

NEWS

Diplomatic network needs overhaul

More diplomatic posts recommended.

Australia's diplomatic network is in urgent need of an overhaul, including a bigger budget, increased overseas posts and better use of new technologies, a parliamentary inquiry has found.

Criticisms of Australia's existing representation overseas are contained in a report released by federal parliament's Foreign Affairs, Defence and Trade Committee, which described the network as "seriously deficient".

Chair of the Foreign Affairs Subcommittee, Nick Champion (Wakefield, SA) said Australia needs to rebuild its diplomatic representation and has called for an increase in the number of posts around the world by at least another 20.

To do this the Department of Foreign Affairs and Trade (DFAT) would need a significant budget increase, with the committee describing the department as being chronically underfunded over the past three decades.

"Australia has the smallest diplomatic network of the G20 countries and sits at 25th in comparison to the 34 nations of the OECD. Australia is clearly punching below its weight," Mr Champion said.

"DFAT has experienced cuts and financial constraints through successive governments and this has resulted in a diplomatic network which is seriously deficient and does not reflect Australia's position within the G20 and OECD economies."

The committee has recommended Australia increase its representation throughout north and central Asia, particularly in China. It also said deepening our relationship with Indonesia by opening a post in Surabaya should be a priority.

The review's focus on Asia complements the federal government's white paper on the increasing importance of Australia's relationship with the region.

While the focus of the report is on opening new posts it has also noted that the decision to close posts should be subject to more parliamentary scrutiny.

The report has also recommended that travellers pay an extra fee to help cover the ever-increasing costs associated with consular assistance provided to Australians in trouble overseas. Recent high-profile cases include Australian lawyer Melinda Taylor, who was detained in Libya.

An estimated 7 million Australians travel each year, and around 1,000 will end up being arrested.

The committee has recommended that the additional costs of consular assistance be met through an extra passport fee or small levy which would be tiered to take into account whether or not a traveller has insurance, or whether they cannot obtain cover.

The report has also focused on how DFAT can make better use of social media and new technologies. It has called for an overhaul of the department's websites to make them more user-friendly and the establishment of an office of e-diplomacy.

The committee has also recommended that these issues be further investigated through a white paper and external review. •

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ON OUR OWN: More diplomatic posts needed in Asia



CRUDE SOLUTIONS: Australia's oil refineries under threat

OIL REFINERIES AT CROSSROADS

In the face of looming closures of two oil refineries in Sydney, the House of Representatives Economics Committee has launched an inquiry into the state of Australia's oil refinery industry.

The planned closures of Shell's Clyde and Caltex's Kurnell oil refineries will leave Australia with only five domestic oil refineries by the end of 2014. Those NSW facilities will be converted into import terminals.

According to Australian Institute of Petroleum figures, in 2010–11 domestic refineries supplied around 74 per cent of petroleum products required by Australia's major industries and service stations. More than a quarter of total petroleum product consumed was imported, primarily from Singapore.

Recent refinery closures have been attributed to the rise of huge refineries in the Asian region such as in Singapore, where a surge of new capacity has depressed profit margins for the Australian industry. The profits of Australia's refineries have declined for several years, mainly due to Asian competition and the high cost of importing and refining crude oil in Australia.