup>	Bonuses	Other benefits and allowances <sup>2</sup>		Superannuation contributions	Long service leave		
Frances Adamson	Secretary	723,142	-	18,216	114,217	18,713	-	-	874,288
Justin Hayhurst	Deputy Secretary	311,510	-	25,770	55,651	7,243	-	-	400,174
Tony Sheehan	Deputy Secretary	384,031	-	-	70,687	9,439	-	-	464,157
Christopher Langman	Deputy Secretary	311,723	-	26,515	59,100	8,087	-	-	405,425
Ewen McDonald	Deputy Secretary	334,514	-	29,760	67,508	8,406	-	-	440,188
Harinder Sidhu	Deputy Secretary	286,203	-	22,493	52,160	6,739	-	-	367,595
Nikki Penelope Williams	Deputy Secretary	49,852	-	3,938	8,888	2,022	-	-	64,700
Katherine Klugman	Deputy Secretary	327,157	-	24,975	46,878	12,628	-	-	411,638
Murali Venugopal	Chief Finance Officer	299,483	-	-	45,061	7,287	-	-	351,831
Joanne Talbot	Chief People Officer	200,987	-	-	38,774	4,608	-	-	244,369
Daniel Sloper	Chief People Officer	67,717	-	6,795	14,595	1,340	-	-	90,447
Mary Balzary	Chief Performance and Risk Officer	245,710	-	24,005	51,020	6,958	-	-	327,693
Suzanne McCourt	Chief Performance and Risk Officer	13,986	-	1,944	2,667	816	-	-	19,413
<b>Total</b>		<b>3,556,015</b>	<b>-</b>	<b>184,411</b>	<b>627,206</b>	<b>94,286</b>	<b>-</b>	<b>-</b>	<b>4,461,918</b>

1. Base salary includes recreation leave accruals and higher duties payments during the year

2. Other benefits and allowances include car parking, car allowances and fringe benefits tax expenses

3. Some figures are impacted by the duration of service as KMP. Table 26 provides details of the length of service for officers that were classified as KMP

TABLE 29: SENIOR EXECUTIVE STAFF REMUNERATION 2020–21

Remuneration Band	Number of senior executives	Short-term Benefits			Post Employment Benefits		Other Long-term Benefits		Termination Benefits		Total
		Average Base Salary	Average Bonuses	Other Benefits and Allowances	Average Superannuation Contributions	Average Long Service Leave	Average Long-term Benefits	Average Other Long-term Benefits	Average Termination Benefits	Average TOTAL	
		(\$)	(\$)	Overseas Housing Cost (\$)	Other (\$)	(\$)	(\$)	(\$)	(\$)	Total Remuneration plus Housing Benefit (\$)	Total (\$)
Under \$220,000	56	71,492	245	1,771	11,647	15,920	4,610	0	10,463	114,377	116,148
220,001 – 245,000	17	166,213	171	8,850	19,761	31,591	4,249	0	5,302	227,288	236,138
245,001 – 270,000	45	189,094	37	2,562	27,601	35,437	5,711	0	0	257,881	260,443
270,001 – 295,000	24	193,067	99	4,068	32,486	36,559	6,202	0	5,634	274,048	278,117
295,001 – 320,000	23	218,722	0	3,009	35,839	41,522	8,311	0	0	304,393	307,402
320,001 – 345,000	15	224,321	159	8,721	49,947	41,574	6,055	0	0	322,056	330,777
345,001 – 370,000	7	209,049	0	13,579	87,598	40,803	7,471	0	0	344,920	358,499
370,001 – 395,000	7	202,976	0	49,361	94,886	34,379	4,844	0	0	337,085	386,446
395,001 – 420,000	6	179,561	0	89,993	98,249	33,177	4,457	0	0	315,443	405,436
420,001 – 445,000	10	203,953	291	62,372	126,329	38,266	4,930	0	0	373,769	436,141
445,001 – 470,000	7	199,828	0	78,923	129,668	43,858	5,508	0	0	378,862	457,785
470,001 – 495,000	9	194,341	0	94,573	136,687	40,605	13,880	0	0	385,512	480,085
495,001 – 520,000	2	148,710	0	172,584	161,390	30,880	5,479	0	0	346,459	519,044
520,001 – 545,000	7	187,193	0	193,835	111,553	34,403	7,385	0	0	340,532	534,368
545,001 – 570,000	8	210,641	0	110,324	185,371	38,031	12,695	0	0	446,739	557,063
570,001 – 595,000	9	212,038	0	157,358	168,491	38,691	6,753	0	0	425,973	583,331
595,001 – 620,000	4	234,610	0	83,809	238,518	44,186	5,382	0	0	522,696	606,505
620,001 – 645,000	5	222,570	0	137,251	226,043	44,267	5,583	0	0	498,463	635,714
645,001 – 670,000	8	236,564	0	182,255	187,965	41,903	6,806	0	0	473,238	655,493
670,001 – 695,000	6	208,854	0	186,464	238,411	40,488	8,161	0	0	495,914	682,378
695,001 – 720,000	1	306,774	0	246,224	86,076	54,553	8,225	0	0	455,627	701,851
720,001 – 745,000	2	298,780	0	133,606	249,351	52,081	7,195	0	0	607,407	741,013
745,001 – 770,000	5	237,833	0	259,108	203,724	44,303	5,704	0	0	491,564	750,672
770,001 – 795,000	1	246,259	0	363,174	123,999	47,556	5,716	0	0	423,531	786,705
795,001 – 820,000	4	215,491	0	361,906	181,460	40,555	5,316	0	0	442,821	804,727

Remuneration Band	Number of senior executives	Short-term Benefits			Post Employment Benefits		Other Long-term Benefits		Termination Benefits		Total
		Average Base Salary	Average Bonuses	Overseas Housing Cost (\$)	Average Benefits and Allowances	Average Superannuation Contributions	Average Long Service Leave	Average Other Long-term Benefits	Average Termination Benefits		
		(\$)	(\$)	(\$)	Other (\$)	(\$)	(\$)	(\$)	(\$)	Total Remuneration (\$)	
820,001 – 845,000	3	260,386	0	295,071	222,303	47,202	6,199	0	0	536,091	831,161
845,001 – 870,000	3	234,077	0	415,687	163,682	41,982	6,225	0	0	445,966	861,653
870,001 – 895,000	2	226,757	0	235,655	368,984	43,411	5,670	0	0	644,822	880,478
945,001 – 970,000	1	207,748	0	347,791	358,545	38,566	5,037	0	0	609,896	957,686
995,001 – 1,020,000	2	224,981	0	441,457	277,980	44,758	23,575	0	0	571,294	1,012,751
1,020,001 – 1,045,000	3	271,078	0	578,810	121,946	52,958	7,053	0	0	453,034	1,031,844
1,120,001 – 1,145,000	1	260,825	0	696,503	119,401	46,689	6,236	0	0	433,151	1,129,654
1,145,001 – 1,170,000	1	403,314	0	555,135	116,106	70,544	8,087	0	0	598,051	1,153,186
1,470,001 – 1,495,000	1	202,058	0	1,097,793	128,487	35,726	7,076	0	0	373,346	1,471,139
1,520,001 – 1,545,000	1	197,905	0	1,102,831	195,454	42,036	4,939	0	0	440,333	1,543,164
2,420,001 – 2,445,000	1	327,405	0	1,922,813	118,008	50,007	8,154	0	0	503,574	2,426,388

Employees posted overseas reside in Commonwealth leased or owned residences or privately leased residences and the rental value (described in the table as overseas housing allowance) is not received by the individual as direct remuneration. Residences, in particular those used by ambassadors and high commissioners, are used for official events and to conduct official Australian Government business. Employee rent and utility contributions are factored into relevant allowances.

The average long service leave balance will be higher where a restatement of the provision for long service leave was required following the promotion of employees within the remuneration band. A negative average long service leave balance can occur when employees acting at a higher level at the start of the year reverted to their substantive level at year end, resulting in a negative restatement of long service leave provisions.

TABLE 30: OTHER HIGHLY PAID STAFF REMUNERATION 2020–21

Remuneration Band	Number of Other Highly Paid Staff	Short-term Benefits			Post Employment Benefits			Other Long-term Benefits			Termination Benefits		Total
		Average Base Salary	Average Bonuses	Other Benefits and Allowances	Average Superannuation Contributions	Average Long Service Leave	Average Other Long-term Benefits	Average Termination Benefits	Average Total Remuneration plus Housing Benefit	Average TOTAL			
		(\$)	(\$)	Overseas Housing Cost (\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
230,001 – 245,000	68	104,253	1,537	39,419	67,956	18,654	4,266	0	1,464	198,131	237,550		
245,001 – 270,000	82	112,218	1,426	43,411	74,900	19,624	3,189	0	1,857	213,213	256,624		
270,001 – 295,000	92	112,800	1,683	52,823	87,285	20,953	3,671	0	2,262	228,654	281,477		
295,001 – 320,000	76	116,782	1,970	67,324	96,513	21,353	3,369	0	0	239,988	307,311		
320,001 – 345,000	60	119,803	1,780	76,577	107,294	22,611	3,816	0	0	255,304	331,881		
345,001 – 370,000	45	125,564	1,784	64,090	135,593	21,994	4,166	0	2,973	292,074	356,165		
370,001 – 395,000	46	131,274	1,962	74,782	147,391	23,342	4,027	0	0	307,995	382,777		
395,001 – 420,000	36	140,058	2,016	61,076	170,006	26,860	6,235	0	0	345,175	406,251		
420,001 – 445,000	35	132,924	2,018	101,976	167,883	24,576	3,869	0	0	331,269	433,245		
445,001 – 470,000	17	144,622	1,560	80,009	199,311	26,848	4,654	0	0	376,996	457,004		
470,001 – 495,000	10	149,019	1,858	105,028	195,345	27,390	5,273	0	0	378,884	483,911		
495,001 – 520,000	5	152,894	1,640	113,637	211,422	26,478	1,834	0	0	394,268	507,905		
520,001 – 545,000	8	163,262	2,270	123,262	205,504	29,251	5,108	0	0	405,395	528,657		
545,001 – 570,000	8	148,169	894	152,691	215,908	27,789	6,330	0	0	399,089	551,781		
570,001 – 595,000	5	144,536	2,117	133,002	270,972	27,489	3,542	0	0	448,655	581,657		
595,001 – 620,000	4	165,241	2,181	157,133	245,126	28,936	6,096	0	0	447,580	604,714		
620,001 – 645,000	2	167,737	1,454	159,199	272,353	30,769	4,041	0	0	476,355	635,554		
645,001 – 670,000	1	178,108	0	237,990	200,743	27,496	4,447	0	0	410,793	648,783		
670,001 – 695,000	4	134,101	2,646	206,108	312,197	24,490	3,315	0	0	476,749	682,857		
695,001 – 720,000	4	130,837	1,804	234,780	308,250	26,663	-2,376	0	0	465,179	699,959		
745,001 – 770,000	1	143,825	2,908	294,740	275,850	27,663	3,635	0	0	453,882	748,622		
770,001 – 795,000	2	143,791	1,454	216,006	388,103	27,341	4,332	0	0	565,021	781,027		
820,001 – 845,000	1	184,995	0	241,981	374,459	33,567	4,529	0	0	597,550	839,531		

Employees posted overseas reside in Commonwealth leased or owned residences or privately leased residences and the rental value (described in the table as overseas housing allowance) is not received by the individual as direct remuneration. Residences, in particular those used by ambassadors and high commissioners, are used for official events and to conduct official Australian Government business. Employee rent and utility contributions are factored into relevant allowances.

The average long service leave balance will be higher where a restatement of the provision for long service leave was required following the promotion of employees within the remuneration band. A negative average long service leave balance can occur when employees acting at a higher level at the start of the year reverted to their substantive level at year end, resulting in a negative restatement of long service leave provisions.

# Appendix 3: Agency resource statement

**TABLE 31: DEPARTMENT OF FOREIGN AFFAIRS AND TRADE RESOURCE STATEMENT 2020–21**

	Actual Available Appropriation for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining 2020–21 \$'000
<b>Ordinary annual services<sup>1</sup></b>			
Departmental appropriation	1,991,163	1,604,646	386,517
<b>Total</b>	<b>1,991,163</b>	<b>1,604,646</b>	<b>386,517</b>
<b>Administered expenses</b>			
Outcome 1	4,283,032	3,924,064	
Outcome 2	75,750	44,312	
Administered capital budget	528	-	
Payments to corporate entities <sup>2</sup>	139,445	139,445	
<b>Total</b>	<b>4,498,755</b>	<b>4,107,821</b>	
<b>Total ordinary annual services</b>	<b>[A] 6,489,918</b>	<b>5,712,467</b>	
<b>Other services</b>			
<b>Departmental non-operating<sup>3</sup></b>			
Equity injections	123,755	113,532	10,223
<b>Total</b>	<b>123,755</b>	<b>113,532</b>	<b>10,223</b>
<b>Administered non-operating</b>			
Administered assets and liabilities	6,704	86,704	
<b>Total</b>	<b>6,704</b>	<b>86,704</b>	
<b>Total other services</b>	<b>[B] 6,704</b>	<b>173,408</b>	
<b>Total available annual appropriations [A+B]</b>	<b>6,496,622</b>	<b>5,885,875</b>	
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>Public Governance, Performance and Accountability Act 2013 – s77 Administered</i>		1,148	
<i>Official Development Assistance Multilateral Replenishment Obligations (Special Appropriation) Act 2020 Administered</i>		302,991	
<b>Total special appropriations</b>	<b>[C] 304,138</b>		
<b>Special accounts<sup>4</sup></b>			
Opening balance	335,360		
Appropriation receipts	181,782		
Appropriation receipts from other entities	35,151		
Non-appropriation receipts to Special Accounts	22,254		
Payment made		158,284	
<b>Total special accounts</b>	<b>[D] 574,547</b>	<b>158,284</b>	
<b>Total resourcing [A+B+C+D]</b>	<b>7,071,169</b>	<b>6,348,297</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(181,782)	(139,445)	
<b>Total net resourcing and payments for DFAT</b>	<b>6,749,942</b>	<b>6,208,852</b>	

1. Includes *Supply Act (No.1) 2020–21*, *Appropriation Act (No.1) 2020–21*, and *Appropriation Act (No. 3) 2020–21*. This also includes prior year departmental appropriation and section 74 Retained Revenue Receipts

2. Corporate entities are corporate Commonwealth entities and Commonwealth companies as defined under the *PGPA Act 2013*

3. *Supply Act (No.2) 2020–21* and *Appropriation Act (No.2) 2020–21*. This also includes prior year equity injections available for use

4. Excludes Special Public Money held in accounts like Consular Services Account (CSA), Services for Other Entities and Trust Moneys accounts (SOETM) and EXPO Dubai 2020

TABLE 32: EXPENSES FOR OUTCOME 1

Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign, trade and international development policy priorities	Budget* 2020–21 \$'000 (a)	Actual Expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a – b)
<b>Program 1.1: Foreign Affairs and Trade Operations</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	40,827	38,346	2,481
Expenses not requiring appropriation in the Budget year <sup>2</sup>	5,250	23,092	(17,842)
Special appropriations	100	29	71
Departmental expenses			-
Departmental appropriation <sup>1</sup>	897,127	545,495	351,632
Expenses not requiring appropriation in the Budget year <sup>2</sup>	149,024	232,042	(83,018)
<b>Total for program 1.1</b>	<b>1,092,328</b>	<b>839,004</b>	<b>253,324</b>
<b>Program 1.2: Official Development Assistance</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	3,595,005	3,571,992	413
Expenses not requiring appropriation in the Budget year <sup>2</sup>	500	3,306	(2,986)
Departmental expenses			-
Departmental appropriation <sup>1</sup>	262,863	262,863	-
<b>Total for program 1.2</b>	<b>3,858,368</b>	<b>3,838,161</b>	<b>(2,573)</b>
<b>Program 1.3: Official Development Assistance – Multilateral Replenishments</b>			
Administered expenses			
Expenses not requiring appropriation in the Budget year <sup>2</sup>	430,834	430,095	739
<b>Total for Program 1.3</b>	<b>430,834</b>	<b>430,095</b>	<b>739</b>
<b>Program 1.4: Payments to International Organisations</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	471,328	355,139	116,189
<b>Total for Program 1.4</b>	<b>471,328</b>	<b>355,139</b>	<b>116,189</b>
<b>Program 1.5: New Colombo Plan – Transforming Regional Relationships</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	51,933	48,750	3,183
<b>Total for Program 1.5</b>	<b>51,933</b>	<b>48,750</b>	<b>3,183</b>
<b>Program 1.6: Public Information Services and Public Diplomacy</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	18,126	17,737	389
<b>Total for Program 1.6</b>	<b>18,126</b>	<b>17,737</b>	<b>389</b>
<b>Program 1.7: Programs to Promote Australia's International Tourism Interests</b>			
Administered expenses			
Tourism Australia – Corporate Commonwealth Entity	139,445	139,445	-
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	52,423	52,423	-
<b>Total for Program 1.7</b>	<b>191,868</b>	<b>191,868</b>	<b>-</b>
<b>Outcome 1 Totals by appropriation type</b>			
Administered Expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	4,229,642	4,084,387	122,655
Corporate Commonwealth Entity	139,445	139,445	-
Expenses not requiring appropriation in the Budget year <sup>2</sup>	436,584	456,493	(17,103)
Special appropriations	100	29	71
Departmental expenses			
Departmental appropriation <sup>1</sup>	1,159,990	808,358	351,632
Expenses not requiring appropriation in the Budget year <sup>2</sup>	149,024	232,042	(83,018)
<b>Total expenses for Outcome 1</b>	<b>6,114,785</b>	<b>5,720,754</b>	<b>374,237</b>
	<b>2019–20</b>	<b>2020–21</b>	
<b>Average staffing level (number)</b>	<b>3,691</b>	<b>3,732</b>	

\* Full year budget, including any subsequent adjustments made to the 2020–21 budget through 2020–21 additional estimates and estimated outcome as published in the 2021–22 Budget

1. Departmental appropriation combines 'ordinary annual services (*Supply Act No. 1, Appropriation Act No. 1, Act No. 3*)' and 'section 74 revenue receipts'

2. Expenses not requiring appropriation in the budget year may include depreciation expenses (excluding right-of-use depreciation which is funded from appropriation), amortisation expenses, make good expenses, audit fees, concessional costs for loans, finance costs, and impairment of financial instruments



TABLE 33: EXPENSES FOR OUTCOME 2

<b>Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas</b>	<b>Budget* 2020–21 \$'000 (a)</b>	<b>Actual Expenses 2020–21 \$'000 (b)</b>	<b>Variation 2020–21 \$'000 (a – b)</b>
<b>Program 2.1: Consular Services</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	57,200	26,867	30,333
Expenses not requiring appropriation in the Budget year <sup>2</sup>	-	1,565	(1,565)
Special appropriations	100	4	96
Departmental expenses			-
Departmental appropriation <sup>1</sup>	143,011	143,011	-
<b>Total for program 2.1</b>	<b>200,311</b>	<b>171,447</b>	<b>28,864</b>
<b>Program 2.2: Passport Services</b>			
Administered expenses			
Expenses not requiring appropriation in the Budget year <sup>2</sup>	-	-	-
Special appropriations	2,000	1,115	885
Departmental expenses			
Departmental appropriation <sup>1</sup>	270,691	270,691	-
<b>Total for program 2.2</b>	<b>272,691</b>	<b>271,806</b>	<b>885</b>
<b>Outcome 2 Totals by appropriation type</b>			
Administered expenses			
Ordinary annual services ( <i>Appropriation Act Nos. 1 and 3</i> )	57,200	26,867	30,333
Expenses not requiring appropriation in the Budget year <sup>2</sup>	-	1,565	(1,565)
Special appropriations	2,100	1,119	981
Departmental expenses			
Departmental appropriation <sup>1</sup>	413,702	413,702	-
<b>Total expenses for Outcome 2</b>	<b>473,002</b>	<b>443,253</b>	<b>29,749</b>
	<b>2019–20</b>	<b>2020–21</b>	
<b>Average staffing level (number)</b>	<b>1,053</b>	<b>1,063</b>	

\* Full year budget, including any subsequent adjustments made to the 2020–21 budget through 2020–21 additional estimates and estimated outcome as published in the 2021–22 Budget

1. Departmental appropriation combines 'ordinary annual services (*Supply Act No. 1, Appropriation Act No. 1, Act No. 3*)'

2. Expenses not requiring appropriation in the budget year may include depreciation expenses, amortisation expenses, make good expenses, audit fees, concessional costs for loans, finance costs and impairment of financial instruments

TABLE 34: EXPENSES FOR OUTCOME 3

Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas property estate	Budget* 2020–21 \$'000 (a)	Actual Expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a – b)
<b>Program 3.1: Foreign Affairs and Trade Security and IT</b>			
Departmental expenses			
Departmental appropriation <sup>1</sup>	259,975	259,975	-
<b>Total for program 3.1</b>	<b>259,975</b>	<b>259,975</b>	<b>-</b>
<b>Program 3.2: Overseas Property</b>			
Departmental expenses			
Expenses not requiring appropriation in the Budget year <sup>2</sup>	36,246	109,825	(73,579)
<b>Total for program 3.2</b>	<b>36,246</b>	<b>109,825</b>	<b>(73,579)</b>
<b>Outcome 3 Totals by appropriation type</b>			
Departmental expenses			
Departmental appropriation <sup>1</sup>	259,975	259,975	-
Expenses not requiring appropriation in the Budget year <sup>2</sup>	36,246	109,825	(73,579)
<b>Total expenses for Outcome 3</b>	<b>296,221</b>	<b>369,800</b>	<b>(73,579)</b>
	<b>2019–20</b>	<b>2020–21</b>	
<b>Average staffing level (number)</b>	<b>853</b>	<b>863</b>	

\* Full year budget, including any subsequent adjustments made to the 2020–21 budget through 2020–21 additional estimates and estimated outcome as published in the 2021–22 Budget

1. Departmental appropriation combines 'ordinary annual services (*Supply Act No. 1, Appropriation Act No. 1, Act No. 3*)'

2. Expenses not requiring appropriation in the budget year may include depreciation expenses, amortisation expenses, make good expenses, audit fees, concessional costs for loans, finance costs and impairment of financial instruments

## Appendix 4: Development program expenditure

Table 35 provides details of budget estimates by country and region for 2020–21. Table 36 provides details of DFAT-managed temporary, targeted and supplementary measures to respond to COVID-19 for 2020–21. Actuals are planned to be published on the departmental website in December in Australia's Official Development Assistance: Statistical Summary following collection of information from other government departments and delivery partners, including detailed breakdowns of geographic flows of expenditure.

**TABLE 35: TOTAL AUSTRALIAN OFFICIAL DEVELOPMENT ASSISTANCE<sup>1</sup> BY COUNTRY AND REGION OF BENEFIT, 2020–21 BUDGET ESTIMATE**

Country and region <sup>2</sup>	Total \$m
Papua New Guinea	596.0
Solomon Islands	156.8
Vanuatu	75.6
Fiji	65.6
Samoa	37.2
Tonga	35.1
Kiribati	30.5
Nauru	31.6
Tuvalu	13.4
Niue and Tokelau	3.7
North Pacific <sup>3</sup>	10.6
Pacific Regional	384.5
<b>Pacific</b>	<b>1,440.6</b>
Indonesia	299.0
Timor-Leste	105.2
Philippines	80.0
Vietnam	78.9
Cambodia	66.1
Myanmar	91.0
Laos	40.1
Mongolia	11.3
Southeast and East Asia Regional	238.3
<b>Southeast and East Asia</b>	<b>1,009.9</b>
Afghanistan	53.6
Bangladesh	55.7
Sri Lanka	25.0
Pakistan	11.0
Nepal	21.4
Bhutan	5.7
Maldives	2.5
South and West Asia Regional	18.6
<b>South and West Asia</b>	<b>193.4</b>
Sub-Saharan Africa	61.4
The Middle East and North Africa <sup>4</sup>	31.6
<b>The Middle East and Africa</b>	<b>93.0</b>

Country and region <sup>2</sup>	Total \$m
Caribbean	0.5
Latin America	2.0
<b>Latin America and the Caribbean</b>	<b>2.5</b>
<b>Core contributions to multilateral organisations and other ODA not attributable to particular countries or regions<sup>5</sup></b>	<b>1,260.6</b>
<b>Grand Total<sup>6</sup> Australian ODA flows by country and region of benefit, 2020–21 budget estimate</b>	<b>4,000.0</b>

1. Australian ODA includes \$247.9m in estimated expenditure managed by other government departments

2. Regional totals include amounts attributable to the region but not a specific country

3. Federated States of Micronesia, Palau and the Republic of the Marshall Islands

4. Includes Iraq, Syria, the Palestinian Territories and other flows to the region

5. Includes payments to some UN and Commonwealth organisations and UN peacekeeping operations. The ODA-eligible components of cash payments to the International Development Association, Asian Development Fund, Global Environment Facility, Heavily Indebted Poor Countries Initiative and the Montreal Protocol Multilateral Fund are also included

6. Due to rounding, discrepancies may occur between sums of the component items and totals

**TABLE 36: TEMPORARY, TARGETED AND SUPPLEMENTARY MEASURES TO RESPOND TO COVID-19: DFAT-MANAGED ODA, 2020–21 BUDGET ESTIMATE**

	Total \$m
Pacific and Timor-Leste	93.8
Southeast Asia	145.3
<b>Australian Support for Vaccine Access in the Pacific and Southeast Asia</b>	<b>239.1</b>
Pacific and Timor-Leste	200.0
<b>Economic Support to the Pacific and Timor-Leste</b>	<b>200.0</b>
Southeast Asia	20.2
<b>Enhanced Partnerships in Southeast Asia</b>	<b>20.2</b>
India	20.4
<b>Australian Support for India</b>	<b>20.4</b>
<b>Total</b>	<b>479.7</b>

## Appendix 5: Audit and risk committee

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration
<b>Brendan Sargeant (Chair)</b>	Professor Sargeant is Professor of Practice in Defence and Strategic Studies and Head of the Strategic and Defence Studies Centre at the Coral Bell School of Asia Pacific Studies, Australian National University. He retired from the APS in October 2017, having been involved in the development and implementation of Defence policy over many years. From September 2013 to October 2017 he was the associate secretary of Defence and was responsible for oversight of the implementation of the First Principles Review, a major reform of Defence organisation and enterprise governance, planning, performance and risk management.	10/11	\$42,750
<b>Donna Hardman</b>	Ms Hardman is a professional company director with experience in business and IT transformation, change leadership and governance. She has over 30 years' experience in the global financial services industry specialising in business strategy, general management and transformational change leadership roles. Ms Hardman currently holds two independent governance appointments with Australian Federal Government departments/agencies, in addition to her appointment with the Department of Foreign Affairs and Trade, and consults to the private sector on board performance, enhancement and future-readiness.	11/11	\$22,100
<b>Chris Ramsden</b>	Mr Ramsden is a highly experienced APS officer (now retired), specialising in corporate and enabling service roles. He has over 38 years' experience and has served as chief financial officer for the Australian Customs Service and ComSuper. He was also the chief operations officer for the Clean Energy Regulator and was responsible for managing all corporate support functions (finance, human relations, information technology, project management, risk management, communications, investigations) for this newly formed agency.	11/11	\$21,225
<b>Roxanne Kelley</b>	Ms Kelley is the Deputy Secretary, Corporate and Foreign Investment Group at the Department of the Treasury. She has also served as chief operating officer and deputy secretary for a number of government agencies including Services Australia (previously the Department of Human Services), the Department of Social Services and the Department of Defence. She has extensive expertise in departmental strategy and transformation, governance, ministerial and parliamentary services, and corporate functions including finance, human resources, audit, legal, procurement and communications. Ms Kelley commenced her term as a member of DFAT's Audit and Risk Committee in February 2021.	2/3	\$0

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration
<b>Mark Ridley</b>	Mr Ridley has served as an independent chair and member of audit and risk committees for several large and medium-sized Commonwealth agencies since 2011, including the Australian Signals Directorate, the Departments of Defence, Home Affairs, and Human Services, the Australian Federal Police, as well as the Australian National University. He also advises entities on the governance and risk management of ICT-based programs. He was formerly a senior partner of PwC Australia and has held leadership roles in risk advisory, internal audit and ICT project assurance. Mr Ridley commenced his term as a member of DFAT's Audit and Risk Committee in February 2021.	3/3	\$11,100
<b>Julie Heckscher</b>	Ms Heckscher is currently Deputy High Commissioner in London. She was previously first assistant secretary for the Southeast Asia Division in DFAT where she had responsibility for Australia's relationships with Timor-Leste and the ten ASEAN member countries, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, including Australia's bilateral development assistance programs to those countries. Ms Heckscher was also previously a member of the department's Aid Governance Board. Ms Heckscher has also held a number of other senior positions within DFAT including as first assistant secretary of the Americas Division and served in senior positions at Australian diplomatic posts in Singapore, Canada and Russia. Ms Heckscher has also served in a number of legal roles in the department, including as the corporate counsel. Ms Heckscher's term as a member of DFAT's Audit and Risk Committee ended in July 2020.	1/1	\$0
<b>Jamie Isbister</b>	Mr Isbister has over 25 years' experience working in the international development and humanitarian area in senior roles across both government and non-government sectors. He was the Australian Government's humanitarian coordinator from 2014 to 2019 and is currently First Assistant Secretary for the Economic Growth and Sustainability Division in DFAT. He is also Australia's Ambassador for the Environment and leads Australia's international negotiations on climate change. Mr Isbister's term as a member of DFAT's Audit and Risk Committee ended in May 2021.	9/10	\$0
<b>Penni James</b>	Ms James is a professional company director and independent committee member. She has over 30 years' experience in the global financial services industry specialising in governance, risk and compliance. She is currently an independent director of the superannuation and investments subsidiaries of the Commonwealth Bank and an independent member on the compliance committees of a number of large investment managers. She is also a Fellow of the Australian Institute of Company Directors. Ms James concluded her term as a member of DFAT's Audit and Risk Committee in December 2020.	4/8	\$9,200

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration
Wendy Jarvie	Dr Jarvie is a performance measurement and aid management professional, and is currently Adjunct Professor, Public Service Research Group, School of Business, University of NSW (Canberra). Dr Jarvie has 22 years of APS experience, including as a deputy secretary in the Department of Education, Science and Training and the Department of Education, Employment and Workplace Relations. She has extensive experience in evaluations and strategy development, working for the World Bank in Washington, Vietnam and the Pacific as well as being a member of the Indigenous Evaluation Committee for the National Indigenous Australians Agency. Dr Jarvie was also a member of DFAT's Independent Evaluation Committee for Australian Aid (2012–2020). Dr Jarvie concluded her term as a member of DFAT's Audit and Risk Committee in December 2020.	8/8	\$11,664
Tony Sheehan	Mr Sheehan joined DFAT as Deputy Secretary International Security, Humanitarian and Consular Group on 2 October 2018. He was most recently Commonwealth Counter-Terrorism Coordinator from September 2016. In that position, he was responsible for coordinating Australia's Counter-Terrorism arrangements for the Prime Minister and the Minister for Home Affairs, working in close partnership with Commonwealth and state and territory agencies. Prior to that he served as a deputy director-general in ASIO, chief operating officer in the Attorney-General's Department and first assistant secretary, homeland and border security in the Department of the Prime Minister and Cabinet. Before this, he spent 19 years at DFAT including overseas postings to Taipei, Beijing and Jakarta and holding several SES positions in Canberra with responsibilities for counter-terrorism, people smuggling and other transnational issues. Mr Sheehan's term as a member of DFAT's Audit and Risk Committee ended in May 2021.	10/10	\$0

# Appendix 6: Workplace health and safety

## Health and safety management in the department

The health and safety of people employed by the department or affected by our work is of vital importance and must be taken into account during all activities undertaken on our behalf. This is a complex undertaking in a global operating context, made more challenging due to the ongoing impact of COVID-19.

We remain committed to building a culture that actively promotes effective risk management and improved work practices and fosters attitudes that sustain a respectful, safe and healthy environment.

## Work health and safety initiatives and outcomes

### COVID-19

The department continued to work diligently to ensure health and safety risks arising from COVID-19 were effectively managed. COVID-19 WHS initiatives included:

- investigating and assessing suspected COVID-19 workplace incident reports
- providing advice to heads of mission and heads of post on their due diligence obligations
- assisting in the review of COVID-safe risk assessments and systems
- conducting staff awareness sessions
- undertaking a WHS risk assurance check of COVID-19 controls across the global network
- rollout of COVID-19 vaccines to the global network.

### Wellbeing Unit

The department established a Wellbeing Unit, responsible for the implementation of our Wellbeing@DFAT program, to assist our staff in maintaining healthy behaviours.

### WHS risk management

The department's Work Health and Safety Unit (WHSU) established a WHS business partner model. This initiative assisted line managers in reviewing their WHS risk registers, reporting WHS incidents and hazards, and other compliance activities.

### Workstation assessments

WHSU staff undertook specialist training to enable them to deliver an in-house service providing simple ergonomic assessments, instead of using external providers. The WHSU continued to develop an online workstation assessment and pain symptom tool, and piloted virtual ergonomic assessments for our posts. We expect these initiatives will reduce WHS incidents and compensation claims relating to computer-based tasks.



### **Pilot of virtual first aid training**

The department piloted virtual first aid training involving course instruction and practical exercises over videoconferencing run by an Australian-accredited first aid training provider. To comply with the requirement for the learner to demonstrate their capability, we despatched practical demonstration kits to posts. This approach allowed overseas staff to receive refresher first aid training that international travel restrictions and the inability to access an Australian registered training provider overseas would have otherwise prevented. Additionally, it provided an opportunity for locally engaged staff to receive accredited first aid training to Australian standards.

### **Revitalising the work health and safety management system**

The WHS Management System revitalisation project continued to ensure that the department's health and safety framework conforms to WHS legislative requirements and AS NZS ISO 45001. The revitalisation project remains ahead of schedule with 79 per cent of required procedures finalised.

### **Mental health initiatives**

We implemented various initiatives to support a mentally healthy workplace – see page 123.

### **Beirut – port explosion**

In response to the ammonium nitrate explosion at the Beirut port and the proximity of our Beirut post, the WHSU conducted a virtual workplace inspection and provided an ammonium nitrate risk assessment prior to staff receiving authorisation to return to the workplace. We also assessed building and accommodation risks.

In response to concerns raised by staff, the WHSU engaged an occupational hygienist to assess asbestos and crystalline silica risks. The report identified no issues.

## **Reporting requirements under the *Work Health and Safety Act 2011***

- Incident notification – 24 incidents were notified to Comcare under Part 3 of the Act.
- Enforceable undertakings – no directions were given to the department under Part 11, Section 217 of the Act.
- Securing compliance – two investigations were undertaken. One of these was finalised under Part 9 of the Act.
- Enforcement measures – no notices were issued under Part 10, Section 191 of the Act.

## Rehabilitation management

We established a targeted Rehabilitation and Workers Compensation Premium Reduction Strategy 2021–24, as part of our commitment to continuous improvement in this area. Our premium rate for 2020–21 remains lower than the Commonwealth average of 0.86 per cent.

Comcare claims accepted	2018–19	2019–20	2020–21
Total number of claims accepted by Comcare	16	18	17
Department premium rate as a percentage of total department wages and salaries	0.47	0.78	0.77

Note: the figures for the total number of claims accepted by Comcare in 2019–20 have been corrected in the table above, compared to the table which appeared on page 222 of the 2019–20 Annual Report. The 'total number of claims accepted by Comcare' and reported in a specific financial year may need to be adjusted based on factors, including:

- date of lodgement until acceptance
- back-dating claims to date of injury
- decisions subject to the Administrative Appeals Tribunal
- reconsideration of claims.

## Appendix 7: Ecologically sustainable development and environmental performance

The department's policy activities and operations accorded with the principles of ecologically sustainable development as required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act). Under our three outcomes we:

- contributed to the development of global frameworks supporting ecologically sustainable development, including:
  - working towards shaping a new global treaty for the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction
  - promoting environmental protection in the Antarctic Treaty system
  - ensuring a precautionary approach is taken to regulation of deep seabed mining
- applied our Environmental and Social Safeguard Policy and operational procedures to support delivery of development assistance in accordance with the principles of ecologically sustainable development
- undertook a high-level independent review of the department's Environmental and Social Safeguard Policy to assess effectiveness, and identify lessons learned and opportunities for improvement
- conducted assessments in accordance with our Environmental and Social Safeguard framework to determine whether a referral to the Minister for the Environment was required under the EPBC Act. In 2020–21 no projects required referral
- integrated climate change action and disaster risk reduction across our development program, including our COVID-19 response, in accordance with our Climate Change Action Strategy (2020–25)
- advocated strong outcomes in Australia's interests in international climate change negotiations, on transparency, international carbon markets rules, climate financing and adaptation, including as Chair of the Umbrella Group
- ensured we exceeded our \$1 billion 2015–20 climate finance commitment by over \$400 million
- announced an increase in our global climate finance commitment by 50 per cent to at least \$1.5 billion from 2021 to 2025, which includes \$500 million specifically for the Pacific
- progressed a strong pipeline of climate-resilient infrastructure investments across the region
- worked to build the capacity of Pacific communities to manage the impact of climate change and increasing population on community-based fisheries
- promoted healthy oceans for sustainable development and the ability of Pacific island countries to plan for and respond to oil spills through the Oil Spill Response plan for the Pacific (PacPlan)
- supported sustainable fisheries management and oceans governance at the local, national and regional scale across the Pacific, including by supporting Pacific fisheries to continue to operate effectively in the COVID-19 environment

- launched a climate, energy, and environment online training portal for staff to understand and manage climate risk in accordance with APS directives and to support staff to implement the department's Climate Change Action Strategy. The portal covers six key topics and provides links to further learning and development opportunities including:
  - adaptation and resilience
  - climate change and development
  - climate science
  - energy, emissions and economic diplomacy
  - environment
  - international climate engagement
- collaborated with the Bureau of Meteorology to deliver quarterly webinars on their Global Seasonal Outlook product, profiling key global weather and climate events and likely impacts, to audiences across the APS
- ensured sustainable development and environmental performance were considered in applicable property-related decisions in the overseas estate, through overarching portfolio environmental policy and environmental management plans
- worked on integration of property-focused climate risk assessments and associated adaptations into asset management plans
- applied contemporary and cost-effective sustainability measures in all new construction projects, where possible benchmarking project specifications to achieve local environmental sustainability ratings. We aim to reduce waste to landfill by using Australian prefabricated products
- included sustainability measures, such as photovoltaic cells, green roofs, energy-efficient lighting, daylight and motion sensors, zoned air-conditioning systems, rainwater harvesting and building management systems, in all new construction projects
- completed stage one planning and design for renewable energy solar pilot projects at two posts. Further planning and design feasibility for other suitable sites is underway
- implemented our water saving initiatives through a rainwater harvesting project in Islamabad which is providing measurable water savings
- continued to assist posts in gaining energy efficient outcomes by measuring energy consumption using smart metering strategies
- encouraged posts to purchase electric vehicles, with the first purchase of a Hyundai Ioniq at our post in Geneva.

The Energy Efficiency in Government Operations (EEGO) Policy sets the minimum energy performance standard for Australian Government buildings as a strategy for achieving energy targets. This ensures that entities progressively improve their performance through the procurement and ongoing management of energy efficient office buildings and environmentally sound equipment and appliances.

Agencies are required to meet the target of no more than 7,500 megajoules (MJ) per person, per annum, for office tenant light and power under the EEGO Policy. In 2020–21 the department met this target, using approximately 6,886 MJ per person.

**TABLE 37: DFAT DOMESTIC PORTFOLIO EEGO SUMMARY DATA**

Classification	EEGO Target	Units	Year				Compliance with EEGO Policy
			2017–18	2018–19	2019–20	2020–21	
Tenant light and power	7,500	MJ/person/annum	7,910	7,343	7,185	6,886	✓
Other Buildings	N/A	MJ/m <sup>2</sup> /annum	612	588	565	471	N/A

Overall, the department's domestic energy consumption has stayed relatively consistent over the past four years.

**TABLE 38: DFAT'S DOMESTIC PROPERTY PORTFOLIO STATIONARY ENERGY CONSUMPTION**

Category of consumption	2017–18	2018–19	2019–20	2020–21	Per cent change (2019–20 to 2020–21)
Office tenant light and power electricity (MJ)	31,979,227	29,819,247	29,179,249	27,356,784	–6%
Office gas (MJ)	4,676,612	4,456,126	4,450,126	4,215,894	–5%
Other building energy (MJ)	935,620	885,742	850,246	708,664	–17%
Total energy (MJ)	37,591,459	35,161,115	34,479,622	32,281,342	–6%

MJ = megajoule

The RG Casey Building in Canberra continues to be the dominant source of the department's domestic energy consumption. This building is monitored closely and we are working with the building owner's representative to identify, implement and review energy efficiency measures. These include:

- tuning building air conditioning equipment
- monitoring and adjusting temperature set points and hours of operation
- activating 'after hours' mode over the Christmas period.

These initiatives, along with a drop in building occupation due to an increase in remote working, have resulted in a decrease in consumption of approximately 8 per cent for this building alone.

As part of our strategic accommodation planning, the department undertakes to meet the requirements of the Green Lease Schedule Policy: that is, for tenancies of greater than 2,000m<sup>2</sup> with a lease term greater than two years, accommodation will meet a minimum National Australian Built Environment Rating System (NABERS) rating of 4.5 stars. Table 39 summarises the green lease agreements the department had in place during the reporting period across its domestic property portfolio and the corresponding NABERS ratings, where relevant/available.

TABLE 39: DOMESTIC ESTATE GREEN LEASE SCHEDULE AND NABERS RATINGS

Site	GLS Schedule	NABERS Tenancy Rating	
		Target	Current
RG Casey Building, Barton	A (Gross Lease)	4.5	TBC <sup>(1)</sup>
255 London Circuit <sup>(2)</sup>	Nil (lease in place prior to GLS development)	4.5	4.5 (whole building)
51 Allara St, Canberra City	B	4.5	TBC <sup>(1)</sup> (new lease)
L2, 747 Collins St, Melbourne	B	4.5	4.0 (indicative)
44 Sydney Ave, Barton	C2	4.5	5.0

1. Rating yet to be formally completed  
2. Voluntary rating

All Australian passports issued during the 2020–21 reporting period were printed on paper produced from wood pulp certified as sustainable and ethically-sourced.

## Appendix 8: Parliamentary committees of inquiry

This appendix contains information on the department's engagement with parliamentary committees of inquiry during the reporting period.

Departmental officers appeared as witnesses before the Joint Standing Committee on Treaties (JSCOT) in relation to six proposed treaty actions. This figure does not include occasions on which the department's International Law Advising and Treaties Section staff attended JSCOT hearings in an advisory or observer capacity.

In July the department and Austrade led a joint portfolio submission with Export Finance Australia and Tourism Australia to the Joint Standing Committee on Trade and Investment Growth's inquiry into diversifying Australia's trade and investment profile. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Joint\\_Standing\\_Committee\\_on\\_Trade\\_and\\_Investment\\_Growth/DiversifyingTrade/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Joint_Standing_Committee_on_Trade_and_Investment_Growth/DiversifyingTrade/Submissions)

The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Joint\\_Standing\\_Committee\\_on\\_Trade\\_and\\_Investment\\_Growth/DiversifyingTrade/Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Joint_Standing_Committee_on_Trade_and_Investment_Growth/DiversifyingTrade/Report)

In July the department made a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into the issues facing diaspora communities in Australia. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/Diasporacommunities/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/Diasporacommunities/Submissions)

The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/Diasporacommunities/Report](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/Diasporacommunities/Report)

In July the department made a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Human Rights Sub-committee inquiry into the human rights of women and girls in the Pacific. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/womenandgirlsPacific/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/womenandgirlsPacific/Submissions)

In July the department made a submission to the JSCOT inquiry into certain aspects of the treaty-making process in Australia. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Treaties/Treaty-makingProcess/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/Treaty-makingProcess/Submissions)

In August the department provided input into the Attorney-General's Department submission to the Parliamentary Joint Committee on Intelligence and Security's review of the 'declared area' provisions listed in sections 119.2 and 119.3 of the *Criminal Code Act 1995*. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Intelligence\\_and\\_Security/DeclaredAreaProvisions/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/DeclaredAreaProvisions/Submissions)

The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Intelligence\\_and\\_Security/DeclaredAreasProvisions/Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/DeclaredAreasProvisions/Report)

In August JSCOT tabled its report on the Termination of the Agreement between the Government of Australia and the Government of the Republic of Indonesia concerning the Promotion and Protection of Investments. The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Treaties/CapitalIncreaseWBGIIRD/Report\\_189](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/CapitalIncreaseWBGIIRD/Report_189)

Following tabling of the report, Australia and Indonesia exchanged letters notifying that each party had completed its respective treaty-making processes to terminate this agreement. The agreement was terminated on 6 August.

In August the Senate Foreign Affairs, Defence and Trade References Committee tabled its report on its inquiry into the opportunities for strengthening Australia's relations with the Republic of France. The report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/France/Report](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/France/Report)

In September the department made a submission to the Senate Foreign Affairs, Defence and Trade Legislation Committee inquiry into Australia's Foreign Relations (State and Territory) Bill 2020 and Australia's Foreign Relations (State and Territory Arrangements) (Consequential Amendments) Bill 2020. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/AustForeignRelations2020/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/AustForeignRelations2020/Submissions)

In October the Senate Standing Committee for the Scrutiny of Bills commented on Australia's Foreign Relations (State and Territory Arrangements) Bill 2020. The department coordinated the Minister for Foreign Affairs' response to the Committee dated 3 December 2020, providing further information on the Bill. In December the Senate Standing Committee for the Scrutiny of Bills provided further commentary on the Minister's response. The Committee's commentary and ministerial response can be found in Scrutiny Digests 14 and 18 of 2020, available at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Scrutiny\\_of\\_Bills/Scrutiny\\_Digest/2020](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Scrutiny_of_Bills/Scrutiny_Digest/2020)

In November the Senate Foreign Affairs, Defence and Trade Legislation Committee tabled its report on Australia's Foreign Relations (State and Territory Arrangements) Bill 2020 and Australia's Foreign Relations (State and Territory Arrangements) (Consequential Amendments) Bill 2020. The department coordinated the government's response to the report, which was tabled on 17 November 2020. The report and the government response can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/AustForeignRelations2020](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/AustForeignRelations2020)



In December the JSCOT tabled its report on:

- the Agreement between the Government of Australia and the Government of the Republic of Singapore concerning Military Training and Training Area Development in Australia; and
- the Australia-Singapore Digital Economy Agreement.

The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Treaties/DigitalEconomySingapore/Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/DigitalEconomySingapore/Report)

The department coordinated the government's response to the report (in consultation with the Department of Defence and the Department of Industry, Science, Energy and Resources) which was tabled on 29 April 2021 and can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Treaties/DigitalEconomySingapore/Government\\_Response](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/DigitalEconomySingapore/Government_Response)

In December the Joint Standing Committee on Foreign Affairs, Defence and Trade tabled its inquiry report *Criminality, corruption and impunity: Should Australia join the Global Magnitsky movement?*

The committee's report can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/MagnitskyAct/Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/MagnitskyAct/Report)

The department provided input to the Australian Border Force-led whole-of-government submission (dated 15 March 2021) to the Senate Foreign Affairs, Defence and Trade Legislation Committee's inquiry into the Customs Amendment (Banning Goods Produced by Uyghur Forced Labour) Bill 2020. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/UyghurForcedLabourBill/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/UyghurForcedLabourBill/Submissions)

The committee's report was tabled in June and can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/UyghurForcedLabourBill/Report](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/UyghurForcedLabourBill/Report)

Following the tabling in Parliament in March of the Regional Comprehensive Economic Partnership Agreement (RCEP) and its National Interest Analysis, the JSCOT commenced an inquiry into the treaty. The department provided written responses to questions on notice arising at the JSCOT hearing. These can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Treaties/RCEP/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/RCEP/Submissions)

In March the department made a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into funding for public research into foreign policy issues. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/ForeignPolicyResearch/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/ForeignPolicyResearch/Submissions)

In April the department made a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Trade Sub-committee inquiry into expanding membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/CPTPPMembership/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/CPTPPMembership/Submissions)

In June the department made a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Human Rights Sub-committee inquiry into certain aspects of the Department of Foreign Affairs Annual Report 2019–20 – child and forced marriage. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/ForeignAffAR19-20CFM/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/ForeignAffAR19-20CFM/Submissions)

In June the department made a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into opportunities for advancing Australia's strategic interests through existing regional architecture. The submission can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/RegionalArchitecture/Submissions](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/RegionalArchitecture/Submissions)

In August, September, November and May departmental officers appeared before the Senate Select Committee on COVID-19 inquiry into the Australian Government's response to the COVID-19 pandemic. Interim reports can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Senate/COVID-19/COVID19](http://aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19)

In September departmental officers appeared twice as witnesses before the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into the implications of the COVID-19 pandemic for Australia's foreign affairs, defence and trade. The committee's report can be found at

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/FADTandglobalpandemic/Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/FADTandglobalpandemic/Report)

In April and May departmental officers appeared as witnesses before the Joint Standing Committee on Foreign Affairs, Defence and Trade's Foreign Affairs and Aid Sub-committee inquiry into certain aspects of the Department of Foreign Affairs and Trade Annual Report 2019–20 – Myanmar. The committee's interim report was tabled in June and can be found at:

[aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/ForeignAffairsAR19-20/Interim\\_Report](http://aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/ForeignAffairsAR19-20/Interim_Report)

## Appendix 9: Advertising and market research

As required under section 311A of the *Commonwealth Electoral Act 1918*, following is a list of agencies and organisations contracted by the department (including at overseas posts) to provide advertising and market research services. The list includes payments above \$14,300 (GST inclusive).

During 2020–21 the department ran extensions of the Smartraveller COVID-19 campaign. The first extension of the Smartraveller COVID-19 campaign ran from 26 October 2020 to 28 February 2021 and the second extension ran from 6 June to 30 June 2021. Further information on this campaign is available at [dfat.gov.au](http://dfat.gov.au) and [smartraveller.gov.au](http://smartraveller.gov.au) and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website ([finance.gov.au](http://finance.gov.au)).

**TABLE 40: ADVERTISING AND MARKET RESEARCH**

Account name	Service provided	PBS Program	Amount
<b>Advertising agencies</b>			
Clemenger BBDO (Melbourne) P/L	Smartraveller COVID-19 campaign extensions	2.1	95,315
<b>Market research organisations</b>			
Kantar Public Australia Pty Ltd	Market research to inform the extension of the COVID-19 campaign and check your travel smarts campaigns	2.1	111,100
Hall & Partners Pty Ltd	Smartraveller COVID-19 campaign extensions evaluation	2.1	118,474
Kantar Public Australia Pty Ltd	Quantitative and qualitative passport-related market research regarding Australians' COVID-19-related international travel and passport application/renewal intentions	2.2	66,000
Orima Research Pty Ltd	Passport client satisfaction survey	2.2	103,802
The University of Adelaide	Market research project on Understanding of Special and Differential Treatment (S&DT) and the role of trade in development in a post-pandemic work	1.1	99,000
Newgate Communications	Market research into the effectiveness of domestic communications regarding DFAT programs and services	1.6	79,860
<b>Media advertising organisations</b>			
Universal McCann	Smartraveller COVID-19 campaign extensions – advertising services (media placement)	2.1	780,235
Media Niugini Limited (EMTV)	Airtime in Papua New Guinea for messaging the Australia-PNG partnership as part of the Tokyo 2021 Olympics advertising package	1.2	23,534

# Appendix 10: Contributions

Table 41 lists payments made by the department totalling \$355.1 million, consisting of \$157.1 million to 28 international organisations and international treaty secretariats, and \$198 million to 12 international peacekeeping missions.

**TABLE 41: CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS AND PEACEKEEPING OPERATIONS**

	2020–21 \$m
<b>International organisations</b>	
ABAC Secretariat	44,960
Antarctic Treaty Secretariat	78,180
APEC Secretariat	474,635
Arms Trade Treaty	29,130
Asia Europe Foundation	52,144
Biological Weapons Convention	58,528
Commission for the Conservation of Antarctic Marine Living Resources	823,229
Commonwealth Secretariat	3,757,837
Comprehensive Nuclear-Test-Ban Treaty	3,991,935
Convention on Certain Conventional Weapons	44,256
Energy Charter Conference	338,709
International Atomic Energy Agency	16,436,849
International Bureau of Permanent Court of Arbitration	40,309
International Centre for the Study of the Preservation and Restoration of Cultural Property	131,330
International Criminal Court	9,407,365
International Seabed Authority	286,619
International Tribunal for the Law of the Sea	415,032
International Tribunals for War Crimes	2,838,265
MH17 Dutch National Prosecution Contribution	5,000,000
Organisation for Economic Co-operation and Development	14,220,332
Organisation for Prohibition of Chemical Weapons	2,366,871
Ottawa Convention	36,855
Pacific Economic Cooperation Council	38,945
United Nations – assessed contribution	82,601,830
United Nations Educational, Scientific and Cultural Organization	9,827,691
Voluntary Principles on Security and Human Rights	34,792
Wassenaar Arrangement	81,486
World Trade Organization	3,652,353
<b>International organisations total</b>	<b>157,110,466</b>

	2020–21 \$m
<b>International peacekeeping operations</b>	
UN Disengagement Observer Force	1,905,436
UN Hybrid Operation in Darfur	13,797,987
UN Interim Force in Lebanon	14,782,330
UN Interim Mission in Kosovo	1,173,074
UN Interim Security Force for Abyei	8,184,500
UN Mission for the Referendum in Western Sahara	1,760,433
UN Mission in South Sudan	37,011,614
UN Multidimensional Integrated Stabilization Mission in Mali	38,479,497
UN Multidimensional Integrated Stabilization Mission in the Central African Republic	28,333,786
UN Organization Stabilisation Mission in the Democratic Republic of the Congo	35,208,966
UN Peacekeeping Force in Cyprus	830,671
UN Support Office for African Union Military Observer Mission in Somalia	16,560,951
<b>International peacekeeping operations total</b>	<b>198,029,245</b>
<b>Grand total</b>	<b>355,139,710</b>

## Appendix 11: List of sponsors

The following is a list of sponsors who supported projects or programs undertaken by the department during the year. The list includes sponsorship equivalent to \$10,000 and above (GST inclusive).

**TABLE 42: LIST OF SPONSORS**

Sponsor	Project/Event	Program	Amount (\$)
Hong Kong Fringe Club	2020 Christmas Card Competition Event (Hong Kong)	1.1	47,961
Meat and Livestock Australia	Australia Now 2021 (Kuala Lumpur)	1.1	20,000
City of Greater Bendigo	Australia Now 2021 (Kuala Lumpur)	1.1	45,000
NS BlueScope Malaysia Sdn Bhd	Australia Now 2021 (Kuala Lumpur)	1.1	19,399
NSW Treasury	Australia Now 2021 (Kuala Lumpur)	1.1	45,000
WA Department of Primary Industries and Regional Development	Australia Now 2021 (Kuala Lumpur)	1.1	20,000
Lynas Malaysia Sdn Bhd	Australia Now 2021 (Kuala Lumpur)	1.1	88,706
NSW Government	EXPO 2020 Dubai (Dubai)	1.1	500,000
Caroma Industries Limited	EXPO 2020 Dubai (Dubai)	1.1	66,000
Australian Made	EXPO 2020 Dubai (Dubai)	1.1	55,000
Gold Coast City Council	EXPO 2020 Dubai (Dubai)	1.1	27,500

## Appendix 12: Summary of the overseas network

At 30 June 2021 the Australian Government's overseas network comprised 122 posts in 85 countries, including nine Austrade-managed posts providing consular services. As part of the Canada–Australia Consular Services Sharing Agreement, 13 Canadian missions provided consular assistance to Australians in 16 locations. In turn, 13 Australian missions provided consular assistance to Canadians in 20 locations. At 30 June there were an additional 49 consulates headed by an honorary consul, two of which were managed by Austrade.

More information about our overseas network is available at the department's website at [www.dfat.gov.au/about-us/our-locations/missions/Pages/our-embassies-and-consulates-overseas.aspx](http://www.dfat.gov.au/about-us/our-locations/missions/Pages/our-embassies-and-consulates-overseas.aspx) and at [www.smarttraveller.gov.au](http://www.smarttraveller.gov.au)

**TABLE 43: AUSTRALIAN GOVERNMENT EMBASSIES, HIGH COMMISSIONS, CONSULATES, MULTILATERAL MISSIONS AND REPRESENTATIVE OFFICES MANAGED BY DFAT AND AUSTRADE**

Location	City	Type
Argentina	Buenos Aires	Embassy
Austria	Vienna	Embassy and Permanent Mission to the United Nations
Bangladesh	Dhaka	High Commission
Belgium	Brussels	Embassy and Mission to the European Union
Brazil	Brasilia	Embassy
	São Paulo	Consulate-General*
Brunei Darussalam	Bandar Seri Begawan	High Commission
Cambodia	Phnom Penh	Embassy
Canada	Ottawa	High Commission
	Toronto	Consulate-General*
Chile	Santiago	Embassy
China	Beijing	Embassy
	Chengdu	Consulate-General
	Guangzhou	Consulate-General
	Hong Kong	Consulate-General
	Shanghai	Consulate-General
	Shenyang	Consulate-General
Cook Islands	Rarotonga	High Commission
Colombia	Bogotá	Embassy
Croatia	Zagreb	Embassy
Cyprus	Nicosia	High Commission
Denmark	Copenhagen	Embassy
Egypt	Cairo	Embassy
Ethiopia	Addis Ababa	Embassy
Federated States of Micronesia	Pohnpei	Embassy
Fiji	Suva	High Commission
France	Paris	Embassy and Permanent Delegation to UNESCO
	Paris	Delegation to the OECD
French Polynesia (France)	Papeete	Consulate-General

Location	City	Type
Germany	Berlin	Embassy
	Frankfurt	Consulate-General*
Ghana	Accra	High Commission
Greece	Athens	Embassy
India	New Delhi	High Commission
	Chennai	Consulate-General
	Kolkata	Consulate-General
	Mumbai	Consulate-General
Indonesia	Jakarta	Embassy
	Jakarta ASEAN	Mission
	Bali (Denpasar)	Consulate-General
	Makassar	Consulate-General
	Surabaya	Consulate-General
Iran	Tehran	Embassy
Iraq	Baghdad	Embassy
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy and Permanent Mission to the FAO
	Milan	Consulate-General*
Japan	Tokyo	Embassy
	Osaka	Consulate-General*
Jordan	Amman	Embassy
Kenya	Nairobi	High Commission
Kiribati	Tarawa	High Commission
Korea, Republic of	Seoul	Embassy
Kuwait	Kuwait City	Embassy
Laos	Vientiane	Embassy
Lebanon	Beirut	Embassy
Malaysia	Kuala Lumpur	High Commission
Malta	Malta	High Commission
Marshall Islands, Republic of the	Majuro	Embassy
Mauritius	Port Louis	High Commission
Mexico	Mexico City	Embassy
Mongolia	Ulaanbaatar	Embassy
Morocco	Rabat	Embassy
Myanmar	Yangon	Embassy
Nauru	Nauru	High Commission
Nepal	Kathmandu	Embassy
Netherlands	The Hague	Embassy
New Caledonia (France)	Noumea	Consulate-General
New Zealand	Wellington	High Commission
	Auckland	Consulate-General*
Nigeria	Abuja	High Commission
Niue	Alofi	High Commission
Pakistan	Islamabad	High Commission
Palau, Republic of	Koror	Embassy
Papua New Guinea	Port Moresby	High Commission
	Lae	Consulate-General
Peru	Lima	Embassy
Philippines	Manila	Embassy
Poland	Warsaw	Embassy
Portugal	Lisbon	Embassy
Qatar	Doha	Embassy



Location	City	Type
Russia	Moscow	Embassy
Samoa	Apia	High Commission
Saudi Arabia	Riyadh	Embassy
Serbia	Belgrade	Embassy
Singapore	Singapore	High Commission
Solomon Islands	Honiara	High Commission
South Africa	Pretoria	High Commission
Spain	Madrid	Embassy
Sri Lanka	Colombo	High Commission
Sweden	Stockholm	Embassy
Switzerland	Geneva	Permanent Mission to the United Nations
	Geneva	Permanent Mission to the WTO and Consulate-General
Thailand	Bangkok	Embassy and Permanent Mission to ESCAP
	Phuket	Consulate-General
Timor-Leste	Dili	Embassy
Tonga	Nuku'alofa	High Commission
Trinidad and Tobago	Port of Spain	High Commission
Turkey	Ankara	Embassy
	Çanakkale	Consulate
	Istanbul	Consulate-General
Tuvalu	Funafuti	High Commission
Ukraine	Kyiv	Embassy
United Arab Emirates	Abu Dhabi	Embassy
	Dubai	Consulate-General*
United Kingdom	London	High Commission
United States of America	Washington DC	Embassy
	Chicago	Consulate-General
	Honolulu	Consulate-General
	Houston	Consulate-General*
	Los Angeles	Consulate-General
	New York	Consulate-General
	New York	Permanent Mission to the United Nations
Vanuatu	San Francisco	Consulate-General*
	Port Vila	High Commission
Vatican City	Vatican City	Embassy to the Holy See
Vietnam	Hanoi	Embassy
	Ho Chi Minh City	Consulate-General
Zimbabwe	Harare	Embassy

\* Posts managed by Austrade and providing consular services

In Ramallah, the Australian Government maintains the Australian Representative Office

In Taipei, the Australian Office represents Australian interests in Taiwan in the absence of formal relations

**TABLE 44: CONSULATES HEADED BY HONORARY CONSULS**

Region	Country	City	Responsible Post
Africa	Angola	Luanda	Pretoria
	Botswana	Gaborone	Pretoria
	Cameroon	Yaounde	Abuja
	Madagascar	Antananarivo	Port Louis
	Malawi	Lilongwe	Harare
	Mozambique	Maputo	Pretoria
	Namibia	Windhoek	Pretoria
	Nigeria	Lagos	Abuja
	Uganda	Kampala	Nairobi
	Zambia	Lusaka	Harare
Asia	Kazakhstan	Almaty	Moscow
	Malaysia	Kota Kinabalu	Kuala Lumpur
	Malaysia	Kuching	Kuala Lumpur
	Malaysia	Penang	Kuala Lumpur
	Pakistan	Karachi	Islamabad
	Pakistan	Lahore	Islamabad
	Thailand	Chiang Mai	Bangkok
Caribbean	Bahamas	Nassau	Port of Spain
	Barbados	St James / Bridgetown	Port of Spain
	Jamaica	Kingston	Port of Spain
Central/South America	Bolivia	La Paz	Lima
	Brazil	Rio de Janeiro	Brasilia
	Costa Rica	San Jose	Mexico City
	Ecuador	Guayaquil	Santiago
	El Salvador	San Salvador	Mexico City
	Guatemala	Guatemala City	Mexico City
	Honduras	Tegucigalpa	Mexico City
	Mexico	Cancun	Mexico City
	Nicaragua	Managua	Mexico City
	Panama	Panama City	Mexico City
	Paraguay	Asuncion	Buenos Aires
	Uruguay	Montevideo	Buenos Aires
Europe	Bosnia-Herzegovina	Sarajevo	Vienna
	Bulgaria	Sofia	Athens
	Czech Republic	Prague *	Warsaw
	Estonia	Tallinn	Stockholm
	Finland	Helsinki	Stockholm
	Latvia	Riga	Stockholm
	Lithuania	Vilnius	Warsaw
	North Macedonia	Skopje	Belgrade
	Romania	Bucharest	Athens
	Russia	St Petersburg	Moscow
	Slovenia	Ljubljana	Vienna
	Spain	Barcelona	Madrid
Middle East	Oman	Muscat	Riyadh
	Saudi Arabia	Jeddah	Riyadh
North America	Canada	Vancouver *	Ottawa
	USA	Denver	Los Angeles
	USA	Miami	Washington

\* Austrade-managed consulate

## Appendix 13: List of corrections

The following errors appeared in DFAT Annual Report 2019–20.

Location: Preceding heading and page number	Printed text	Correct text
Secretary's Review, p. 13, para 1	Over 350,000 Australians returned—we supported over 26,600 to return from 90 countries on 315 flights.	Over 350,000 Australians returned—we supported over 26,000 to return from 90 countries on 315 flights.
Australia–NGO Cooperation Program, p. 69, para 1	The department contributed \$132 million to the Australian NGO Cooperation Program (ANCP) during the year. NGOs matched this by a minimum 10 per cent (over \$13 million). In 2019–20, 57 trusted NGOs worked with more than 2,000 local partners to implement 431 projects in 59 countries.	The department contributed \$132 million to the Australian NGO Cooperation Program (ANCP) during the year. NGOs matched this by a minimum of 10 per cent (over \$13 million). In 2019–20, 57 trusted NGOs worked with more than 2,000 local partners to implement 425 projects in 57 countries.
Promoting our interests around the world. p. 82, para 3	We supported many high-level engagements with European countries, including the Prime Minister's participation in Austria's Smart COVID-19 Management Leaders' Group and the Foreign Minister co-hosting with Spain a meeting of female foreign ministers to address the pandemic's impacts on women and girls.	We supported many high-level engagements with European countries, including the Prime Minister's participation in Austria's Smart COVID-19 Management Leaders' Group and the Foreign Minister co-hosting with Spain two meetings of female foreign ministers to address the pandemic's impacts on women and girls.
Support Australians overseas, p. 88, para 1	We supported over 26,600 Australians to return in complex and unpredictable circumstances, including in locations heavily impacted by the pandemic.	We supported over 26,000 Australians to return in complex and unpredictable circumstances, including in locations heavily impacted by the pandemic.
Table 1 Consular services provided to Australians, p. 89, footnote 2	This figure comprises all crisis-related cases, including those related to the Whakaari/White Island volcano eruption, and over 26,600 Australians who were impacted by the pandemic and received support to come home.	This figure comprises all crisis-related cases, including those related to the Whakaari/White Island volcano eruption, and over 26,000 Australians who were impacted by the pandemic and received support to come home.

In addition, the following information should have been included in DFAT Annual Report 2019–20, Appendix 8: Parliamentary committees of inquiry:

In June 2020 the department made a submission to the Senate Foreign Affairs, Defence and Trade References Committee into the opportunities for strengthening Australia's relations with the Republic of France. The submission can be found at:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Foreign\\_Affairs\\_Defence\\_and\\_Trade/France/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/France/Submissions)

# Appendix 14: List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
<b>17AD(g) Letter of transmittal</b>			
17AI	p.vii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
<b>17AD(h) Aids to access</b>			
17AJ(a)	pp.ii–iii	Table of contents.	Mandatory
17AJ(b)	pp.268–284	Alphabetical index.	Mandatory
17AJ(c)	pp.266–267	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	pp.257–262	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
<b>17AD(a) Review by accountable authority</b>			
17AD(a)	pp.2–5	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b) Overview of the entity</b>			
17AE(1)(a)(i)	pp.6–7	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	p.6, p.8	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	p.7	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	pp.6–7	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	p.6	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	p.6	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	p.6	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(1)(b)	p.9	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
<b>17AD(c) Report on the Performance of the entity</b>			
<b><i>Annual performance Statements</i></b>			
17AD(c)(i); 16F	pp.16–113	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
<b>17AD(c)(ii) Report on Financial Performance</b>			
17AF(1)(a)	pp.114–118	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	pp.228–231	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
<b>17AD(d) Management and Accountability</b>			
<b><i>Corporate Governance</i></b>			
17AG(2)(a)	p.vii	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	p.vii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	p.vii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	p.vii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	pp.127–129	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b><i>Audit Committee</i></b>			
17AG(2A)(a)	p.128	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	pp.234–236	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	pp.234–236	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	pp.234–236	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	pp.234–236	The remuneration of each member of the entity's audit committee.	Mandatory
<b><i>External Scrutiny</i></b>			
17AG(3)	pp.131–132	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	pp.131–132	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	p.132 and pp.244–247	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
<b><i>Management of Human Resources</i></b>			
17AG(4)(a)	pp.122–125	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	pp.214–215	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17AG(4)(b)	pp.216–220	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees • Statistics on part-time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)	p.124 and p.220	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	p.220	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	p.221	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	p.124	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	p.221	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	p.221	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	p.221	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	p.221	Information on aggregate amount of performance payments.	If applicable, Mandatory
<b>Assets Management</b>			
17AG(5)	p.132	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
<b>Purchasing</b>			
17AG(6)	pp.132–133	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	p.133	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	p.133	A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].”	Mandatory
17AG(7)(c)	p.133	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	p.133	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b>Reportable non-consultancy contracts</b>			
17AG(7A)(a)	p.134	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	p.134	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory
<b>17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>			
17AGA	pp.133–134	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	p.134	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
<b>Exempt contracts</b>			
17AG(9)	p.134	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
<b>Small business</b>			
17AG(10)(a)	p.135	A statement that “ <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.</i> ”	Mandatory
17AG(10)(b)	p.135	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	p.135	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “ <i>[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.</i> ”	If applicable, Mandatory



PGPA Rule Reference	Part of Report	Description	Requirement
<b>Financial Statements</b>			
17AD(e)	pp.137–211	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<b>Executive Remuneration</b>			
17AD(da)	pp.222–227	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	p.248	If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, Mandatory
17AH(1)(a)(ii)	N/A	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	p.135	A statement that <i>“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, Mandatory
17AH(1)(c)	p.125	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	p.131	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	p.256	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	p.123, pp.237–239, pp.240–243, p.248	Information required by other legislation.	Mandatory





## 06

Reference  
material

# Glossary of acronyms, abbreviations and terms

Term	Definition
AANZFTA	ASEAN-Australia-New Zealand Free Trade Area
AHP	Australian Humanitarian Partnership
AIFFP	Australian Infrastructure Financing Facility for the Pacific
ANCP	Australian NGO Cooperation Program
APEC	Asia-Pacific Economic Cooperation
APO	Australian Passport Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEAN-ACT	ASEAN – Australia Counter Trafficking
AUSMAT	Australian Medical Assistance Team
AUSMIN	Australia – United States Ministerial Consultations
BEQUAL	Basic Education Quality and Access in Lao PDR
CANZ	Canada, Australia and New Zealand
CCTCP	Cyber and Critical Tech Cooperation Program
CEDAW	Committee on the Elimination of Discrimination Against Women
CEPI	Coalition for Epidemic Preparedness Innovations
COVAX	the vaccines pillar of the Access to COVID-19 Tools (ACT) Accelerator
COVAX AMC	COVAX Advance Market Commitment
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CSEP	PNG – Australia Comprehensive Strategic and Economic Partnership
CSP	Comprehensive Strategic Partnership
CTBTO	Comprehensive Nuclear-Test-Ban Treaty Organization
disinformation	the intentional use of false or manipulated information to deceive and mislead target audiences for the purposes of causing strategic, political, economic, social, or personal harm
DSF	DFAT Security Framework
EAS	East Asia Summit
ECA	Export Council of Australia
FIMR	Final Investment Monitoring Report
FTA	free trade agreement
G7	Group of Seven (Canada, France, Germany, Italy, Japan, UK and USA)
G20	Group of Twenty (19 member countries and the European Union) –forum for international economic cooperation
GFDRR	Global Facility for Disaster Reduction and Recovery (World Bank)
GPE	Global Partnership for Education
GWO	Global Watch Office
HRC	UN Human Rights Council
IA-CEPA	Indonesia-Australia Comprehensive Economic Partnership Agreement
ICC	International Criminal Court
ICT	Information and communications technology

Term	Definition
IDA	International Development Association (World Bank)
IDA	Indigenous Diplomacy Agenda
IFAM	International Freight Assistance Mechanism
IGNITE	Indigenous Network for Investment, Trade and Export
IORA	Indian Ocean Rim Association
IPPR	Independent Panel for Pandemic Preparedness and Response
ISDS	investor-state dispute settlement
KPI	key performance indicator
MAC	Ministerial Advisory Council
MAP	Mekong-Australia Partnership
MC12	Twelfth Ministerial Conference of the WTO
MIKTA	Mexico, Indonesia, Republic of Korea, Turkey and Australia
misinformation	the creation and dissemination of wholly or partly false information, spread unwittingly, by error or mistake
MRA	Mutual Recognition Agreement
NATO	North Atlantic Treaty Organization
NCP	New Colombo Plan
NGO	non-government organisation
NTB	non-tariff barrier
NPT	Nuclear Non-Proliferation Treaty
OCE	Office of the Chief Economist
OECD	Organisation for Economic Co-operation and Development
OPCW	Organisation for the Prohibition of Chemical Weapons
P4I	Partnerships for Infrastructure
PACER Plus	Pacific Agreement on Closer Economic Relations Plus
PBS	Portfolio Budget Statements
PIF	Pacific Islands Forum
PLS	Pacific Labour Scheme
PNG	Papua New Guinea
PPE	personal protective equipment
PROSPERA	Australia-Indonesia Partnership for Economic Development
Quad	Australia, India, Japan and the United States
RCEP	Regional Comprehensive Economic Partnership
RCO	regional consular officer
RSO	regional security officer
SES	Senior Executive Service
SFO	Staff and Family Support Office
SWP	Seasonal Worker Programme
TIP	Trilateral Infrastructure Partnership
UNCLOS	UN Convention on the Law of the Sea
UNDRR	UN Office for Disaster Risk Reduction
UNICEF	United Nations Children's Fund
VAHSI	Vaccine Access and Health Security Initiative
WHO	World Health Organization
WIL	Women in Leadership
WPS	Women, Peace and Security
WTO	World Trade Organization

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