

# THE AUSTRALIA-CHINA CHAMBER OF COMMERCE AND INDUSTRY OF NEW SOUTH WALES

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## MEDIA RELEASE

ACCCI Applauds Lowy Institute 'Blue Ribbon Panel Report' entitled:

"Australia's Diplomatic Deficit – Reinvesting in our instruments of international policy"

The President of ACCCI Mr Michael Jones today congratulated Lowy Institute Executive Director Allan Gyngell for the Report of the Blue Ribbon Panel and the work of the Institute.

He said this Report "was the first public analysis of Australia's diplomatic resources, or 'instruments of international policy', since the Stuart Harris Report of 1986 and therefore was well overdue".

Moreover "it was comprehensive in the sense of trying to take a whole-of-government approach covering the range of government departmental responsibilities such as Foreign Affairs, Trade and Aid through to Defence and Security".

"The qualifications, experience and expertise of the Panel was sufficiently diverse that it's Recommendations in Part 3 of the Report were both clinical and perceptive and potentially explosive in their implications" Mr Jones claimed.

Mr Jones referred to September 2001 and October 2008 as the "critical dates" that have finally given birth to a new political and economic global society from which we now await the imminent "social upheavals".

"To meet these eventualities Australia's international policy capabilities require a 'cultural revolution' and the Lowy Report is the first shot in what will be a long and protracted dialogue for a "staged reinvestment in Australia's overseas diplomatic network".

"The Panel even asserts, correctly in the view of ACCCI, that "we need to reconceptualise how we think about diplomats and diplomacy" Mr Jones said.

Mr Jones said that there were a number of very significant Recommendations in Part 3 not sufficiently highlighted in the Executive Summary. These included:

- The overseas network:



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In particular to give heads of mission “more discretionary resources” and “holding them accountable for results”.

- Consular services:

Not only the establishment of “a separate head of consular services in DFAT” but in addition to “increase regional hubbing of consular resources and appoint regional consular directors”

- Diplomats for the 21<sup>st</sup> century:

For years, as with many other organisations in the international trade business, Chamber has been very critical of the decline in Australia’s “language skills”, and therefore welcomes the recommendation for action. But just as important for the “entire international policy community” is the recommendation for “funding for other specialist skills including REGIONAL EXPERTISE, INTERNATIONAL FINANCE AND ECONOMICS, PUBLIC DIPLOMACY, NEW MEDIA AND CIVIL SOCIETY” (Chamber’s emphasis) especially for staff representing agencies other than DFAT “in roles abroad with a significant diplomatic component”

- Public diplomacy:

The development of “an Australian government international broadcasting strategy” is essential if this country has any aspiration “to shape the views of increasingly influential non-state actors and key communities” in other countries.

- Economic diplomacy

Unfortunately this is the weakest section of the Report, and possibly an ‘Achilles’ heel’.

Despite the Panel’s conceptual movement in thinking from “traditional diplomacy” outlined in Part 1 including an acknowledgement that Australia’s “diplomatic activities focus increasingly on economic interests” and that “globalisation has placed the economy alongside security at the forefront of international policy”, it is limp-wristed in its recommendations deferring to the pre-October 2008 Mortimer Review of export policies and programs. Whilst there is a recognition of the government’s role in focusing “on marketing Australia as a destination for students, skilled migrants and tourists” and a call for government and business “to work in closer partnership to develop an aggressive plan to grow Australian markets and improve our export performance, particularly in the services and manufacturing sectors”, there appears to be little understanding of Economic Relations as the principle and central theme in modern State and non-state global diplomacy. This is the reason why 18 of 19 Commonwealth departments “now have a dedicated international policy area” as the Reports states.

- Aid

The Panel states “While we examine the role of the overseas aid program in supporting Australia’s international policy goals, a comprehensive review was beyond the scope of this Report”. Nevertheless in view of recent years US experience, fairly well publicised, and the ramifications of the Australian Wheat Board illegalities, stronger recommendations could have been made re “integration with whole-of-government public diplomacy objectives”. This is especially important concerning the delivery of Australia’s aid by private sub-contractors



not only for poverty reduction but also regarding security issues involving law and order, drug trafficking and so forth

- Improving outreach

This is the most 'revolutionary' section of the Report which recommendations are likely to cause the greatest reaction from the entrenched bastions of 'traditional diplomacy'. Given Australia's population and urbanisation, continental geography including maritime authorities, regional Indauspac economic, political and military commitments, and global institutional aspirations, it has been patently obvious for over 30 years that the resources of government agencies responsible for "developing and implementing Australia's international policy" would increasingly be inadequate and thereby fail to cope with the ever escalating and relentless pressures created by emerging new powers such as China and India. It was and is inevitable that governments will have "to engage a wider range of non-government groups in a more systematic way" for assistance. This will include the broader Australian public.

Chamber since its foundation in September 1976 and particularly from June 1989 has engaged in 'Second Track Diplomacy between the Municipalities of China and the 'cities (Councils and Shires) of Australasia as our Website clearly articulates. Therefore the most exciting and satisfying Recommendation of the Panel is the call to "facilitate links between Australian civil society organisations and their overseas counterparts where this reinforces Australia's international policy goals". ACCCI has been calling upon governments at all levels in Australia, and of all persuasions, to do this for more than two decades.

- International policy machinery

The Panel did not see its role to comment upon the detail of Prime Minister Rudd's inaugural National Security Statement in December 2008. However it does highlight the commitment to "regular foreign policy statements" and makes recommendations for inclusions that do not appear in the Executive Summary. These are potentially monumental in impact. If the Annual Foreign Policy statements eventually:

- 1) cover trade as well as foreign policy
- 2) ensure that the instruments of national security policy (including intelligence, law enforcement and defence cooperation) are coordinated with the instruments of international policy and support international policy goals
- 3) provide comprehensive information about human resources across the international policy community

we have an earthquake in government in this country. That is what a whole-of-government approach really means, the subservience of domestic arrangements to international policy goals. The transition and process is going to be fascinating to watch and perhaps participate in.

As its contribution to debate and dialogue Chamber will place this Media Release and the Lowy Institute Report on the ACCCI Website.

Michael C H Jones  
President



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