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AUSTRALIA'S OVERSEAS REPRESENTATION

House of Representatives Standing Committee on Expenditure

Report

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#### ERRATA P.P. 100/1977

Page viii, line 13. Delete line and substitute: "latter exceeds that of the former the regional approach should be implemented"

Page 3, line 21. Delete "66" and substitute "63"

Page 30, lines 29 and 30. Delete lines and substitute: "Dublin, Lae, Nairobi, Vienna and Warsaw. If the cost of the latter exceeds that of the former the regional approach should be implemented. The examination should"

Page 48. Insert asterisk before 20 (b) and 20 (d)

Page 50. Insert asterisk before 32

Page 50, line 42. Delete Athens and substitute "Cyprus"

Page 51. Insert asterisk before "41", "44" and "45"

#### TERMS OF REFERENCE

The House of Representatives Standing Committee on Expenditure was appointed to:

- (a) consider any papers on public expenditure presented to this House and such of the estimates as it sees fit to examine;
- (b) consider how, if at all, policies implied in the figures of expenditure and in the estimates may be carried out more economically;
- (c) examine the relationship between the costs and benefits of implementing government programs, and
- (d) inquire into and report on any question in connection with public expenditure which is referred to it by this House.

# ABBREVIATIONS

AIS	Australian Information Service
CSIRO	Commonwealth Scientific and Industrial Research Organis-
2011년 2012년 201	ation
Defence	Department of Defence
Education	Department of Education
Finance	Department of Finance
Foreign Affairs	Department of Foreign Affairs
Health	Department of Health
Immigration and Eth-	
nic Affairs	Department of Immigration and Ethnic Affairs
Overseas Trade	Department of Overseas Trade
Posts	The word post is used to describe both missions and posts
Productivity	Department of Productivity
PSB	Public Service Board
Social Security	Department of Social Security
Veterans' Affairs .	Department of Veterans' Affairs
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# CONTENTS

Cha	pter	Paragraph	Page
REC	COMMENDATIONS	탄작문율로	Vii
INT	RODUCTION	이가 가지 않는다. 이는 아파 아파 이다.	x
<b>I</b> .	SUMMARY		1
II.	BACKGROUND TO THE INQUIRY	12-24	3
111.	SYSTEMS OF CONTROLThe Role of GovernmentThe Role of the Public Service BoardThe Role of DepartmentsThe Trade Commissioner Service	25-53 28-33 34-36 37-51 52-53	7 7 8 9 11
<b>IV</b> .	DEPARTMENT OF FOREIGN AFFAIRS Objectives Functions Size of the Department's Overseas Establishment Political Staff Consular/Administrative Staff Consular/Administrative Staff Locally-engaged Staff Subordinate Posts Future Staffing Needs Froblems of Common Service Arrangements Insularity of Departments Distinction between Political and Consular/Ad-	58-59 60-69 70-76 77-78 79-80 81-83 84-87	12 12 12 13 15 16 17 17 17 18 19
<b>V</b> .	ministrative StaffDEPARTMENT OF OVERSEAS TRADETrade Commissioner ServiceObjectivesPossible Contributions by Private EnterpriseThe Size of the ServiceMinimum Staff at each PostThe Need for some PostsFuture Size of the Trade Commissioner Service	92 93-116 93 94 96-97 98-99 100-105 106-114 115-116	19 20 20 20 20 21 21 21 22 25
<b>VI</b> .	DEPARTMENT OF IMMIGRATION AND ETHNIC AFFAIRS Objectives Functions and Activities Mechanisation of Procedure Visas for Short Term Visitors The Size of the Department's Overseas Establishment Pattern of Representation Australia-based Medical Officers	117 117 118 119 120 121–122 123–140 141–146	26 26 27 27 27 27 28 31

,

Chapter	Paragraph	Page
VII. DEPARTMENT OF ADMINISTRATIVE SERVICES	147-161	33
Objectives	149	33
Functions	150-151	33
Size of the Service	152	33
Effectiveness of the Program	153-158	33
Special Overseas Visits Fund	159-161	35
VIII. DEPARTMENT OF DEFENCE	162-171	36
Objectives	162	36
Functions	163	36
Overseas Staff	164-165	-36
Extent of Department's Overseas Representation	166-169	36
Locally-engaged Staff	170-171	37
IX. OTHER DEPARTMENTS	172-181	38
X. THE POSTS IN LONDON, WASHINGTON AND		de te
NEW YORK	182-188	41
XI. OTHER ASPECTS OF OVERSEAS		5
REPRESENTATION	189-203	43
Postings	189-194	43
Overseas Visits Committee	195-198	44
Language Training	199	44
Financial and Administrative Procedures	200-203	44
APPENDIXES		
AFFENDIAES		
1. Recent Major Reviews of Staffing at Australian Posts		
Overseas	a Naciante	46
2. Submissions and Exhibits		47
3. List of Witnesses	이는 동네가 같	52
4. Sections 17 and 25 (2) of the Public Service Act 1922		: 55
5. Consular Activities	en de la comp	57
		t e
그 영문 문제 방문 것이 그 방법을 관측되었다.		

vi

The Committee recommends that:

1. as a matter of procedure, whenever a position at a post is vacated the department concerned should consider the alternative of meeting its responsibilities at the post by sending officers on short-term visits rather than sending an officer to fill the vacant position on a long-term basis. (Paragraph 20).

2. the whole field of overseas representation be reviewed biennially and that departments submit their first biennial review submissions to the Government in about February 1978. (Paragraph 31).

3. efforts be made by the Public Service Board (PSB) to ensure that, where possible, PSB and departmental inspections of overseas posts coincide. (Paragraph 35).

4. post liaison visits be given higher priority in the allocation of expenditure and of senior officers' time and each post be visited at least every 3 years, large posts every 2 years. (Paragraph 39).

5. the Department of Immigration and Ethnic Affairs commence a system of post liaison visits as soon as possible. (Paragraph 40).

6. senior officers of departments with minor representation overseas, when visiting countries in which their departments are represented, review their departments' operations and the need for their continuation. (Paragraph 41).

7. all departments represented overseas require annual reports from their posts. (Paragraph 46).

8. each department represented overseas consult with the PSB in drawing up a format for annual reports to maximise their value for management. (Paragraph 48).

9. the Trade Commissioners Act 1933 be repealed and action be taken to bring the Trade Commissioner Service under the Public Service Act. (Paragraph 53).

10. the revised *Guide for Australian Travellers* include warnings about political activity, laws on mercenaries, dangers to health, and personal behaviour. (Paragraph 75).

11. the Government give serious consideration to means of minimising the impact on post workloads of the huge growth expected in overseas travel by Australians in the coming decade, and in particular to the feasibility of recovering the costs of appropriate services by charging for them. (Paragraph 76).

12. the post in Rio de Janiero be closed. (Paragraph 82).

13. staffing at the Honolulu post be kept under close scrutiny. (Paragraph 83).

14. the majority of Foreign Affairs officers now below the Second Division and whose careers involve overseas service be seconded to other departments at least twice in their careers and that one such secondment take place before each officer's third posting overseas. (Paragraph 91).

15. the Department of Overseas Trade review all posts with 2 Australia-based officers to determine whether the essential workload justifies provision of the second officer. Where the second position is found to be unjustified on these terms the position should be abolished. (Paragraph 103).

16. measures be taken to ensure that personal problems associated with service by any officer at a post with no other Australia-based staff be alleviated. (Paragraph 105).

17. the following Trade Commissioner posts be closed: Karachi, Berne, Port-of-Spain, and Christchurch. (Paragraphs 110 to 113).

18. one of the 2 Foreign Affairs officers in Sliema (Malta) be withdrawn and the Migration Officer take over part or all of the Foreign Affairs officer's essential workload while continuing to perform immigration functions. (Paragraph 130).

19. the Department of Immigration and Ethnic Affairs, in consultation with the PSB, immediately commence a thorough review to compare the cost of a regional approach with the full costs of continued representation in its present form at posts in Berne, Cairo, Colombo, Dublin, Lae, Nairobi, Vienna and Warsaw. If the cost of the former exceeds that of the latter the regional approach should be implemented. (Paragraph 133).

20. the 2 Australia-based Medical Officers in London be replaced by locallyengaged staff. (Paragraph 145).

21. the Department of Health, in consultation with the Department of Immigration and Ethnic Affairs and the PSB, investigate the feasibility of withdrawing the Medical Officer from New Delhi and having essential medical functions performed through short visits from Australia. (Paragraph 146).

22. the Government review and define more precisely the broad objectives of the overseas information program and the means by which they are to be attained. (Paragraph 158).

23. in 1977-78 \$500,000 be allocated to the Special Overseas Visits Fund. (Paragraph 160).

24. the number of officers of the Department of Defence attached to overseas posts not be increased before 30 June 1978, or until the completion of the first proposed biennial review of overseas representation. (Paragraph 169).

25. the number of locally-engaged staff allocated to Defence personnel attached to overseas posts not be increased before 30 June 1978 or until the completion of the first biennial review of overseas representation. (Paragraph 171).

26. the proposed assessment by the Department of Business and Consumer Affairs of changes in its workload and staffing requirements overseas be completed in time for the first biennial review of overseas representation. (Paragraph 175).

27. the 2 positions on the establishment of the Attorney-General's Department in London and Washington be abolished. (Paragraph 176).

28. the Department of Education position on the Australian delegation to the OECD be abolished. (Paragraph 177).

29. the positions of the CSIRO's Australia-based staff and of the locally-engaged staff allocated to them in London, Washington and Tokyo be abolished unless the Government believes Australia's status in the scientific community is involved. (Paragraph 179).

30. the functions of the Counsellor (Scientific) in Moscow be reviewed and the costs of permanent representation in Moscow compared with short-term visits by specialist officers to perform essential functions flowing form the U.S.S.R./Australia scientific agreement. The more cost effective approach should be adopted. (Paragraph 179).

31. functions now performed overseas on behalf of the Departments of Social Security and Veterans' Affairs in future be performed in Australia and the relevant positions on the establishments of these departments and of the Department of Foreign Affairs be abolished. (Paragraph 180).

32. the Government set a limit on locally-engaged staffing in London at 500 and instruct departments to arrange priorities within that number by 1 September 1977. (Paragraph 187).

33. 'double postings', as they now operate in a limited way in the Trade Commission Service, be introduced on a large scale in the Departments of Foreign Affairs and Immigration and Ethnic Affairs and in the Trade Commissioner Service. (Paragraph 194).

34. on a trial basis, 2 departments with major overseas operations and 2 with minor operations be given a budget for short-term overseas visits in 1977-78. (Paragraph 197).

35. the PSB and the Department of Finance expedite their investigations of procedures and delegations of authority to Heads of Mission. (Paragraph 203).

**36.** Post Liaison Visit reports make explicit mention of the administrative performance and involvement of the Head of Mission (Paragraph 203).

ix

### INTRODUCTION

The Committee was appointed by resolution of the House of Representatives on 29 April 1976. Its initial task was to examine its broad terms of reference with a view to establishing procedures to maximise effective scrutiny of the estimates by the Committee for and on behalf of the House.

This was achieved by a series of *in camera* hearings in May and June 1976 with the Chairman of the Public Service Board, the Secretaries of the Treasury and the Department of the Prime Minister and Cabinet, the Auditor-General and the Chairman of the Royal Commission on Australian Government Administration.

In July 1976 the Committee sought information by questionnaire on several areas of Government expenditure. After further study and deliberation the Committee resolved on 23 September 1976 to conduct a formal inquiry into Australia's overseas representation.

The Committee appointed a sub-committee to inquire into and report to it on this subject. The sub-committee consisted of the Hon. R. V. Garland (Chairman), Mr I. M. Macphee, Mr C. J. Hurford, Mr R. Willis and Dr H. A. Jenkins. Following Mr Macphee's resignation from the Committee on 17 November 1976, Mr M. H. Bungey was appointed to the sub-committee. The Clerk to the sub-committee was Mr W. Mutton.

Several major reviews of Australia's overseas representation have been undertaken recently. (Appendix 1). The Committee proceeded with the inquiry despite these reviews because in its expenditure scrutiny role it considered that the House of Representatives should be informed about an area of activity for which it has appropriated some \$110m in 1976-77 and about which concern continues to be expressed. Furthermore, the data collected in the reviews and the recommendations put to Government have not been made available to the Parliament. Indeed they were not made available to this Committee.

From the outset it was clear that an effective examination would necessitate the Committee sifting through enormous detail. To enable it to do so the Committee concentrated its resources where it considered they would be best employed. This concentration has been on the number of people Australia needs to represent it overseas and what systems of control are required to ensure that the number continues to be appropriate to Government objectives and to competing priorities for Government resources in Australia. (The Joint Committee of Public Accounts is inquiring into overseas property, the other major area of expenditure on overseas representation.)

The central thrust of the inquiry has been towards determining what value the Australian public is receiving for its money and what improvements might be made. The Committee has not questioned the Government's broad foreign, trade and other policies, but rather how they are being implemented and administered.

Submissions were sought both from Government departments and from several organisations and individuals with specialist knowledge or experience in the field. (Appendix 2). The Committee is grateful to those who responded to its invitation. It has particularly appreciated the co-operation of Government departments who provide an immense amount of information sought by the sub-committee, often at short notice.

Oral evidence was taken at 5 public hearings and 4 in camera hearings. Three of the in camera hearings were used to enable the sub-committee to test its emerging conclusions. The Public Service Board and the Department of Finance were invited to these in camera hearings to comment on evidence presented by the departmental witnesses. Foreign Affairs attended the final hearing for the same purpose. The sub-committee has now authorised publication of all in camera evidence except that taken on 20 October 1976. Published evidence is available for inspection at the Committee Office of the House of Representatives and the National Library. A list of witnesses is at Appendix 3.

X

# CHAPTER I SUMMARY

The Committee's Inquiry into Australia's overseas representation has concentrated on the appropriateness of staff numbers which, directly and indirectly, determines most costs in this field. It is estimated that some \$110m will be spent on overseas representation in 1976-77. This figure will rise because of the effects of the devaluation of the Australian dollar against most overseas currencies since November 1976.

2. The Inquiry follows several other major reviews of staffing overseas in recent years, one of which is continuing. Much of the Committee's effort has been directed towards determining the effectiveness of these reviews and the nature of controls which might be introduced to obviate any future need for these ad hoc measures which successive governments have felt necessary.

3. The Committee has concluded that until 1974 successive governments, departments and the PSB failed to keep staff numbers in line with essential workloads. Since then however, major reductions in overseas representation have taken place. In the 2 years to June 1977, 34% in Immigration, 11% in Defence, 10% in Overseas Trade (including the Trade Commissioner Service) and 17% in total Foreign Affairs staff in Australia and overseas. Only the immigration program has changed substantially and even then, the department's total workload overseas has not fallen as dramatically as 34% in 2 years. The reductions have largely been made possible by less elaborate operations and improved procedures. Some reductions resulted from the closure of posts, especially Trade Commissioner posts.

4. It is the Committee's judgment that staff numbers have now been reduced very nearly to the limit, assuming that representation is maintained at all existing posts and that present functions remain unchanged. Of course, it was not possible for the Committee to examine individually all 4029 positions overseas. It may be that positions other than those referred to in the report are excess to requirements. Nevertheless the Committee's exhaustive, if necessarily selective, examination of the situation suggests that most overseas staffing has been brought substantially into line, with the exception of the London post and possibly Washington and New York.

5. The Committee's main concern lies with the future. The present situation has been brought about by large-scale ad hoc reviews, which, because they were so overdue, have been disruptive. They are a quite inadequate substitute for effective ongoing systems of control. The Committee does not want to see overseas staffing once again run out of control and thus create a need for more ad hoc reviews in the future.

6. The Committee is therefore recommending that Government review the whole field of overseas representation biennially to enable it to determine the total volume of resources it is prepared to allocate to this area in the ensuing 2 years. Reviews should be based on submissions by the departments and authorities concerned. The first reviews should take place in about February 1978. The Committee is also making specific recommendations aimed at improving departments' capacity to manage their representation overseas. These measures are not a panacea. They are an

aid to, not a substitute for, discipline on the part of departments and central authorities in examining priorities and the elaborateness of their operations. It must always be borne in mind by Governments and by senior departmental officers that the average cost of having an Australia-based officer on an overseas posting now exceeds \$70,000 per annum and in individual cases exceeds \$100,000 per annum.

7. The Committee is recommending a minimum net reduction of 19 Australiabased positions overseas, though the figure may rise above 30 if investigations recommended in the report have the results expected by the Committee. Implementation of recommendations would produce a reduction of at least 150 locally-engaged staff, including over 100 in London. It is recommended that there be no increase in staffed positions at overseas posts for the Departments of Defence and Business and Consumer Affairs (Customs) until the biennial review in 1978.

8. The Committee recommends reductions, or measures likely to result in reductions, of staff in the Trade Commissioner Service and the Departments of Immigration and Ethnic Affairs, Social Security, Veterans' Affairs, Education, the Attorney-General's Department and the CSIRO. The Committee envisages changes in staffing in the Department of Foreign Affairs but no net change in Australia-based staffing should result from implementation of the Committee's recommendations.

9. It is recommended that considerably longer overseas postings, with provision for leave and a briefing period in Australia, be introduced as the general practice for most categories of officer and posts overseas. This is likely to result both in greater effectiveness and cost savings.

10. The Committee is recommending measures to increase the integration of the Department of Foreign Affairs into the Public Service as a whole. Emphasis is also placed on the need to facilitate movement of officers within the Department between the 'political' and consular/administrative streams.

11. Some emphasis is placed on the need to revise financial and administrative regulations and procedures to maximise delegation of authority to Heads of Mission, consistent with the retention of appropriate expenditure controls.

CHAPTER II BACKGROUND TO THE INQUIRY

12. Australia's representation overseas has expanded dramatically in the last 10 years from 2792 in 1966 to 4029 in March 1977 after a high of 4746 in 1974. Much of the increase was inevitable because of significant developments in international affairs. There has been an increase in the number of independent nations, a major expansion in the range of issues involving bilateral and multilateral negotiation and a movement towards a greater spread of power between nations and groups of nations. In addition, the great increase in the number of Australians travelling overseas has resulted in an increased demand for consular services. These factors have led governments to open new posts and to expand the range of activities at existing posts.

13. In the period 1966 to 1974 overseas representation was growing significantly faster than the Commonwealth Public Service as a whole, the growth rates being 70 per cent and 49 per cent respectively. (Exhibit 28 (a)). Recent reviews and the imposition of staff ceilings have resulted in a reversal of this trend.

14. The present situation is illustrated by the following statistics:

- total cost of overseas representation in 1976-77 has been estimated to be some \$110m<sup>1</sup> (and devaluation of the Australian dollar against most overseas currencies since November 1976 will increase this).
- Australia has 95 diplomatic/consular posts in 68 countries. (Evidence, p. 600).
- Staff at overseas posts in March 1977 totalled 4029, consisting of 1378 Australia-based and 2651 locally-engaged staff.
- There were 66 Heads of Mission (who are Executive Council appointees).

15. There are those, of course, who question the need for virtually any representation overseas and resort to stories of the cocktail circuit to denigrate the value of such representation. In fact the promotion and protection of Australia's interests and the rights of its citizens abroad require representation in most countries. For example, Australia has substantial direct interests to be represented at a large and increasing number of international meetings, such as those on the Law' of the Sea, the Conference on International Economic Co-operation, the UN Commission on Narcotic Drugs, the Non-Proliferation Treaty Review Conference, the UN Water Conference, the Humanitarian Law Conference, the Association of Iron Ore Exporting Countries, the General Agreement on Tariffs and Trade, the International Labour Organisation, the United Nations Conference on Trade and Development and the Food and Agriculture Organisation. Later the functions performed at overseas posts are described in detail. It will be seen that many are of irrefutable necessity.

16. That having been said, the numbers of staff overseas, what they are doing and how they are approaching their responsibilities, must be continually questioned.

<sup>1.</sup> Commonwealth Public Service Board, Annual Report 1976 Parl. Paper 250, 1976 p. 29. (The Committee was unable to find any more precise estimate. Many expenditures on overseas representation in the Budget Papers are disguised by appropriations covering expenditures in Australia as well as overseas.)

The reviews already mentioned have produced large reductions in staff in the last 2 years:

- by 30 June 1977 the total overseas and domestic establishment of Foreign Affairs will have been reduced by 17 per cent.
- overseas establishments of Immigration and Ethnic Affairs, Defence and Overseas Trade (including the Trade Commissioner Service) have already been reduced by 34 per cent, 11 per cent and 10 per cent respectively.

17. These are large and rapid reductions. Yet, while departments have indicated difficulties in maintaining the quality of their services, the effects of the reductions do not appear to have been as dramatic as one might have expected. The department's difficulties have resulted principally from the need to effect the reductions by not replacing officers who resign or move to other departments, and by retrenchment of the limited numbers of officers (notably locally-engaged staff) who could be retrenched. This has created pressure in some areas where staff turnover is normally high, e.g. in communications and issuing of passports. Action has been taken to overcome these localised difficulties. The administrative support services provided to all departments at overseas posts by locally-engaged staff employed by the Department of Foreign Affairs under 'common services' arrangements have also come under pressure because of retrenchments but this pressure does not seem excessive. (Evidence, pp. 503-505).

18. Before about 1974 control mechanisms were not operating effectively. This ineffectiveness necessitated the initiation by Government of the several 'ad hoc' reviews mentioned above (paragraph 5). The importance of effective control was illustrated by the PSB's submission in which it was estimated 'conservatively', that the full average cost of having an Australia-based Foreign Affairs officer at an overseas post was \$69,000 per year in 1975-76. In individual cases the figure rose over \$100,000 per year. (Evidence, pp. 632-652). The average figure represents average salary multiplied by a factor of 4.76, calculated by the PSB as representing total overhead costs. The multiplier factor for public servants working in Australia is 1.74. In short, it costs somewhat more than twice as much to have an officer posted overseas than to have him working in Australia.

19. If a post is closed down the expected savings per officer would be about \$69,000. If the post remains but an officer is withdrawn the savings would be a minimum of \$35,000 per officer withdrawn. (Evidence, p. 609).

20. The PSB has calculated an important measure. The number of 2-week visits which a senior officer could make from Australia to specified posts in a single year for the equivalent annual cost of maintaining him in normal 2 or 3 years postings in those posts are:

Tokyo	•		•	16 to 2	25 visit	s per anni	um
New York	•		•	10 to	18 visit	s per anni	ım
Rome		•		9 to	15 visit	s per ann	um
Washington				10 to	15 visit	s per ann	um
New Delhi	•			l0 to	15 visit	s per ann	um
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The precise number of visits within these ranges depends upon the level of assistance and the nature of facilities made available to the visiting officer whilst at the post. (Evidence, p. 644).

The figures show that these posts can be covered for a substantial proportion of the year for less cost than full-term postings. But there are not only cost advantages. This

approach can bring flexibility. Instead of having a generalist officer full-time at a post, a department can send in specialists as required by each situation. Personal problems associated with an officers being posted overseas, especially the disruption of family life, can be avoided. The Committee therefore recommends that, as a matter of procedure, whenever a position at a post is vacated the department concerned should consider the alternative of meeting its responsibilities at the post by sending officers on short-term visits rather than sending an officer to fill the vacant position on a longterm basis.

21. The PSB has calculated that a typical 2-weeks visit from a central point within an area roughly the size of Western Europe would cost no more than \$1,200. (Evidence, p. 652). The Committee recommends that, where there is less than a full essential workload for a specialist department at a given post, the alternative of covering the country by short visits from a post nearby should be considered as a matter of normal procedure whenever a position at the post is vacated.

22. The PSB's calculations and the alternatives highlighted by them have significantly influenced the Committee's assessment of staffing needs as will be seen later in this Report. The Committee's thinking has also been influenced by evidence that it is not possible to close a full diplomatic post without creating political difficulties. A closure, for whatever reason, clearly indicates that Australia gives a low priority to relations with the country concerned. (Evidence, pp. 399-400, 576-577). The Committee considers therefore that it would be inappropriate for it to recommend on the grounds of cost complete cessation of formal representation in any country. The implications of closing 'provincial' posts, that is, posts subordinate to the major post in a given country, are not nearly so politically serious. (Evidence, pp. 576-577). It is not serious to reduce the level of representation provided that a post continues to perform the functions required of it by the Vienna Convention on Diplomatic and Consular Relations. (Evidence, pp. 576-577). The Committee has therefore been prepared to question the need for departments to be represented at posts. The Committee has borne in mind the demand for staff and financial resources in Australia for other Government services. This has necessarily led the Committee to some subjective assessment of value for money which might be gained from representation overseas in certain instances as compared with alternative uses of that expenditure in Australia.

23. Evidence submitted illustrated the importance of a statement made by the former Chairman of the PSB, Sir Alan Cooley, in an earlier inquiry of this Committee and endorsed in evidence during this inquiry by Mr J. C. Taylor, Commissioner of the PSB. (Evidence, 3 August 1976, p. 205). Sir Alan said:

'The problem generally is not that anyone wants to have too many staff to do the job and hence have people underemployed, but rather that some people tend to do the job too elaborately.'

This tendency is not restricted to public servants; it is exhibited by many people who want to do their jobs well. However, limitations on Government resources make it necessary to curb this tendency. The Committee found evidence that staff reductions have introduced a necessary discipline into departments' thinking about the use of resources. The effect has been to diminish the elaborateness with which many functions and services have been performed.

24. To conclude, the Committee is confident, on the basis of the evidence before it and of individual members' own experiences, that the people representing Australia overseas are not only talented and diligent but dedicated to the furtherance of

Australia's national interests. Furthermore, the sub-committee's very detailed examination of staffing suggests that staff numbers overseas in the great majority of cases have now been brought into line with essential workloads.

## CHAPTER III

## SYSTEMS OF CONTROL

25. Control of staff numbers of overseas posts in the last decade by departments and earlier PSB's has been ineffective. The recent drastic staff reductions and the continuing ability of departments to perform their functions without serious impairment is evidence of this.

26. It appears that, in the great majority of cases, staff numbers overseas now accord with essential workloads. However, the Committee is concerned that controls may again slacken necessitating a repetition of the disruption caused by the large staff reductions in the last 2 to 3 years.

27. The Committee therefore places the greatest importance on the implementation of on-going systems of control. These should ensure that the range and elaborateness of Australia's operations overseas are appropriate to the country's wealth, needs and priorities, and that objectives are met in the most economical manner.

#### The Role of Government

28. Detailed staffing decisions are mostly made by public servants (though Ministers have powers which they have not fully used). It needs to be emphasised, however, that approval for the opening and closing of posts and for departmental representation at posts is given by government, after departmental advice.

29. For some years the Department of Overseas Trade has conducted a comprehensive biennial review of the Trade Commissioner Service and a submission containing recommendations flowing from each review has been put to government. Apart from attempting to ensure that the deployment of staff is consistent with broad government objectives the reviews involve a critical examination of each post to ensure that staff numbers are kept to a minimum, consistent with operational efficiency. (Evidence, pp. 40-41).

**30.** If this system were applied to the whole field of overseas representation it would:

- bring discipline to departmental management,
- ensure that anachronisms do not persist for long,
- ensure government takes an overview of representation overseas.

The last benefit is of fundamental importance as it would enable government to assess more easily the total volume of resources it is prepared to allocate to overseas representation as opposed to competing expenditure priorities, for example, social services.

31. The Committee recommends that the whole field of overseas representation be reviewed biennially and that departments submit their first biennial review submissions to the Government in about February 1978. 32. It is envisaged that each department represented overseas would make a separate submission but that all submissions would be considered by the Government together. The PSB and Finance would have a most important advisory role.

33. The PSB is currently developing forward manpower estimates which would include overseas representation. (Evidence, p. 704). The objectives of the proposals are similar to those outlined above. The Committee supports these proposals in principle but considers the Government ought to take the opportunity every 2 years to review overseas representation separately, and in detail, because of its special nature. Examination of the forward estimates in the intervening year would provide an opportunity for a brief reconsideration of the previous year's decisions on staffing in light of any unexpected developments.

#### **Role of the PSB**

8

34. The PSB's current review of overseas representation has been effective. Its approach has been thorough and imaginative. The Committee's major concern is with the future. When the Board has completed its current mammoth review will it, like the painters on the Sydney Harbour Bridge, simply start over again? The PSB has stated that it would not want this and agreed such reviews are demanding for all concerned. (Evidence, p. 710). The evidence shows that the PSB has built up a large store of knowledge and experience in its review. Importantly a range of alternative means of performing functions have been evaluated and costed and methods of assessing workloads have been refined, although further refinement is necessary. (Evidence, pp. 708-709). In short the PSB is now in a better (and improving) position to administer an effective system of control over overseas representation.

35. The PSB has a team of inspectors specialising, in overseas matters, who inspect each post at about 2 yearly intervals. With increasing delegations of authority from the PSB to departments of conditions of service, PSB inspectors have been able to devote more time to reviewing efficiency, organisation and staffing at posts. The PSB is increasingly involving departments in these reviews (Evidence, pp. 730-732). The Committee endorses these developments. The system would be further improved if PSB inspections and departmental post liaison visits (paras 37-41) coincided. This would further concentrate the resources allocated to the review of operations overseas and hopefully facilitate negotiations between departments and the PSB, e.g., on staffing. The Committee recognises the difficulties of finding mutually acceptable times for the several senior officers who would be involved in the inspections but considers efforts should be made to overcome the difficulties. The Committee recommends therefore that efforts should be made by the PSB to ensure that, where possible, PSB and departmental inspections of overseas posts coincide.

36. The PSB however has tended, particularly in the past, to be too conciliatory at times and, importantly, to lack initiative. In the Committee's view it overemphasises the restrictions placed on it by Section 25 (2) of the Public Service Act and gives inadequate emphasis to Section 17 (Appendix 4). If the PSB is aware that a department is failing to exercise proper control over staff and other resources it should be prepared to report quickly to the Prime Minister if preliminary negotiations with departments are unsuccessful. The Committee urges the Government to support the PSB in this more aggressive role, even if it does not always agree with PSB proposals.

#### The Role of Departments

#### (a) Post Liaison Visits

37. Establishment and efficiency control systems vary from one department to another. While there is no need for absolute uniformity, practices in some departments with modifications could usefully be transferred to others.

38. The Departments of Foreign Affairs and Overseas Trade have in recent years conducted a system of 'post liaison visits'. (Evidence, pp. 41-42, 366-370). The Department of Defence is about to institute such a system. (Exhibit 18(K)) The visits are undertaken by the departments' most senior officers and are aimed at facilitating evaluation of the totality of a post's operations, including administration. They also improve the home department's understanding of conditions at each post. (Evidence, pp. 112-113). Departments try to visit each post once every 2 to 3 years but financial stringencies and demands on the time of senior officers have sometimes prevented this. (Evidence, pp. 557-558).

39. The Committee was impressed by documents prepared prior to and after several post liasion visits by Foreign Affairs officers. Visiting officers are briefed in detail by both post and department, the reviews are thorough, and follow-up action is taken. The visits are an important tool of management. This is not to say that the reviews are penetrating and result in fundamental changes. They are not, as far as could be judged from those studied. This is not surprising, given the brevity and scope of the visits. Nevertheless they are worthwhile and their continuation is supported. The visits are, after all, aimed at saving money and reviewing objectives and the evidence suggests that they do. The Committee therefore recommends that post liaison visits be given higher priority in the allocation of expenditure and of senior officers' time and that each post be visited at least every 3 years, large post every 2 years.

40. The Committee recommends that the Department of Immigration and Ethnic Affairs commence a system of post liaison visits as soon as possible. The Permanent Head, Mr Bott, indicated that he has seen the need for such a system for some time. (Evidence, p. 197). It should have been instituted well before his appointment as Permanent Head over a year ago. The Committee is concerned that too much time has been spent on bickering between the Department and the PSB about a departmental cell to support the system. It is time action was taken.

41. A system of post liaison visits of the kind described above cannot be justified for departments with minor representation overseas. Nevertheless the Committee recommends that senior officers of departments with minor representation overseas when visiting countries in which their departments are represented, should review their departments' operations and the need for their continuation. They should also make themselves available to staff wishing to raise any matters of concern. The visiting officers should submit a written report to the Permanent Head on returning to Australia.

#### (b) Reports from Posts

42. All Permanent Heads require regular reports from posts on the range of their activities but the scope, purpose and frequency of the reports varies.

43. The Committee was impressed both by the annual reports to the Department of Foreign Affairs from Heads of Mission and by the system of communication, including monthly reports by Trade Commissioners to the Department of Overseas

Trade. (The latter does not receive an annual report.) These reports and the departmental replies create an adequate system of communication on post activities and ensure that both posts and departments regularly reassess their objectives.

44. The reports nevertheless have weaknesses as management tools. There is a perhaps natural, tendency to concentrate on policy and activities rather than administration. Examinations by posts of procedures and activities to test the feasibility of more economical alternatives should be mentioned in annual reports. This would enable the Department to gauge the level of initiative in the management of posts and to inform Heads of Mission of beneficial changes introduced by posts with similar problems.

45. The monthly reports from posts of Immigration and Ethnic Affairs are inadequate for management purposes. They consist almost entirely of statistics yet the Department itself readily concedes that it must do more work on the use of statistics, for example, for assessing workloads (para. 124). The PSB is now assisting the Department to develop more refined work measurement techniques. (Evidence, p. 709). Nevertheless, an annual report drawing together all the threads of policy and administration is a necessity both for posts and for the Department.

46. The Committee recommends that all departments represented overseas require annual reports from their posts. The format of these reports should be designed so that the department can make *prima facie* judgments on:

- the need for continued representation at the post,
- the appropriateness of current post objectives and sub-objectives and the means by which they are being pursued within the context of Government policy,
- appropriateness of current functions and activities and the elaborateness with which they are performed,
- appropriateness of staff numbers and classifications, and the required experience and qualifications of staff,
- efficiency and initiative of management at posts,

• effectiveness of communications between the home department and the post. The post should be free to make additional comments.

47. Reports to the Department of Foreign Affairs, in particular, go a long way towards meeting these requirements but they can be improved, particularly in the administrative field.

48. The Committee recommends that each department represented overseas consult with the PSB in drawing up a format for annual reports to maximise their value for management.

49. Prompt departmental replies to annual reports should have a high priority. The effectiveness of the reply must be undermined if the post does not receive it until 6 months after submission of its annual report (as is sometimes the case with replies by Foreign Affairs). If answers on specific matters raised are likely to delay significantly the departmental reply answers should be given later on those matters. The Committee was pleased to learn from the Permanent Head of Foreign Affairs, Mr Parkinson, that recent delays in issuing detailed directives to posts are to be overcome. (Evidence, p. 776).

50. In commenting on each section of the annual report the department should aim at providing the post with a precise statement of objectives and sub-objectives for the coming year, how the department expects them to be pursued, and with what resources. The Departmental reply could be more accurately called an annual directive. Foreign Affairs and Overseas Trade are well advanced in this regard.

51. Existing monthly reports from Trade Commissioner posts to the Department of Overseas Trade are useful and should continue in their present form, subject to any future change in style of operation or information requirements of the Department.

#### **The Trade Commissioner Service**

52. The Service has been administered and staffed under the Trade Commissioners Act since 1935. Its independence of the Public Service is limited, particularly in practice. It nevertheless retains some autonomy. The Permanent Head of the Department of Overseas Trade, Mr McKay, stated that he attaches little importance to the continuation of the Service's independence. (Evidence, pp. 73-74). In fact, he considered that career opportunities for staff would improve if they were brought into the Public Service. Mr McKay explained that it is becoming increasingly difficult for a person to leave private enterprise, spend several terms in the Trade Commissioners service, and return to private enterprise. Career prospects for Trade Commissioners are therefore now more important than in the past.

53. The Committee sees advantages in bringing almost all overseas representation under the Public Service Act thus giving the PSB almost total coverage of the field. The Committee recommends that the 'Trade Commissioners Act' 1933 be repealed and appropriate action be taken to bring the Trade Commissioner Service under the Public Service Act.

### CHAPTER IV

### DEPARTMENT OF FOREIGN AFFAIRS

#### **Objectives**

54. The Department's broad objectives overseas are to promote Australia's interests in particular countries, groups of countries and international organisations and to protect the rights of Australians overseas. The nature of Australia's interests, as interpreted by the Government, vary from country to country. Thus the precise objectives vary from post to post.

#### Functions

55. Just as objectives vary between posts so, obviously, do the means by which they are pursued. The following list indicates the range of the department's activities:

- coordinate all aspects of the Government's presence in each country and ensure that policies are implemented effectively and economically,
- •assess, interpret and report on internal and external developments in post's territories,
- make representations to government authorities in the host country on matters affecting bilateral relations and on international questions,
- provide representatives, advisers or observers for international conferences or meetings,
- facilitate the negotiation of treaties and agreements between Australia and the host country,
- coordinate arrangements for overseas visits by Australian Federal and State Government Ministers and officials,
- provide consular and other assistance,
- administer the post: including provision of common services and support for attached departments.

56. The full range of functions performed by Foreign Affairs officers at a given post depends largely on the number of 'attached' staff from other departments. Thus in some posts Foreign Affairs officers may handle trade, defence, aid, immigration, and cultural and information activities.

57. Even in posts with a large attached staff the Head of Mission, usually a Foreign Affairs officer, has the responsibility for the totality of the post's activities and must keep informed of activities in all functional areas at his post.

#### Size of the Department's Overseas Establishment

58. The size of the Department's overseas operations as at 31 March 1977 can be summarised as follows:

• representation at 78 posts (including 10 non-diplomatic posts) in 66 countries.

• 692 Australia-based staff overseas.

- 2210 locally-engaged staff (many of whom are engaged full-time on functions of other departments).
- 1694 staff in Australia.
- 63 Heads of Mission who are Executive Council appointees but who are mostly Foreign Affairs officers.

By 30 June 1977 the Department's total staff will have decreased by 17 per cent in 2 years (13 per cent between 30 June 1975 and 30 June 1976). Reductions have mostly affected locally-engaged staff. (Exhibit 37 (a)).

**59.** The Department's overseas staff can be roughly divided into 4 groups— 'political', consular/adminstrative, keyboard/technical, and locally-engaged staff. Distinctions between the first 2 groups are sometimes blurred but they are useful for the purpose of analysis.

#### 'Political' Staff

60. The so-called 'political staff' perform the following functions: political and economic reporting; implementation of Australia's aid, information and cultural programs; answering information requests from Government authorities in Australia; making arrangements for official Australian visitors; explaining and furthering Australian policies; and representing the Australian Government for various purposes. Political staff also maintain an overview of bilateral relations with the host country, facilitate communication between the 2 Governments and individuals and organisations, and assist in securing information where alternative channels have not been developed. To varying degrees political officers may be involved in management of posts and administration.

61. All of these functions need to be performed. The question is: how elaborately? This must depend on the nature and importance of Australia's interests in each country. Governments should make decisions on these matters. It is their responsibility. It appears that in practice public servants are often left to make these decisions.

62. Some functions can be performed less elaborately, for example political and economic reporting. The Committee includes in this description the gathering and detailed analysis of material prior to preparation of reports. There is no question that both kinds of reports are necessary. Rather it is a question of how frequent and detailed they need to be. For example, documents submitted to the Committee show 2 Heads of Mission questioning the value of their producing a quarterly economic report. In one case, no senior officer had been at the post for very long and the Head of Mission suggested the post could not produce an economic report at that stage to rival the quarterly economic report of *The Economist* or financial reports the Department receives from international financial bodies. Another Head of Mission suggested that documents published in the host country should be sufficient for the Department's needs. The Department in Canberra disagreed and stated that the reports were important.

63. In another instance a post's reporting was criticised by the Department because the majority of its reports on an international organisation consisted of covering memoranda attaching documents published by the organisation's secretariat, in English. This would often be a sensible approach provided the documents sent are essential. There seems more scope for officers overseas to operate as 'postmen', i.e. often they need simply forward important documents with brief comment, if necessary, about the author or organisation, the importance of the document and so on. Any summarising and in-depth analysis would at times be best done in Australia where the relevance of the document to Government needs is better understood and where an officer's time costs the Australian taxpayer less than half as much. It may be that it is best to have documents translated at the post, as now, but sent to Australia for analysis or for information. This approach cannot and should not replace traditional political reporting, however, it can certainly replace a proportion of it.

64. Frequently the Committee gained the impression, when taking evidence from all departments, that too often things are done 'just in case'. While the need for departments to protect their Minister from criticism or embarrassment is recognised the Committee believes that the extent of any likely embarrassment is sometimes overestimated. Decisions must be made about the likely extent of the embarrassment and action taken, or not taken, accordingly.

65. The Committee believes, having seen a range of correspondence from posts, that inadequate consideration is given to determining whether some matters really need to be brought to the Department's attention at all. As an example, the Committee read a 2 page memorandum addressed to the Department about a concert by an Australian musical duo which, the memorandum stated, could only attract a small audience of dedicated music lovers. There were even comments about the effects of rain and the opinions of various guests.

66. This incident raises the question of the elaborateness and value of cultural programs. Statistics provided in evidence (Exhibit 41) show that at 7 posts the information and cultural functions combined amount to an average of almost half of a full workload for a political officer. In evidence Mr Parkinson stated that at a European post under discussion one political officer would have been spending most of his time on cultural relations. (Evidence, p. 777).

67. The extent to which political officers, indeed any Australia-based officers, are involved in preparations for and assistance during visits of official Australian visitors should be limited as far as possible. Their role should largely be supervisory where visitors below ministerial level are concerned. Below this level assistance should be provided on the basis of need rather than notions of courtesy. Embassies should not be taxi services or tourist bureaux for all public servants and private individuals and organisations. It would nevertheless continue to be appropriate that assistance be provided on request to Members of Parliament travelling on Parliamentary business at Government expense and for the most senior public servants. It is important that the Government endorse these views and support officers overseas who are criticised for giving effect to such policy. The Committee was pleased to learn that guidelines have recently been tightened resulting in greater restrictions on assistance provided (Evidence, p. 729).

68. In December 1976, after this Inquiry began, the Department and the PSB agreed on a program to reduce the number of political officers by 27 within 12 months. Only 15 of these officers have been withdrawn and the Committee is unaware of any decision as to which posts are to lose officers to meet the final objective. In view of this situation and of the fact that most of the evidence taken relates to the period immediately preceding the agreement, the Committee has based its deliberations on staff statistics submitted on 31 August 1976 (Exhibit 2). The Committee has concluded that a reduction of about 35 in the number of political officers at that date

was justified. Thus a reduction of about 8 political officers more than was agreed between PSB and the Department in December 1976 is considered appropriate. Such a reduction would enable further reductions in locally-engaged staff.

69. Clearly there is an arbitrary element in this assessment, however, firstly the Committee considers it is probably conservative. Secondly, it is hardly more arbitrary than many decisions officers of Foreign Affairs and other departments must make daily about the need to take various actions and the volume of resources which should be allocated to activities. The need for the exercise of judgment was a constant refrain of witnesses in this inquiry. Conclusive objective evidence is apparently not available for Ministers, the Committee or departments.

#### **Consular/Administrative Staff**

70. Consular activities represent a significant and increasing proportion of the Department's work. The range of activities is large (Appendix 5). For example, in 1975, there were over 300 000 Australian visitors to Italy. The Embassy in Rome issued 851 passports, handled 251 reports of lost or stolen properties, issued over 600 certificates for various purposes, gave financial assistance in over 100 cases, was involved in 150 hospital admissions, 12 deaths and 6 repatriations and received 3638 personal inquiries (Evidence, p. 328). This workload was handled by one Australia-based and 3 locally engaged officers.

71. The rapidly increasing workload in recent years reflects the increasing numbers of Australians travelling overseas and perhaps the increasing numbers of young travellers in particular. QANTAS has projected a further increase in the number of Australians travelling abroad from roughly 1 million in 1975-76 to about 3.2 million in 1985-86. (Evidence, p. 796).

72. Provision of some consular services can be extremely time-consuming and therefore costly. For example, between July 1975 and June 1976 the Embassy in Tokyo dealt with 16 arrests of Australians on serious drug charges. Embassy officers worked from 20 to 100 hours per case (Exhibit 28 (c)). In 1976, 170 Australians arrested overseas were given consular assistance (143 were involved in drug offences). These cases can involve visits to gaols, assistance in obtaining legal representation, transmission of funds from relatives, attendance at trials, representations to authorities and keeping relatives informed of developments.

73. Consular workloads are, and will continue to be, high at many posts and humanitarian and legal considerations require that the great majority of cases be handled by consular staff. Posts should nevertheless exercise discretion in providing assistance. For example, hospital and gaol visits and all but minor assistance with legal difficulties would be inappropriate in English-speaking countries with systems and standards similar to our own, e.g. Great Britain and New Zealand. Consular staff might, in suitable circumstances, simply refer Australians to the appropriate local authorities and intervene only if difficulties arise. In other cases, consular staff should to the greatest extent possible work through the local authorities rather than do everything themselves. The Permanent Head of the Department said in evidence that some weight is given to these factors. (Evidence, p. 794).

74. The explosion in the numbers of Australians expected to be travelling overseas in the next decade underlines the importance of limiting the range and quality of consular services to essential levels and to try to ensure that the demand for services is minimised. It is not feasible to lay down strict guidelines for performance of consular services. It is therefore to some extent left to the judgment of the officers concerned to determine the range and quality of assistance to be provided in many instances. There is little doubt that such judgments are strongly influenced by the staff resources available. Sir Alan Cooley's statement on the elaborateness of operations quoted at paragraph 12 is relevant here. The level of resources allocated to consular services must therefore be kept under particularly close control. There must nevertheless be adequate staff to ensure that posts are capable of:

- (a) exercising the rights and obligations provided by the Vienna Convention on Diplomatic and Consular Relations, and
- (b) providing humane assistance to Australians in genuine need or who must meet Australian or local legal requirements (e.g. registration of births).

75. The Department at present issues with passports a pamphlet titled, Guide for Australian Travellers. The pamphlet in its present form is inadequate for the purpose of impressing on travellers their responsibilities for their own welfare and proper conduct. The Committee was pleased to learn that the pamphlet is now being revised with a view to placing greater emphasis on warning Australians travelling overseas of the limitations to the consular assistance which can be provided. It is also to include clearer warnings on the severity of penalties for drug offences overseas. (Evidence, p. 797). The Committee recommends that the revised 'Guide for Australian Travellers' include warnings about political activity, laws on mercenaries, dangers to health and personal behaviour.

76. The Committee recommends that the Government give serious consideration to other means of minimising the impact on post workloads of the huge growth expected in overseas travel by Australians in the coming decade, and in particular to the feasibility of recovering the costs of appropriate services by charging for them.

#### **Keyboard/Technical Staff**

77. The Committee found it difficult to obtain information on which it could assess the need for existing numbers of keyboard and technical staff. The numbers of Australia-based typists and stenographers are of concern given the immense costs involved though the need for some such staff must be accepted. Posts must maintain security precautions. Thus in many instances material should only be typed and handled by people with adequate security clearances. In many countries too, posts are unable to attract sufficient local staff with the necessary skills, especially an adequate command of English. Similar limitations apply to the employment of local technical staff.

78. The Committee has been unable to make any clear assessment of the appropriateness of current numbers of keyboard/technical staff. The Committee simply states that approval should be given to appointment of Australia-based keyboard/technical staff only after all alternatives have been rigorously tested and rejected (including, for example, the feasibility of several attached departments using a single typist for typing classified documents).

#### Locally-engaged Staff

79. All locally-engaged staff overseas, except those engaged under the Trade Commissioners Act, are on the Foreign Affairs establishment. Under 'common services' arrangements all administrative processes such as accounts, purchasing of furniture, equipment and office supplies, and maintenance of personnel records are handled on behalf of each post by one centralised administrative cell. These cells are staffed predominantly by locally-engaged officers and mostly operate under Foreign Affairs direction. In addition, many locally-engaged staff on Foreign Affairs' establishment work full-time for attached departments, for example in the processing of migrant applications.

80. The recent staff reviews and ceilings have resulted in major reductions in locally-engaged staff, over 500 in the last 2 years. The Committee lacked the necessary resources to investigate the numbers of locally-engaged staff in detail. On the evidence collected however the Committee has concluded that there is only room for limited reductions in Foreign Affairs' locally-engaged staff given the present number of posts and the continued requirement to perform existing functions. The notable exceptions are the High Commission in London and possibly the Embassy in Washington (Chapter 8).

#### Subordinate Posts

81. The Committee sought justifications for the subordinate posts in Capetown, Lae, Honolulu and Rio de Janiero. The need for Capetown was accepted in the light of special requirements by the South African Government. (Exhibit 28 (e)). The desirability of representation in Lae is also accepted.

82. The Committee could not however accept the need for the post in Rio de Janiero. Australia already has posts in Sao Paulo and Brazilia. It is an extravagence for Australia to retain 3 separate posts in a country where its interests are limited. The Committee recommends that the post in Rio de Janiero be closed.

83. The post in Honolulu is relatively new, having been established in 1973. Before its establishment the work of the British post in Honolulu consisted mainly of dealing with Australian tourists. That post has now closed and the Australian post is able to reciprocate assistance provided to Australians elsewhere by the British. (Exhibit 28 (e)). The post's major function is to issue visas to tourists to Australia and the Committee considers this is the principal justification for the post at present (Evidence, p. 802). Because of Hawaii's role as an important Pacific basin entity, economic, political and strategic considerations may become more prominent in the work of the post. Any such development would require adjustment to the numbers and types of staff at the post, as would a reduction in the visa workload. The Committee therefore recommends that staffing at the Honolulu post be kept under close scrutiny.

#### **Future Staffing Needs**

84. To summarise, the Committee considers that Australia-based staff can be further reduced by something like 10 officers. This reduction would result from: withdrawal of one officer following closure of the post in Rio de Janiero, withdrawal of an officer from Sliema (para. 130) and a further small reduction in the scale of activity in existing functions leading to a withdrawal of about 8 Australia-based political officers (para. 68).

85. The Committee will recommend in Chapter VI that certain Immigration posts be examined with a view to closure and that the issue of visas for temporary entry and initial contact with prospective migrants at these posts become Foreign Affairs responsibilities where this is a more economical approach. It is expected that this will not place a major burden on Foreign Affairs officers at these posts.

86. The effect of recommendations in Chapters V and IX on the Trade Commissioner Service and on representation of several departments and authorities will be to further increase the responsibilities of Foreign Affairs at some posts.

87. The Committee has concluded that these additional functions, performed at the reduced levels envisaged, could be undertaken by the Department without any increase in Australia-based staff. It is envisaged however that the Department would need to reallocate staff between posts to meet the new demands which will effect different posts to varying degrees.

#### **Problems of Common Services Arrangements**

The Department of Immigration and Ethnic Affairs expressed dissatisfaction 88. with existing common services arrangements. (Evidence, pp. 207-211.) The Department argued that it is frequently not given sufficient locally-engaged staff to enable it to perform its functions. For the same reason it was concerned that it had no control over the budget for travel funds for locally-engaged staff. (Evidence, p. 165.) In reply Foreign Affairs stressed the unfortunate coincidence of the introduction of 'common services' arrangements in 1974 and the imposition of financial stringencies and enforced reductions in locally-engaged staff. Foreign Affairs also indicated that, for example, changes in Australia-based medical officer staffing for immigration purposes were implemented without it being consulted. Consequently, its allocation of locally-engaged support staff did not take account of new demands. (Evidence, p. 528.) The Department also submitted documentary evidence that it had required Heads of Mission "to lean over backwards to ensure correct and fair treatment and full understanding by attached staff of the context in which we are operating". (Evidence, p. 453.)

89. Other departments and the PSB were asked to comment on the effectiveness and fairness of 'common services' arrangements and all expressed general satisfaction and the belief that they represent an improvement on previous arrangements. The Committee agrees. Nevertheless, Foreign Affairs must continue to ensure that Heads of Mission administer the arrangements equitably and be prepared to consider complaints and suggestions from attached departments. Equally departments proposing to make changes in their Australia-based staff must conform with the Prime Ministerial directive of 1974 which requires that departments consult with the Department of Foreign Affairs before changing their representation at posts so that Foreign Affairs can make appropriate provision for locally-engaged staff support. (Evidence, pp. 361-363). The PSB should consult closely with Foreign Affairs when departments submit new proposals for increased staff overseas. The Committee considers there may be some value in the establishment of formal machinery for this consultation.

#### **Insularity of the Department**

90. Officers of the Department seem to see their careers as lying entirely within the Department rather than in the Public Service generally. There has been little movement of officers away from the Department, except at the most senior levels. (Evidence, p. 533. Exhibit 37 (g)). Nor has there been very much movement into it from other departments. The Committee considers the Department must be more integrated into the domestic operations of the Public Service. This will benefit both areas. As Mr J. C. Taylor stated in evidence there is a great reservoir of talent in the Department and the Public Service would benefit from greater access to it. (Evidence, p. 712). Equally, officers representing Australia overseas need to have experience of how other areas of government administration operate and what demands are placed upon them. There must be an effort to broaden the experience of officers representing Australia overseas.

91. Since this Inquiry commenced agreement has been reached between the Department and the PSB on a system of secondments to other Departments. The scheme has been slow in getting underway. (Evidence, p. 814). The Committee emphasises the importance of ensuring that the scheme not be allowed to fail because of prolonged inaction and eventual loss of interest. The Committee envisages the scheme as a suitable beginning to a long-term movement of officers between Foreign Affairs and other departments. The Committee recommends that the majority of Foreign Affairs officers now below the Second Division and whose careers involve overseas service be seconded to other departments at least twice in their careers and that one such secondment take place before each officer's third posting overseas.

#### Distinction between Political and Consular/Administrative Staff

The then Acting Permanent Head stated in evidence that the distinction be-92. tween political and consular/administrative staff is decreasing and that political officers in Canberra are eager to gain administrative experience. (Evidence, p. 560). He also indicated that the distinction is often blurred at posts. The Committee notes the statement in the submission by Mr Justice Sharp that despite moves to eliminate the psychological distinction between the 2 'streams' there was still in 1975 'too little evidence of integration leading to adequate weight being given to consular and administrative skills when officers are selected for senior posts abroad'. (Exhibit 3, p. 36). Statistics provided by the Department suggest that this lack of integration continues to exist (Exhibit 37 (g)). The Committee wishes to emphasise the importance which should be placed on easy movement between the 2 fields of operation. Heads of Mission must be able administrators and to achieve the necessary administrative skills they must have appropriate experience earlier in their careers. Furthermore, because staff units at most posts are so small there is a need for the flexibility created by officers being capable of performing effectively the full range of functions for which their department is responsible.

## CHAPTER V

# DEPARTMENT OF OVERSEAS TRADE

#### **Trade Commissioner Service**

93. The Trade Commissioner Service is operated and staffed under the *Trade* Commissioners Act 1933. The Service employs locally-engaged staff under the Act but also uses locally-engaged staff on the Foreign Affairs establishment for 'common services' and is administered by the Department of Overseas Trade.

#### Objectives

94. The broad objectives of all overseas posts are to develop and strengthen Australia's bilateral trade and economic relations with host countries and to develop and maintain Australia's multilateral trading relationships. To a lesser extent posts aim to assist Australian businessmen in investment ventures overseas and, through the Department of Overseas Trade, to assist developing countries to find markets in Australia.

### **Functions and Activities**

95. The range and emphasis of functions and activities varies according to Australia's interests at each post. The following is a guide to the full range of these functions and activities:

- seeking trade opportunities for Australia exporters,
- providing services and facilities to Australian exporters visiting the market and to exporters seeking information on prospects in the markets,
- providing similar assistance to Australians interested in investing overseas,
- reporting to the Department of Overseas Trade and where appropriate, to other Departments on matters of political and economic importance, particularly those with trade implications,
- servicing the needs of other Departments as required,
- advising the Department of methods of trade publicity and promotion appropriate to each country and implementing the Department's trade promotion program,
- reporting on regulations such as tariff and non-tariff barriers and other factors which affect market prospects for Australian exporters,
- referring to the Department of Overseas Trade requests from developing countries for assistance in finding markets in Australia.

#### **Possible Contributions by Private Enterprise**

96. The Committee canvassed the feasibility of disbanding the Trade Commissioner Service and leaving the task of trade promotion to private organisations.

The effectiveness of this alternative would be limited. Private organisations would lack the capacity of the Trade Commissioner Service for government-to-government negotiations and could not match the information network currently operated by the Department of Overseas Trade. Apparently no country has found a private organisation a suitable replacement for a government trade promotion service. (Evidence, pp. 83-85).

97. The Committee was also satisfied that appropriate charges are made for services provided to businessmen at overseas posts and that the credentials of such visitors are checked before services are provided. (Evidence, pp. 81-82 and Exhibit 23(g)).

#### The Size of the Service

**98.** As at 31 March 1977, the Trade Commissioner Service comprised 160 Trade Commissioners and Assistant Trade Commissioners and 66 other Australia-based staff. It also employed 441 locally-engaged staff. It is represented at 59 posts in 45 countries.

**99.** Following recent staff reviews the overseas establishment of the Trade Commissioner Service and the Department of Overseas Trade combined has been reduced by 13 Australia-based (6%) and 55 locally-engaged staff (11%). The total reduction has been 10% since June 1975.

#### **Minimum Staff at Each Post**

100. The Committee's review of staffing at 6 selected posts suggested, *prima facie*, that recent staff reductions have generally been effective in reducing staff to appropriate levels, assuming that each post is required. While the Committee cannot say with absolute conviction that there is no excess staff other than that referred to below, its review suggests that any such excess would be very small.

101. The Department asserted that a second Australia-based officer is required to stand in for the Trade Commissioner during the latter's absences and sometimes for humane reasons e.g. at some posts where there are no other Australia-based officers. (Evidence, pp. 109-110). There are only 5 posts at which the Trade Commissioner Service has a single Australia-based officer but 25 at which there are 2 (exluding stenographers).

102. In the Committee's view the Department has overstated the need for a minimum staff of 2. A locally-engaged officer cannot perform all the functions of which even a junior Australia-based officer is capable primarily because of the lack of diplomatic status. Nevertheless a senior locally-engaged officer can surely operate on a stop-gap basis in the majority of circumstances provided he is able to maintain contact with the Trade Commissioner. The problems should be further diminished if other departments are represented at the post and a senior Australia-based officer can exercise some supervision or assist when necessary. A further means of alleviating any difficulty would be relief from nearby posts during extended absences of the Trade Commissioner. The second Australia-based officer is frequently a 'Trade Officer' at Class 4, 5 or 6 level—that is, he is a junior officer. On the other hand, locally-engaged staff are frequently people of long experience with important responsibilities in their posts' marketing activities. As suggested by the then Acting Permanent Head lack of

continuity or local knowledge can limit the effectiveness of any officer brought in to deal with an emergency situation in the absence of the sole Trade Commissioner. (Evidence, pp. 835-837). Nevertheless the likely seriousness and frequency of such situations do not in themselves justify provision of a second full-time officer.

103. The Committee considers that a second Australia-based position should exist only when the workload justifies it. Accordingly, the Committee recommends that the Department of Overseas Trade review all posts with 2 Australia-based officers to determine whether the essential workload justifies provision of the second officer. Where the second position is found to be unjustified on these terms the Committee recommends that the position be abolished.

104. Should the second position be abolished at posts with no Australia-based representation other than that of the Trade Commissioner Service, personal problems of the remaining officer directly related to the special circumstances of his posting should be alleviated. Means of achieving this end would vary according to circumstances at each post. The Committee would suggest some combination of the following: shorter periods of duty, improved leave conditions, occasional visits to or from nearby posts, and perhaps even membership of an appropriate club at Government expense. It is not envisaged that all of these conditions should apply at any one post.

105. The Committee therefore recommends that measures be taken to ensure that personal problems associated with service by any officer at a post with no other Australia-based staff be alleviated.

#### **The Need for Some Posts**

106. Governments regularly assess the need for continued representation at posts and in the last decade 12 have been closed. The decision to close a post is, as the then Acting Permanent Head stated in evidence an exercise in judgment. (Evidence, p. 827). These decisions are particularly difficult because it can always be argued that a Trade Commissioner post should remain open for as long as it is 'paying its way'. If this argument were accepted Australia would probably never close a post and would possibly multiply the present number several times over. Of course, the real questions are:

- (a) how much trade would be lost following withdrawal;
- (b) could an adequate presence be maintained by less costly alternative means; and
- (c) could the money involved be spent to better effect elsewhere.

107. With these questions in mind the Committee asked the Department to justify the need for continued representation at the following posts: Berne, Athens, Karachi, Port-of-Spain, Christchurch, Sao Paulo and Toronto or Vancouver. The Committee selected these posts on the basis of trade statistics and on evidence presented by the Permanent Head, Mr McKay on the areas of trade with which Trade Commissioners are mostly concerned.

#### 108. The Permanent Head said in evidence:

'Exports fall into 3 broad categories: the agricultural, the products of the mining industry and the products of manufacturing industry—there is some blurring at the edges of these, . . . In the case of the mining industry the Trade Commissioner as such does not play a very great role; . . . In respect of the agricultural products, the Trade Commissioner has played a role that varies intensely; in the case of wool, some in some countries, but by and large not a great deal; . . . down to meat, canned fruits, dried fruits, dairy products where Trade Commissioners play both the intergovernmental role and the commercial assistance role. Most importantly, I think the products that are most promotable by Trade Commissioners are the products of the manufacturing industry . . . . '(Evidence, p. 76).

The Permanent Head made the above statement in supporting the need for continuation of the Trade Commissioner Service, despite recent record exports, because of the need to assist manufacturing industry which is a major employer of labour.

109. In looking at trade statistics as a basis for justification of the need for the posts mentioned above, the Committee has given considerable weight to exports of manufactured products to the countries concerned. However, the other components of trade have not been ignored, especially semi-processed goods and agricultural products such as meat. So that statistics in ensuing paragraphs can be seen in perspective, it should be noted that in 1975-76 total exports were \$9,555.8m and exports of manufactured goods totalled \$2,065.3m<sup>2</sup>

**110.** The Karachi post is responsible for trade promotion in Pakistan, Sri Lanka and Afghanistan and also has consular functions in its region of Pakistan. The post has 4 Australia-based and 17 locally-engaged staff. Exports to Pakistan in 1975-76 were \$22.6m, of which \$14.7m was for wheat and \$2.1m for wool the balance being some \$5.8m. Only part of this balance consists of manufactured exports so that the volume of trade in these products is very small. These statistics broadly reflect the position in all but one of the last 6 years. Total exports to Sri Lanka in 1975-76 were \$35.5m of which \$15.9m was for flour, \$12.9m for wheat and \$2.0m for dried milk, the remainder totalling \$4.7m. These products dominated trade in previous years. While figures for manufactured exports for 1975-76 were not available to the Committee experience in previous years suggests they would not be significant. The total picture suggests that a Trade Commissioner post with a staff of 4 Australia-based and 17 locally engaged officers in Karachi cannot be justified at present. Foreign Affairs could take on the role of contact point between the host governments and the Wheat Board and, as it does successfully in other countries, undertake some work in maintaining and improving exports of other major commodities and goods. The post in Tehran or another nearby Trade Commissioner post might perform those functions which do not require day-to-day contact with the Government of Pakistan, but on a much reduced scale. A similar arrangement might be established in Sri Lanka though the Trade Commission visiting that country might be based at another post, such as Singapore or Kuala Lumpur. The Committee therefore recommends that the Trade Commissioner post in Karachi be closed.

111. The Trade Commissioner post in Berne is responsible for promotion of trade with Switzerland. It has one Australia-based and 4 locally-engaged staff. In

Export statistics in this Chapter are preliminary figures contained in Australia: Pattern of Trade 1975-1976, Department of Overseas Trade, Canberra 1977.

1975-76 official statistics show exports to Switzerland at \$7.9m of which manufactured goods made up a substantial proportion. The then Acting Permanent Head indicated that there are difficulties in determining the level of exports to Switzerland because it is land-locked and goods enter it through other countries. Swiss statistics show Australian goods entering Switzerland to be worth \$18m. (Evidence, p. 823). In earlier evidence the Permanent Head conceded that the post in Berne which was opened in 1973, is a marginal one. (Evidence, p. 86). It is noteworthy that total exports have dropped each year since the post opened (from \$15.6m in 1974/75). To be fair the major differences were in wool, beef and yeal, i.e. agricultural products. Manufactured exports improved a little. The Committee considers that existing trade with Switzerland cannot justify continued permanent Trade Commissioner representation there. The Committee therefore recommends that the Trade Commissioner post in Berne be closed. Berne should in future be covered by a nearby Trade Commissioner post such as Milan, Vienna or Bonn. The Committee believes there may be value in maintaining a locally-engaged Marketing Officer in Berne or Geneva. This arrangement already exists at other posts.

112. The post in Port-of-Spain has both trade and consular responsibilities and covers most of the Caribbean and the Republic of Guyana, French Guiana and Surinam. Total exports to the post territory are expected to be about \$15m in 1976-77. (Evidence, p. 825). The main exports are meat, dairy products, canned and dried fruits, motor vehicle parts and motor vehicles. The post is staffed by 2 Australia-based and 9 locally-engaged officers. The Committee considers that the present representation is inappropriate for the volume of trade. More appropriate representation would result from closure of the Port-of-Spain post and the addition of a Marketing Officer to the post in Jamaica. The latter, at present, has a policy rather than trade promotion role. Nevertheless the Australia-based officer there could exercise general supervision over the Marketing Officer. The Committee therefore recommends that the Trade Commissioner post in Port-of-Spain be closed and that a locally-engaged Marketing Officer be provided at the post in Jamaica.

113. New Zealand is one of Australia's most important markets, especially for manufactured products but the need for 3 Trade Commissioner posts, i.e. Wellington, Auckland and Christchurch, must be questioned. The market in New Zealand operates in a language and in a manner which are familiar to Australians. Furthermore, close direct contacts have been built up between Australian and New Zealand businessmen over many years. The need for extended travel is limited. Three posts in New Zealand are an extravagance. The Committee therefore recommends that the post in Christchurch be closed. The Christchurch post has 2 Australia-based and 5 locally-engaged staff.

114. Having weighed the evidence presented, the Committee has concluded that the continued existence of the posts in Sao Paulo, Athens and Vancouver are appropriate at present. It is true that Vancouver is one of 3 Trade Commissioner posts in Canada and that the Canadian market, like that of New Zealand, operates in a manner familiar to Australians. Nevertheless, the degree of familiarity is not so great. More importantly the size and regionalisation of Canada make the need for the Vancouver post substantially greater than for that in Christchurch. The Committee accepts the Department's evidence that important trading opportunities are opening up in Greece and Brazil but considers that the need for the posts, particularly Athens, should be kept closely under review. (Evidence, pp. 821–823 and 828–829).

### Future Size of the Trade Commissioner Service

115. Closure of the posts in Berne, Christchurch, Karachi and Port-of-Spain in the manner recommended above would reduce the size of the Trade Commissioner Service by 9 Australia-based and 32 locally-engaged staff. This would be a reduction of just over 5% in the Service's Australia-based staff. Total cost savings would be of the order of \$585,000 (using the PSB's average figures). These savings would be reduced by the cost of travel to the posts concerned by Trade Commissioners at nearby posts but the savings are unlikely to fall below \$500,000 per annum.

116. The review of posts with 2 Australia-based officers is likely to result in a further small reduction in Australia-based staff with consequential reductions in locally-engaged staff.

### CHAPTER VI

# DEPARTMENT OF IMMIGRATION AND ETHNIC AFFAIRS

#### **Objectives**

117. The objectives of the Department of Immigration and Ethnic Affairs at overseas posts are to:

- '... implement immigration policy, particularly in regard to family reunion, entry of workers in approved occupational categories and refugees, and to facilitate their transfer from the source country to the destination.'
- '. . . ensure the issue of visas to bona fide applicants with a minimum of formality and delay; at the same time guarding against misuse of visitor policy by persons intending entry for other purposes.'
- '. . . provide Australian business interests and the Australian community generally with the benefits derived from the short-term entry of persons who possess skills, locally; at the same time guarding against short-term entry of applicants whose presence would be to the disadvantage of suitably experienced Australian residents.'
- '. foster good relations and cultural contacts through the provision of opportunities for your people of other countries to acquire academic qualifications or undertake training not available to them in their home countries.'
- ... examine and determine applications received (at overseas posts) for the acquisition of Australian citizenship.' (Evidence, pp. 137-138).

#### **Functions and Activities**

118. (a) Processing of migrant applications requires: answering inquiries, examining applications and assessing *prima facie* eligibility, checking vocational documentation and interviewing where necessary, interviewing applicants who meet preliminary requirements, initiating and following up character and medical screenings, assessing eligibility for assisted passage, notifying applicants, making travel arrangements.

(b) For a stay of more than 12 months, the requirements for temporary residence applications are similar to those for migrant entry (but many are referred to Australia for union endorsement and departmental decision). Procedures for short-term temporary residence applications are less exhaustive but many are still referred to Australia.

(c) Student applications must be finalised before students are to commence their courses. Consequently the workload is concentrated between July and December. Private student application procedures are more complex even than migrant application procedures.

(d) Processing of visitor applications requires, inter alia: checking bona fides and undertaking routine screening procedures. Where bona fides are doubtful interviews and further screening tests may be necessary before visa applications are approved or rejected.

(e) Additional activities are: office administration; counselling; promotion activities as the climate demands; liaison and consultation with host country government officials and organisations; liaison with transport organisations; answering press inquiries and liaison generally with the media; maintaining contact with law enforcement agencies; reporting on conditions in the host country vis-a-vis migrant availability; undertaking general post activities as directed by Head of Mission; registration of births of children born to Australian citizens overseas; consideration and determination of applications for Australian citizenship and referral of cases where needed to Australia.

### **Mechanisation of Procedures**

119. Most of the Department's functions do not lend themselves to mechanisation (e.g. interviewing, counselling, answering inquiries). Some do however. Several years ago a feasibility study was undertaken for an integrated data system to link overseas posts with Canberra and State offices. The Permanent Head of the Department, Mr Bott, expects that both cost savings and more effective operations would result from the system. (Evidence, p. 182). The proposal has been under consideration since before 1971. This innovation seems worthy of close examination and the Committee considers higher priority should be given to completing the examination.

#### **Visas for Short-Term Visitors**

120. The Committee questioned the need for the issue of visas to short-term visitors to Australia, such as tourists. Many countries allow the nationals of specified countries, including Australians, to enter for short-term visits without a visa. There are problems with overstayed 'visitors'. (Evidence, pp. 177-8). The Department indicated that the cost of deporting an overseas visitor is roughly \$700 plus the cost of air fares. (Exhibit 33 (b)). The Committee is of the opinion that the subject of whether or not short-term entry into Australia should be controlled by a visa system requires further investigation.

### The Size of the Department's Overseas Establishment

121. The Department has representatives at 39 posts in 33 countries. The overseas establishment (Australia-based officers only) at 31 March 1977 was 151. The approved establishment in August 1975 was 229. (Exhibit 20 (b)). The Department thus experienced a reduction in its establishment of over 34% in less than 2 years. While it must be said that the immigration program has been reduced substantially in recent years, nevertheless, the ability of the Department to continue functioning adequately with this huge staff reduction raises serious questions about its past management performance.

122. The Committee's examination of present staffing showed that the potential for further reductions is now limited unless the Government reduces its migration program, changes the relative proportions of target groups within the program, or alters its policies on visas for temporary entry. A small reduction

is almost certainly possible however, and its effect on the Department's capacity to meet Government objectives would be negligible.

#### **Pattern of Representation**

123. The Committee looked closely at workload statistics of posts where the Department's representation is very small. These posts and their Australiabased staff were: Cairo (1); Colombo (1); Dublin (1); Kuala Lumpur (1); Sliema (Malta) (1); Capetown (1); Berne (1); Warsaw (1); Nairobi (1); and Vienna (2)—one is a relief officer for European posts. The following 'provincial' posts were also examined: Manchester (6); Edinburgh (3); San Francisco (3); Chiacago (2); Messina (1); and Lae (1). In examining these posts the Committee sought to determine the feasibility of closing the post and transferring the workload to Immigration officers at other posts in the region, to Australia or to Foreign Affairs officers.

124. To assist in its examination the Committee pressed the Department to explain how it uses its statistics to assess workloads overseas. The Department conceded that it needed to do more work on this. (Evidence, p. 190). At one hearing a witness from the Department indicated that the number of arrivals is a 'broad indicator though not a precise one'. (Evidence, p. 189). At a later hearing the Permanent Head questioned this statement but was unable to suggest an alternative. The Committee was disturbed by the following statement: 'I find great difficulty in deciding on our priorities because we have no measurement capability at this stage'. (Evidence, p. 846). This lack of measurement capability obviously contributed to the failure for some years to adequately control Immigration staff overseas. The Committee gives the strongest emphasis to the need for the Department not only to expedite its development of workload measurements but to develop a total management system. Specific recommendations are made in Chapter 1.

125. The Committee was interested to note the following time estimates calculated by Foreign Affairs as a general guide to immigration functions performed by the Department's officers at some posts. (Exhibit 25 (c)):

Migrant interview (family)-45 to 60 minutes

Migrant interview (single person)-40 to 45 minutes

Visitor visa (issue) – 3 to 5 minutes

Visitor visa (requiring interview)-15 minutes.

126. The Committee adopted a comparative approach to its examination of workload statistics at the small Immigration posts mentioned above and took Kuala Lumpur as a benchmark. In looking at the statistics the Committee kept in mind that many man-hours, e.g. for interviews, do not result in arrivals because applications are rejected. The Committee has also recognised that the issue of visas for temporary residence and for overseas students and trainees can create quite different workloads from processing of migrant applications or visitor visas. Other factors too, such as special difficulties in individual countries, have been taken into account in examining staffing levels and alternative methods of delivering services.

127. The Kuala Lumpur post is staffed by one Australia-based and one locally-engaged officer. In 1976, 2250 migrant interviews were held and 1397

migrants were visaed (other immigration functions at the post are performed by Foreign Affairs officers). In evidence the Department stated that the post is performing this function satisfactorily. (Evidence, p. 849). It therefore seems reasonable to use the post as a benchmark, whilst keeping in mind the qualifications mentioned at paragraph 126.

128. Given that all posts listed in Table 1 have one Australia-based officer, and given that the Kuala Lumpur post carried out 2250 migrant interviews and visaed 1397 migrants in 1976, the justification for an officer of the Department being stationed full-time at several of the posts listed must be seriously questioned. It is to be emphasised that the man-hours involved in migrant applications are somewhat greater than for visitor visa applications (paragraph 125). Consequently, even in posts where total arrivals equal the migrant arrivals produced by the Kuala Lumpur post (i.e. 1397) the actual workload is less, often substantially so, rather than equal because of these differing man-hour requirements.

	Migrant activity			Visitor visa activity			Other	
Posts	Appli- cations	Inter- views	Visas issued	Appli- cations	Inter- views	Visas issued	Visas issued	Total arrivals
Berne	. 692	485	267	2 939	98	2 896	116	3 2 7 9
Cairo	. 1875	869	425	664	575	359	41	825
Colombo	1 575	1 433	500	542	171	459	117	1076
Dublin	. 1515	794	442	805	33	843	181	1 466
Kuala Lumpur	4 391	2 2 5 0	1 397	5 535	550	5 4 1 0	3 559	10 366
Lae	. 98	39	34	641	307	608	12	654
Sliema (Malta)	. 500	383	247	670	105	628	6	881
Nairobi	. 237	229	124	331	222	317	30	471
Vienna .	875	614	288	2 189	22	2 177	83	2 548
Warsaw	. 264	147	299	710	418	635	69	1 003

**IMMIGRATION ACTIVITY IN 19763** 

3. Evidence, pp 877-897.

**129.** The following total arrivals statistics for 1976 suggest a major difference in workload between Kuala Lumpur and the posts concerned:

Cairo	825	(425 migrants)
Colombo –	1076	(500 migrants)
Dublin –	1466	(442 migrants)
Lae		(34 migrants)
Sliema –	881	(247 migrants)
Nairobi –	471	(124 migrants)
Warsaw	1003	(299 migrants)

Each post has special characteristics, especially Cairo, but then the Department's evidence emphasised special needs in Kuala Lumpur as well. (Evidence, p. 849). As broad indicators these statistics can only suggest that there is significant overcapacity in the above posts, the only likely exception being Dublin. Even the Department accepts that there is 'spare capacity' in Sliema, Lae and Warsaw but for various reasons considers they should be maintained.

Table 1

130. Sliema is a special case because the migration agreement between the Maltese and Australian Governments requires that a Migration Officer be posted in Malta. The Committee recommends that one of the 2 Foreign Affairs officers in Sliema (Malta) be withdrawn and that the Migration Officer take over part or all of the Foreign Affairs officers' essential workload while continuing to perform immigration functions.

131. The Permanent Head stated that if there is an immigration workload at a post which will occupy an officer for 50% of his time an officer from his Department should be provided. (Evidence, p. 862). The Committee rejects this view. A more rigorous assessment of alternative means of dealing with the workload is required. Furthermore, the percentage nominated is extremely low. It seems almost certain that posts such as Colombo, Nairobi, Lae and Warsaw in particular but possibly also Cairo and Dublin could be satisfactorily covered by a regional system. The Committee envisages that Immigration and Ethnic Affairs would withdraw its officer from the posts concerned. Processing of migrant applications from the interview stage would be conducted by Migrant Officers visiting from other posts and the remainder of the immigration work would be transferred to Foreign Affairs staff. Migration Officers could relieve Foreign Affairs officers from time to time if unacceptable backlogs develop as they have recently at some posts (e.g. in Seoul).

132. The Committee has emphasised the need to ensure the most economical means of performing immigration functions is adopted. The evidence before the Committee does not conclusively favour the regional approach in the cases mentioned although as indicated above the Committee has little doubt that this approach can be shown to be an improvement on existing arrangements.

133. The Committee therefore recommends that the Department of Immigration and Ethnic Affairs in consultation with the PSB, immediately commence a thorough review to compare the cost of a regional approach with the full costs of continued representation in its present form at posts in Berne, Cairo, Colombo, Dublin, Lae, Nairobi, Vienna and Warsaw. If the cost of the former exceeds that of the latter the regional approach should be implemented. The examination should have regard to the work done by the PSB on full costing of overseas representation.

134. Costs of the regional approach should not be assessed on the basis of quality criteria applied to the service provided in countries of high settler intakes such as the United Kingdom. These criteria would be unjustifiable in countries producing small migrant intakes. It is likely that the outcome of a lower level of service would be an even smaller intake. This is considered acceptable in light of the cost savings and of the ready supply of migrants elsewhere. The Department stated in evidence that the supply of migrants from the major and traditional sources 'is certainly there as far ahead as we can see', although long-term demographic trends suggest this may not continue to be the case beyond the foreseeable future. (Evidence, p. 174).

135. The Committee noted the following statement in Australia's Population, Summary of the First Report of the National Population Inquiry:<sup>4</sup>

Spreading the immigrant net too widely and recruiting a few migrants from each of a large number of countries raises acute problems of integration. For these reasons, the Inquiry suggested that concentration on a few sources would bring greater benefits in terms of numbers, quality of skills and satisfaction for the migrant after settlement.

 Australian Population and Immigration Council, Australia's Population, Summary of the First Report of the National Population Inquiry, (Canberra, 1976), p. 51. 136. In the posts under discussion, the number of interviews for potential migrants should be minimised by more rigorous assessment of applications. It is recognised that this may be difficult in some countries where Australia's immigration policies are potentially political issues.

137. The Committee would make 2 qualifications to the above proposals. Firstly, if there were humanitarian grounds for rapid processing of individual migrant applications between visits by a Migration Officer, the application should be processed by Foreign Affairs.

138. Secondly, the Committee has noted the evidence submitted by the Department of Immigration and Ethnic Affairs that Foreign Affairs officers do not interview enough people seeking visitor visas. This is said to result in unacceptable numbers of overstayed visitors, which in turn results in additional expenditure within Australia and in the undermining of controls over migrant intakes. This problem has been overcome to some extent, by revised procedure; however problems remain. (Evidence, pp. 177-178). The Department of Immigration and Ethnic Affairs must therefore monitor the performance of Foreign Affairs officers and deficiencies should be brought to the attention of Foreign Affairs. If necessary, the problems should be resolved at a ministerial level.

139. Only minor reductions could be expected in locally-engaged staff performing immigration functions if the regional approach were adopted. These reductions would result from the likely small decline in the migrant workload resulting from implementation of the Committee's proposals on the quality of service to be provided. As the magnitude of this decline cannot be predicted the Committee is not prepared to make a recommendation on appropriate future numbers of locally-engaged staff. Foreign Affairs and the PSB should closely monitor locally-engaged staff workloads at posts after immigration functions have been transferred to Foreign Affairs.

140. The Committee clearly does not envisage that Foreign Affairs would require the same number of Australia-based staff for the transferred functions as are currently performing them. Firstly a decision to transfer the immigration functions would be an indication that existing staff are underemployed. Secondly, Foreign Affairs would be performing only part of the migrant functions. The workload for Australia-based Foreign Affairs officers at most, if not all, posts should therefore increase only marginally.

#### **Australia-based Medical Officers**

141. The large difference between the costs of Australia-based and locallyengaged staff requires that there be a strong justification if the former are to be used to perform any function.

142. In light of this need the number of Australia-based medical officers engaged in the Immigration program was reduced in 1976 from 27 to 8 (only 15 of the positions were staffed at the time because of the reduced immigration program). At the same time a 'regional' system was introduced.

143. The system involves placement of Australia-based doctors in strategic cities. These are presently: Rome, Athens, Buenos Aires, Belgrade, Ankara, New Delhi and London (2 officers). The doctors receive and check medical reports on potential settlers from local doctors, called 'panel doctors', and also re-examine some patients as a control measure. They select and brief all local physicians and radiologists in their regions. The effectiveness of the new system is soon to be reviewed. (Evidence, p. 1149).

144. The Permanent Head of the Department of Health, Dr Howells, strongly favours the use of Australia-based doctors and considers the present number overseas to be the minimum acceptable. He argues that panel doctors do not understand Australian requirements and 'therefore apply entirely different and mostly inferior medical standards'. (Evidence, p. 1147). They also do not appreciate conditions of work and life here and this affects their assessment of a potential migrant's work capacity. Their reports are considered unreliable and they have been know to falsify reports to assist their countrymen.

145. In commenting on panel doctors in Asia and Oceania Dr Howells stated: 'Many of the panel doctors in use in Asia have been trained in Britain or under British training methods and apply standards somewhat similar to our own. These standards are far superior to those observed over many years in Southern Europe and the Middle East'. (Evidence, p. 1148). Yet in Britain itself there are 2 Australia-based doctors. Dr Howells' own words present a sufficient case for replacing these officers with locally-engaged staff. For the difference in cost between an Australia-based and a locally-engaged doctor in Britain the latter could be brought to Australia several times every year for briefing and to see Australian conditions at first hand. One brief visit every 2 years would nevertheless seem adequate for this purpose where British doctors are concerned. The locally-engaged staff could be recruited and, if necessary, be briefed occasionally by the Medical Officer based in Belgrade. The Department of Immigration and Ethnic Affairs suggested all Australia-based doctors could be replaced by locally-engaged staff. (Evidence, p. 198). This view is not accepted. The Committee recommends that the 2 Australia-based Medical Officers in London be replaced by locally-engaged staff.

146. The workload of the officer in New Delhi is extremely small compared that with of his colleagues in other posts. (Evidence, p. 1151). The Committee recommends that the PSB, in consultation with the Departments of Immigration and Ethnic Affairs and Health investigate the feasibility of withdrawing the medical officer from New Delhi and having essential medical functions performed through short visits from Australia.

### CHAPTER VII

### DEPARTMENT OF ADMINISTRATIVE SERVICES

147. The Committee's principle interest in the Department of Administrative Services concerns the Australian Information Service (AIS). The Department's other overseas representation was reviewed and judged appropriate.

148. The AIS is the Australian Government's official overseas information agency. The Service and its predecessor have performed this role for over 25 years.

### **Objectives**

149. The Service's major objectives as stated by the Department are to: 'project overseas Australia's distinctive personality, outlook and way of life and to explain Australia's policies and attitudes'; and

'to satisfy the growing demand of the media and citizens of other nations for more accurate and current information on Australia'. (Evidence, p. 929).

### **Functions**

150. The Service's functions are to:

- produce an effective flow of balanced, factual and up-to-date information about Australia and its people-attitudes, policies, life-style, culture and environment-by the collection and analysis of information and its reproduction in various forms (written, spoken and film) for dissemination overseas.
- provide specialised staff and facilities within Australia and overseas to carry out these requirements.
- distribute information and publicity material overseas in consultation with the Department of Foreign Affairs, as the Department responsible for overall coordination of Australia's relations with foreign countries, and with other relevant departments having an interest in the material concerned.

151. The responsibility for immigration information has been transferred to the Department of Immigration and Ethnic Affairs.

### Size of the Service

**152.** In January 1977, 29 AIS Australia-based officers were stationed at 23 posts in 22 countries. This was a reduction of 6 since the beginning of 1976. At the same time 72 locally-engaged staff were allocated to assist AIS officers.

#### **Effectiveness of the Program**

153. Appropriations for the AIS in 1976-77 total \$4,258,000. Of this \$1,240,000 is for salaries and operational expenses at overseas posts. The remaining \$3,018,000

is for salaries of support staff in Australia and cost of production of publications and media material. (Evidence, p. 932). These figures underestimate the real cost of the Service. The Department estimates that the total AIS function, including costs of locally-engaged support staff on the Foreign Affairs establishment is 'something like \$8m per annum'. (Evidence, p. 970).

154. The Department attempted to assess value for money derived from the program, while recognising that 'there are intangibles and difficulties in arriving at the full impact of any information program in a foreign country'. (Evidence, p. 933). It was shown that AIS material obtained space and time in the world media in 1975-76 'conservatively' valued at prevailing advertising rates at \$8.5m. There was also evidence of continuous and growing demand from posts for suitable information material.

155. The Committee has considerable concern about the value for money obtained from the program. The Service's relatively small budget and work-force are spread thinly around the world and the program's aims are diverse. The Permanent Head of the Department, commented on how thinly the resources of the AIS are spread at present and indicated that he has been examining alternative approaches to the use of resources allocated to the information function. (Evidence, p. 1110).

156. The question which arises is whether the effectiveness of the program as it is currently operated would be significantly improved with anything less than a huge increase in funds. If so, such an increase would be unjustifiable in terms of Australia's interests.

157. Witnesses were closely questioned on the definition of target groups for the information program and the means by which the AIS tries to reach them. While some attempt is made to define these groups the definition is too often vague. On the one hand, departmental witnesses suggested that in most countries, especially outside Europe and North America, the emphasis of the program is on reaching decision-makers, or the 'elite'. (Evidence, p. 978). This seems inconsistent with the stated objectives of projecting a rounded image of Australia and of satisfying the demands from citizens of other countries for more accurate information on Australia. (para. 149). On the other hand, AIS attempts to reach the elite through, among other means, the mass media. (Evidence, pp. 1100-1103). This is surely an indirect method and one of doubtful effectiveness. No evidence was produced which provided any convincing support for the existing approach to the information function or for a more direct approach which the Committee put to the Department as a possible alternative. (Evidence, p. 1115-1116).

158. The Committee has concluded that the Government should review and define more precisely the broad objectives of the overseas information program and the means by which they are to be attained. It may well be that there is no need for specialist information officers overseas, for example, if there were less reliance on the mass media as a means of reaching target groups. The Committee therefore recommends that the Government review and define more precisely the broad objectives of the overseas information program and the means by which they are to be attained.

### Special Overseas Visits Fund

159. An important approach to influencing decision-makers and opinion leaders is the provision of Government funds for sponsorship of visits by them to Australia. In 1976-77 \$250,000 was appropriated for this purpose in the Special Overseas Visits Fund, a reduction from \$400,000 in the previous year. Evidence from several sources indicated that such visits are a valuable means of exerting influence and achieving other Government objectives overseas (e.g. increased trade). The Permanent Head of the Department of Overseas Trade stated in evidence concerning the trade promotions visitors' fund:

'I would put enormous value on those schemes that do not cost very much but that move people about and encourage them to move about.' (Evidence, p. 80).

(The Permanent Head also had in mind overseas visits by potential Australian exporters). Annual reports by Heads of Mission to the Department of Foreign Affairs show that sponsored visits have assisted posts in their relations with overseas Governments. Confidential documents submitted by the Department of Administrative Services also emphasise the value of these visits.

160. The Committee recommends that in 1977-78 \$500,000 be allocated to the Special Overseas Visits Fund.

161. Related to this approach is the provision of assistance to influential people who visit Australia at their own expense. Such assistance is already provided to visiting journalists and television crews. The results are encouraging. (Evidence, p. 934). Such assistance should continue to be provided but care should be taken to ensure that the level of assistance given is commensurate with the likely gains in terms of furthering Australia's national interest.

## CHAPTER VIII

### DEPARTMENT OF DEFENCE

### **Objectives**

- 162. The Department stated that its objectives at overseas posts are to:
- further the objectives of Australian Defence policy within the overall context or Australian foreign policy,
- further close defence co-operation between Australia and the countries concerned,
- represent the Department in all its functions.

### **Functions**

- 163. The Department's functions at overseas posts are:
- furtherance of relationships between the forces of Australia and the country concerned,
- facilitating Defence/Service business of movement of ships, troops, aircraft, exchange of troops, aircraft, and the holding of exercises,
- procurement of Defence material (in the larger posts),
- liaison with Defence authorities overseas and exchange of information,
- negotiation on Defence aid at some posts in South-East Asia and the Pacific,
- administration.

### **Overseas Staff**

164. The Department has many Service and civilian personnel overseas. This report is concerned with only the 176 of these personnel occupying positions staffed on a long-term basis.

165. The Department's overseas staff has been reduced substantially in the last 2 years from 198 Australia-based staff in June 1975 to 176 in March 1977. This reduction of 11% was mainly effected by implementation of Mr J. E. Collings' recommendations on staff in London (Appendix 1) and those of a Joint Defence/PSB review in Washington. (Exhibit 18 (k)). These 2 posts represent more than 66% of the Department's long-term, or 'permanent', overseas representation. The only other posts with more than 4 Australia-based staff are Paris (10) with procurement responsibilities, and Jakarta (10) with important responsibilities for Defence co-operation, aid and reporting.

### Extent of the Department's Overseas Representation

166. Evidence was submitted that overseas posts are pressing the Department for additional staff and are complaining that cuts, particularly in London, have been too severe. (Evidence, p. 258). Such pressures are common to all departments and

evidence, e.g. in Annual Reviews by Heads of Missions shows that they have not arisen only since the recent staff reductions were implemented. When questioned about these pressures the then Acting Permanent Head indicated that, while conditions are difficult at some posts, he nevertheless believes that functions are being performed satisfactorily with existing staff. (Evidence, pp. 260, 264).

167. A departmental witness stated that few, if any, additional 'permanent' staff should be required overseas as a result of the increased procurement program announced in the Defence White Paper tabled in the House of Representatives in 1976. If any additional staff were required it would not be for sometime. (Evidence, p. 256)<sup>5</sup>.

168. After examining the pattern of Defence representation, staff numbers at individual posts, and the use of short-term visits to meet occasional needs, the Committee concluded that the Department's current overseas establishment is appropriate to the Government's objectives and priorities. However, the nature of Defence functions are such that a position by position study is needed to ensure that staff numbers accord with essential workloads. The Committee must therefore acknowledge that some positions may well be excess to requirements. It is to be hoped that any such excess will be identified in follow-up reviews of London, Paris and Washington which are soon to be undertaken.

169. Having regard to the Department's views on future staffing needs, the Committee recommends that the number of officers of the Department of Defence attached to overseas posts not be increased before 30 June 1978, or until the completion of the first biennial review of overseas representation.

#### Locally-engaged staff

170. The Department of Defence employs few locally-engaged staff compared with other departments. The obvious security requirement is the major reason for this difference. The Committee was satisfied with the Department's approach to the distribution of functions between Australia-based and locally-engaged staff.

171. The restrictions proposed above on the numbers of Australia-based staff should apply equally to locally-engaged staff allocated to the Department of Defence. The Committee therefore recommends that the number of locally-engaged staff allocated to Defence personnel attached to overseas posts not be increased before 30 June 1978 or until completion of the first biennial review of overseas representation.

 Australia. Parliament, Australian Defence, Minister for Defence, the Hon. D. J. Killen, Parl. Paper 312, 1976 (Canberra, 1976).

### CHAPTER IX

### **OTHER DEPARTMENTS**

172. There is a total of 18 departments and 6 statutory authorities represented at Australia's overseas posts. At 31 March 1977 total Australia-based representation of departments, other than those already covered, was some 96. Locally-engaged staff allocated to them for other than common services totalled almost 150. The major departments are Business and Consumer Affairs, i.e. Customs, (14 staffed Australiabased positions and 8 locally-engaged), Productivity (9 and 8 respectively), Treasury (7 Australia-based) and Finance (9 Australia-based). Finance and Treasury combined have allocated to them some 90 locally-engaged staff.

173. The Committee asked departments and authorities to submit information justifying the need for their continued representation overseas. In most instances the evidence presented suggests that existing representation is justified.

174. The Finance staff may appear excessive but it is employed in the Overseas Accounting offices in London, Geneva and New York. These offices have a substantial and essential workload resulting from post operations in Europe and America and defence procurement. They also make pension payments (para. 180).

175. The Department of Business and Consumer Affairs is represented by Customs officers in London, New York, Tokyo, Auckland, Hong Kong and Kuala Lumpur. Australia-based representation has recently been reduced from 18 to 14 because of reduction in the need for valuation and preference inquiries following implementation of the Brussels valuation system. The Department intends to review staffing in London in late 1977. It considers a withdrawal of a further one or 2 Australia-based officers may be possible. (Exhibit 14). The Committee recommends that the assessment by the Department of Business and Consumer Affairs of changes in its workload and staffing requirements overseas be completed in time for the first biennial review of overseas representation.

176. The Attorney-General's Department has one senior officer both in London and one in Washington. Their functions are to: provide legal advice to the Commonwealth Government on matters arising at the posts; provide legal representation on Australian delegations to conferences; maintain liaison with law authorities and report to the Government on legal developments in these 2 major common law countries. The importance of the last function is overstated in light of the volume of published material available and the ability of Foreign Affairs officers to keep the Attorney-General's Department up-to-date. The first 2 functions can be performed by officers on short visits from Australia or by lawyers retained locally as they were until 1974 when the 2 positions were created. After all, the need for legal advice arises at more posts than just London and Washington and Foreign Affairs has officers with legal qualifications. (Evidence, p. 1057). The need for Attorney-General's to be represented was challenged by the PSB and Foreign Affairs. (Evidence, pp. 1057-1058). Foreign Affairs submitted that its officers could perform the essential legal functions. The Committee recommends that the positions on the establishment of the Attorney-General's Department in London and Washington be abolished.

177. A Department of Education officer is attached to the Embassy to the Organisation of Economic Co-operation and Development (OECD). The officer's role is to participate in activities of the OECD's Manpower and Social Affairs Directorate, represent Australia at all meetings of the Education Committee, and liaise with the Centre for Education Research and Innovation. The Permanent Head of the Department sees additional benefits flowing from the contacts made by the officer with other international organisations based in Europe. (Evidence, p. 1160). The justification for the position is inadequate. In future Australia should be represented at Education Committee meetings either by Education officers from Australia or by Foreign Affairs officers at the post whichever is appropriate in individual circumstances when representation is essential. The Department of Foreign Affairs should consult with the Department of Education in Australia as required and ensure that Education receives important OECD documents relevant to its responsibilities. The Committee recommends that the Department of Education position on the Australian delegation to the OECD be abolished.

178. The CSIROs representatives in London and Washington are mainly concerned with recruitment, representation at conferences, acting as agents for Australian organisations, and reporting on broad issues of science policy. They are accredited diplomatically. In Tokyo and Moscow there are no recruitment responsibilities. The Counsellor (Scientific), Moscow, is heavily involved in arrangements associated with the U.S.S.R./Australia science and technology agreement. While undoubtedly Australia relies on overseas contacts for the advancement of its own capabilities, the Committee considers that such contacts can be, and often are, maintained at less cost by alternative means such as short-term visits, correspondence and reading of the many specialist scientific journals. Recruitment could be carried out by suitable officers already at the posts with the assistance of specialist scientific advisers on the spot. Such advisers are already used by the CSIRO's representative because of the degree of specialisation involved. (Evidence, p. 1095). In London the PSB officer would be the appropriate person to perform the recruitment function. The Committee has noted that in 1976 CSIRO officers undertook 120 overseas visits at Government expense. (Evidence, p. 1087). By any measure this is a great deal of travel.

179. The Committee recommends that the positions of the CSIRO's Australiabased staff and of the locally-engaged staff allocated to them in London, Washington and Tokyo be abolished unless the Government believes Australia's status in the scientific community is involved. The Committee also recommends that the functions of the Counsellor (Scientific) in Moscow be reviewed, the costs of permanent representation in Moscow be compared with short-term visits by specialist officers to perform essential functions flowing from the U.S.S.R./Australia science and technology agreement and that the more economical approach be adopted.

180. The Departments of Social Security and Veterans' Affairs have a total of 2 Australia-based and 2 locally-engaged staff in Geneva and 12 locally-engaged staff in London under Foreign Affairs supervision. Put simply their function is to arrange for pension payments to eligible persons resident in Europe. Actual payments are made by officers of Finance. Evidence presented in support of making payments from London and Geneva rather than from Australia was unconvincing. Information is often relayed to the 2 posts from other Australian posts. (Fvidence, p. 1128). This could be

relayed just as easily to Australia. The Permanent Head of the Department of Social Security claimed that there is a need for the Department's representatives to have personal contact with beneficiaries and Australian posts to ensure proper entitlement and reduce the risk of misrepresentation and fraud. (Evidence, p. 1126). When asked to give examples of attempted frauds uncovered by officers overseas the Permanent Head and his officers were unable to give any. The PSB argued that cost savings of \$152,400 could be made if the functions performed by Social Security and Veterans' Affairs overseas were performed in Australia and supported that alternative. (Evidence, p. 1133). It is unlikely that service to pensioners overseas would be adversely affected by this alternative. (Evidence, p. 1132). It would also seem likely that economies of scale in Australia would reduce the number of staff required to perform the functions though Social Security does not accept this view and hence estimates savings from performing Social Security functions in Australia would be only \$24,000. (Evidence, p. 1124). It is therefore recommended that functions now performed overseas by the Departments of Social Security and Veterans' Affairs be performed in Australia. This would save a total of 2 Australia-based and 14 locally-engaged staff overseas.

181. Assuming an average cost saving of roughly \$35,000 per officer (using the PSB's figures at paragraph 19) and the PSB estimates of savings mentioned in paragraph 180, total savings flowing from recommendations in this Chapter would be of the order of \$360,000 per annum, minus the costs of any necessary short-term visits. Given the seniority of the officers involved the cost savings are in fact likely to be substantially higher.

### CHAPTER X

## THE POSTS IN LONDON, WASHINGTON AND NEW YORK

182. The High Commission in London has for some years been criticised for the numbers of staff employed there despite obvious changes in the relationships between Australia and the United Kingdom. Such criticisms prompted the previous Government in 1973 to initiate a review of staffing in the High Commission by Mr J. E. Collings. In June 1973 staff totalled 1043–212 Australia-based and 831 locally-engaged. In addition, there were many staff in several other posts within Britain. By 31 March 1977, as a result of Mr Collings' and other reviews, this number had declined to 753 (137 Australia-based and 616 locally-engaged) and only 2 other posts remained.

183. Despite these reductions the number of staff still seems out of proportion to the relative importance and functions of the post. Lacking the resources to investigate the staffing situation in London position by position, and being refused access by Government to Mr Collings' reports, or the report of the Administrative Review Committee (Appendix 1.), the Committee adopted comparative methods in an attempt to determine the appropriateness of current staff levels, at least in general terms.

184. Firstly, staff numbers in London (excluding Immigration and Defence personnel) were compared with those in Washington and the New York Consulate-General, excluding Defence and Immigration personnel. There are no Immigration and Ethnic Affairs staff in Washington and only 4 Australia-based and 5 locallyengaged staff in New York. The comparative figures respectively are 429 and 307, a difference of 122.

185. Secondly the Committee compared Australia's London representation (742) with that of Canada (451) and New Zealand (241), as at January 1977. (Exhibit 28 (f)). Again Australian representation is disproportionate. Since the immigration program creates a need for many staff it is interesting to compare the numbers of migrants from Britain to Canada-34 978-and to Australia-16 525-in 1975, the latest comparable figures.<sup>6</sup>

186. These comparisons are rather arbitrary methods of assessing staffing requirements but a subjective assessment of the present-day importance of the post for Australia combined with these 2 distinct comparisons can only suggest that the number of staff, particularly locally-engaged staff, in London is excessive.

187. The Committee therefore recommends that the Government set a limit on locally-engaged staff in London at 500 and instruct the Department of Foreign Affairs, in consultation with attached departments, to arrange priorities within that number by 1 September 1977.

6. Department of Manpower and Immigration, 1975 Immigration Statistics (Canada, 1976), p. 5.

188. Clearly Australia has important interests to be pursued in the United States and these interests necessarily involve a range of departments, particularly in Washington and New York. However, the present number of staff in these 2 posts is extraordinarily high. In February 1977 Australia-based staff totalled 168 and locallyengaged staff 258, giving a combined total of 426 not including the United Nations post. At 2 other extremely important posts, namely Tokyo and Jakarta, total staff number only 123 and 161 respectively. Even if the 110 Defence staff in Washington and New York are excluded from the calculations the comparisons highlight a significant difference in staff numbers. The Committee is not prepared to make a firm recommendation on staffing in Washington and New York but wishes to draw attention to the apparently disproportionate representation there.

### CHAPTER XI

## OTHER ASPECTS OF OVERSEAS REPRESENTATION

### Postings

189. For most overseas posts the period of posting is either 2 or 3 years. Postings of 2 years have been approved at 'hardship posts'.

190. For Committee was impressed by the system of 'double postings' in the Trade Commissioner Service. (Evidence, p. 46). The officer in charge of a Trade Commissioner post is brought to Australia for consultations and leave and then returns to the same post for a further period. Each of the 2 'postings' is 6 months shorter than a normal single posting. For example, rather than spending a single 3 year posting in London an officer may spend 2½ years there, return to Australia for 4 months of leave and briefing, and then return to London for a further 2½ years.

- **191.** The advantages of double postings are that:
- officers can develop a more thorough understanding of the territory for which their post is responsible,
- greater continuity of representation at the post facilitates the development and maintenance of necessary contacts,
- officers suffer less often the disruptions associated with moving into and out of posts,
- cost savings can be made because of the reduction in movements of people and their belongings and in the need for costly temporary accommodation in hotels,
- officers do not lose touch with realities in Australia (as they might if posting periods were extended without provision for return to Australia).

192. There are some disadvantages, especially for officers whose careers lie primarily in Australia. These officers would be disadvantaged if they were out of the main stream of their departments' activities for 4 or 5 years. (Evidence, p. 281). The Committee therefore does not propose that officers of the Department of Defence and of departments without substantial overseas representation should undertake 'double postings'.

**193.** A further disadvantage of 'double postings' is that they limit the breadth of experience officers can gain as they obviously would be posted to fewer posts during their careers.

194. Nevertheless, on balance, the Committee supports the concept of 'double postings'. The Committee therefore recommends that 'double postings' as they now operate in a limited way in the Trade Commissioner Service be introduced on a large scale in the Departments of Foreign Affairs and Immigration and Ethnic Affairs and in the Trade Commissioner Service. Only the following limitations should apply:

• posts posing serious hardships (e.g. Hanoi need not necessarily be staffed on a double posting arrangement and an officer should have the right to refuse such a double posting.

43

• the first 2 postings in an officer's career should be single postings.

Apart from the examples given above all postings should become 'double postings'. It is recognised that, given the complexity of posting arrangements, it will be some time before this objective can be fully met.

### **Overseas Visits Committee**

195. In assessing staffing needs overseas the Committee has given considerable attention to the alternative of having essential functions performed by visiting officers, rather than by officers stationed overseas on long-term postings. The viability of this alternative depends to some extent on the procedures involved in the approval of overseas visits.

196. At present the Overseas Visits Committee, comprised of public servants, examines proposals for overseas visits using guidelines approved by the Prime Minister. The guidelines have been examined by the Committee and are judged appropriate. However the machinery itself is inflexible and cumbersome. The PSB agreed that the system involves considerable time and costs in departments and in the PSB. (Evidence, p. 745). The system makes no special provision for speedy consideration of regular visits of an essential nature for which the need has been frequently established in the past. The system is also to some extent anomalous as departments may unilaterally approve any travel between overseas posts or within Australia so long as they remain within their annual budget.

197. The Committee considers that an alternative to the Oversea Visits Committee must be found. The potential problems of auditing overseas visits after they have occurred is recognised, as is the fact that budgets never remain sacred. Nevertheless, if greater use is to be made of short-term visits rather than permanent overseas representation the machinery must be more flexible and less costly. The Committee recommends that, on a trial basis, 2 departments with major overseas operations and 2 with minor operations be given a budget for short-term overseas visits in 1977-78.

**198.** The Oversea Visits Committee should closely monitor departments' performance during the trial period as well as at the end of it.

### Language Training

44

199. The Committee wanted to test the validity of the adage that the best way to avoid being posted to a given country is to undertake a training course on the language of that country. The Committee sought from the major departments represented overseas lists of officers who have received extensive language training at Government expense in the last 10 year, the language concerned, the duration of the training, the officer's subsequent postings and the duration of the posting. The replies show that departments have been at pains to ensure that officers receive appropriate postings as soon as possible after completion of their courses. (Exhibits 22 (e), 26 (c) and 28 (g)).

### **Financial and Administrative Procedures**

200. The Departments of Foreign Affairs and Finance agree that existing financial procedures which must be followed at overseas posts need to be overhauled. Foreign Affairs has claimed that existing financial procedures overseas are rigid, outdated, cumbersome and inefficient. Finance has not refuted this description. (Exhibit 7, p. 29). It has in fact initiated a review of the rules relating to overseas accounting. Substantial progress has now been made in this task. (Evidence, p. 1144). Inadequate priority seems to have been given to the matter in the past—this attitude must not persist. Significant savings can be made by the introduction of financial procedures designed to recognise the varied conditions encountered at overseas posts and the need for greater delegation of authority.

201. The Committee was disturbed to find that 50% to 75% of communications between posts and the Department of Foreign Affairs concern administrative matters. (Exhibit 25 (k)). This evidence supports the case put by the then Acting Permanent Head of the Department of Foreign Affairs, Mr Henderson, that the Head of Mission must enjoy much greater delegated authority in administrative matters. The PSB has already been delegating greater authority, e.g. on staffing and conditions of service. The feasibility of delegating further authority in specific areas is being studied by the PSB.

202. It is almost certain that the implementation of greater delegations of authority on administraive and financial matters will lead to opportunities for reductions in both Australia-based and locally-engaged staff in the long term through avoidance of the need for constant communication between posts and Canberra about individual cases. Obviously the extent of such reductions will depend upon the extent of the delegation.

203. The Committee recommends that the PSB and the Department of Finance expedite their investigations of procedures and delegations of authority to Heads of Mission. A Head of Mission is a very highly paid officer and should be responsible for authorising a much wider range of expenditures. The additional responsibility flowing from the increased authority envisaged must be borne by the Head of Mission personally. He must take a constant and detailed interest in the administration of his post. Furthermore, the Permanent Head must ensure that the Head of Mission is involved in this way. The Committee therefore recommends that Post Liaison Visit reports make explicit mention of the administrative performance and involvement of the Head of Mission.

> R. V. GARLAND Chairman



## APPENDIX 1. RECENT MAJOR REVIEWS OF STAFFING AT AUSTRALIAN POSTS OVERSEAS

1973-1975

The then Prime Minister initiated a review of staffing at Australian posts in the United Kingdom and migration staffing at selected European posts. The review was conducted by Mr J. E. Collings.

The then Prime Minister asked relevant Ministers to critically review overseas staffing with the aim of redeploying

December 1974

August 1975

January 1976

1976

staff and reducing staff numbers. The then Prime Minister directed the PSB to undertake a general review of staffing overseas. The review is continuing under the direction of Mr J. C. Taylor, Commissioner, PSB.

The Prime Minister endorsed continuation of the PSB's general review of staffing overseas and urgently required submission of proposals for significant staff reductions in the U.K. and Washington.

The Administrative Review Committee examined some aspects of Australia's overseas representation. Sir Henry Bland was Chairman of the Committee.

## **APPENDIX 2. SUBMISSIONS AND EXHIBITS**

### (a) Submissions incorporated into the transcript of evidence

Attorney-General's Department Commonwealth Scientific and Industrial Research Organisation (CSIRO) Department of Administrative Services Department of Defence Department of Education Department of Foreign Affairs Department of Health Department of Immigration and Ethnic Affairs Department of Overseas Trade Department of Social Security Public Service Board

### (b) Exhibits

#### Exhibit No. 1

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11

- Department of Foreign Affairs, Guide for Australian Travellers, August 1975.
- 2 Department of Foreign Affairs, 31 August 1976. Staff statistics for all Foreign Affairs missions as at 30 June 1976.
- 3 Sharp, Justice I. G., 22 October 1976. Submission.
- 4 Office of the Auditor-General, 2 November 1976. Submission.
- 5 Department of Overseas Trade, 2 November 1976. Staff employed by the Department at 'sole' posts.
- 6 Australian Telecommunications Commission, 9 November 1977. Submission.
  - Department of Finance, 9 November 1976. Submission.
- 8 Miller, Professor J. D. B., 11 November 1976. Submission.
- 9 Department of Primary Industry, 17 November 1976. Submission.
- 10 Associated Chambers of Manufactures of Australia, 18 November 1976. Submission.
  - Australian Manufacturers' Export Council, 19 November 1976. Submission.
- 12 Department of Industry and Commerce, 19 November 1976. Submission.
- 13 Department of Productivity, 19 November 1976. Submission.
- 14 Department of Science, 19 November 1976. Submission.
- 15 Department of Business and Consumer Affairs, 24 November 1976. Submission.
- Australian Chamber of Commerce, 25 November 1976. Submission.
   Public Service Board, 26 November 1976.
  - (a) Establishment statistics for overseas posts as at November 1976.

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- (b) Officers on short-term visits overseas of more than 3 months' duration.
- (c) Officers studying overseas under the Postgraduate Scholarship Award Scheme or the Financial Assistance Scheme.
- 18 Department of Defence, 16 December 1976.
  - (a) Estimates-Divisions applicable to the Department's overseas representation.
  - (b) Guidelines of the Overseas Visits Committee.
  - (c) Numbers and categories of Defence personnel overseas at June 1976.
  - (d) Effect of treaties and alliances on the need for Defence attaches at overseas posts.
  - (e) Expenditures overseas on defence equipment from U.K. and European sources for each of the 5 years to 1975-76.
  - (f) Formulation of Budget estimates.
  - (g) Defence posts opened and closed in the last 10 years.
  - (h) Assistance provided by NCO assistants in Jakarta and the need for each service to be represented there.
  - (i) Foreign language training.
  - (j) Staff statistics for High Commission in London.
  - \*(k) Reports from posts in London, Jakarta and Paris and the report of the team which investigated the Defence office in Washington in 1975.
- 19 Department of Science, 22 December 1976. Staff employed overseas by the Bureau of Meteorology.
  - Department of Immigration and Ethnic Affairs, 22 December 1976.
    - (a) Estimates-Divisions applicable to the Department's overseas representation.
    - (b) Australia-based and locally-engaged staff performing immigration functions before and after Mr Collings' review and the establishment proposed by Mr Collings.
    - (c) The Department's establishment and staff at all posts at which it is represented.
    - (d) Annual reports from posts in London, Athens, Rome and Nairobi.
  - Department of Administrative Services, 27 January 1977.
    - (a) Australia-based and locally-engaged staff working for the Australian Information Service at overseas posts, 1972 to January 1977.
    - (b) Background to the current review of accommodation standards for Chanceries and Head of Mission residences.
  - Department of Immigration and Ethnic Affairs, 2 February 1977.
    - (a) In descending order of importance, the main functions performed by officers of the Department in London and Tokyo and the numbers and classifications of staff involved.
    - (b) Justification of the continued need for the Department to be represented at 'regional' offices overseas.

- (c) Numbers and classifications of staff at 'regional' posts.
- (d) Numbers and classifications of staff as at 31 December 1976 in Berne, Cairo, Colombo, Dublin, Kuala Lumpur, Malta, Pretoria, Suva, Vienna, Warsaw and workload statistics for these posts.
- (e) Foreign language training at Government expense.
- 23 Department of Overseas Trade, 8 February 1977.
  - (a) Government schemes aimed at promoting exports.
  - (b) Summary of 1976 review of Trade Commissioner staffing.
  - (c) Size and nature of firms assisted by the Trade Commissioner Service.
  - (d) Trade Commissioner posts in Israel and Greece.
  - (e) Arrears in collecting information for the Australian Firms Information Service.
  - (f) Post activities in relation to Australian investment overseas.
  - (g) Trade promotion and publicity program for 1976-77 and associated cost sharing between Government and industry.
  - (h) Trade Commissioner posts where the Trade Commissioner is Head of Post.
  - (i) Comment on the nature of reports submitted by Trade Commissioner posts.
  - (j) Staffing of the Trade Commissioner post in Nairobi.
  - (k) Post liaison visits.
  - (1) Overseas allowances.
  - (m) Financial regulations.
- 24 Department of Transport, 8 February 1977. Submission.
- 25 Department of Foreign Affairs, 16 February 1977.
  - (a) Administrative and financial appointments and delegations of Heads of Mission.
  - (b) Possible administrative improvements.
  - (c) Consular functions.
  - (d) Survey of Japanese attitudes to Australia.
  - (e) Dual accreditations and visiting responsibilities.
  - (f) Cultural Centre, Jakarta.
  - (g) Australia House, London.
  - (h) Use of drivers and official transport.
  - (i) Follow-up action for non-financial directions to posts.
  - (j) Effects of cuts in travel funds.
  - (k) Cable traffic.

- (1) Review of political reporting.
- Department of Overseas Trade, 21 February 1977.
  - (a) Functions performed by the Trade Commissioner Service, in order of necessity, in London, Washington, Tokyo and Jakarta and the numbers and classifications of staff performing these functions.
  - (b) Justification of the need for each 'provincial' post at which the Department was represented in December 1976.

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- (c) Foreign language training undertaken by departmental officers at Government expense.
- (d) Numbers, location and costs of Trade Correspondents.
- Department of Overseas Trade, 24 February 1977. The Department's management control systems.
- Department of Foreign Affairs, 22 March 1977.
  - \*(a) In order of necessity, the functions performed by the Department's officers in London, Washington, Jakarta and Tokyo (including Annual Reviews from Washington, Tokyo and Osaka).
  - (b) Numbers and classifications of staff performing each function in London, Washington, Jakarta and Tokyo.
  - (c) Australia-based consular officers engaged on other functions and the proportion of time spent by these officers on each consular function in London, Washington, Jakarta and Tokyo.
  - (d) Staff performing consular duties at overseas missions, 1972-1976.
  - \*(e) Justifications for continued operation of 'provincial' posts at which the Department is represented.
  - (f) Staff employed by the New Zealand and Canadian High Commission, London-January 1977.
  - (g) Foreign language training.

Public Service Board, 24 March 1977.

- (a) Comparative rates of growth in Australia's overseas representation and in the Commonwealth Public Service.
- (b) Estimate of local staff costs in Attachment 8A of the Public Service Board submission to the Committee.
- 30 Public Service Board, 29 March 1977. Comment and statistics on Foreign Affairs staff in excess of the number of created offices as at 28 March 1977.
- 31 Department of Foreign Affairs, 30 March 1977. Comments on political and economic reporting from diplomatic missions.
- 32 Department of Administrative Services, 31 March 1977. Information Objectives Papers.
  - Department of Immigration and Ethnic Affairs, 1 April 1977.
    - (a) Proposal to require visitors to Australia to lodge return or onward tickets with immigration officers at point of arrival.
    - (b) Cost of deportation of overstayed visitors.
    - (c) Delays in interviewing prospective migrants and issuing visas (December 1976).
  - Department of Overseas Trade, 4 April 1977. Comments on the feasibility of servicing Greece and Athens from Tel Aviv if the Trade Commissioner post in Athens were closed.
  - Department of Finance, 6 April 1977. Comments by the Treasury on economic reporting by Foreign Affairs officers at overseas posts.
  - Department of Immigration and Ethnic Affairs, 6 April 1977. Revised workload statistics for the Department's posts in London, Cairo,

38

Colombo, Dublin, Kuala Lumpur, Malta, Pretoria/Capetown, Suva, Vienna and Warsaw.

- 37 Department of Foreign Affairs, 7 April 1977.
  - (a) Staff reductions in the Department since June 1975.
  - (b) The Department's progress towards meeting staff ceilings.
  - (c) Staffing levels and functions at the Australian High Commission, London.
  - (d) Number of missions and countries in which the Department had staff as at March 1977.
  - (e) Changes in numbers of Australia-based keyboard and technical staff.
  - (f) Size of the immigration workload for Foreign Affairs Officers at missions where the Department of Immigration and Ethnic Affairs is not represented.
  - (g) Extent of movement of officers between Foreign Affairs and other departments and between the diplomatic and consular/administrative areas of the Department.
  - (h) Guidelines for preparation of Annual Reviews.
  - (i) Guidelines for reception of visitors at overseas posts.
  - (j) The Department's establishment as compared to staffing at 28 February 1977.
  - Department of Education, 6 May 1977. Supplementary information on representation on the Australian delegation to the OECD.
- 39 Department of Social Security, 13 May 1977. Supplementary submission.
- 40 Public Service Board, 17 May 1977. Staffing overseas-statistics.
- 41 Department of Foreign Affairs, 31 October 1976. Supplementary submission.
- 42 Public Service Board, 23 May 1977. Performance of migration functions at posts where there is less than a full-time migration workload.
  43 Public Service Board, 23 May 1977.
  - (a) Current and completed reviews of overseas representation since November 1976 and Government decisions resulting from the reviews.
  - (b) Local staff retrenchment benefits.
  - (c) Devolution of authority to departments.
  - (d) Language training.
  - (e) Domestic assistance.
  - (f) Telephones in private residences overseas.
  - (g) Leave fares assistance.
  - (h) Use of official transport.
  - (i) Recreational facilities overseas.
- 44 Department of Foreign Affairs, 28 January 1977. Post Liaison Visit Reports, Annual Reviews, etc.
- 45 Department of Foreign Affairs, 18 March 1977. Material provided by Department to PSB review of overseas staffing.

\* Denotes confidential exhibits.

### **APPENDIX 3. LIST OF WITNESSES**

ADAMSON, Mr G. Assistant Secretary, International Policy, Department of Defence BARCLAY, Mr A. L. P. Assistant Secretary. Selection and Review, Department of Immigration and Ethnic Affairs BENNETT, Mr H. T. Acting Deputy Secretary, Attorney-General's Department BOGG, Mr D. K. Executive Officer. Australian Information Service. Department of Administrative Services BOTT, Mr L. F., C.B.E., D.S.C. Secretary, Department of Immigration and Ethnic Affairs Deputy Secretary, BURTON, MrS. Department of Overseas Trade Director-General. DANIELS, Mr L. J., O.B.E. Department of Social Security DEMPSEY, MrS. J. Deputy Secretary, Department of Immigration and Ethnic Affairs DIXON, Mr.P.J. First Assistant Secretary. Overseas Markets Division, Department of Overseas Trade Assistant Secretary. DUNN, MrA.A. Executive Secretariat. Department of Foreign Affairs DWYER, Mr E. W. Acting Secretary, Department of Defence EVANS, Dr C. Acting Director-General, Department of Health GARRETT, Mr J., O.B.E. Deputy Secretary, Department of Finance GLENN, MrG.G. First Assistant Commissioner, **Employment Conditions Branch**, Public Service Board GOSS, Mr D. C. Assistant Secretary, Administrative Services Branch, Department of Foreign Affairs

HARDERS, Mr C. W., O.B.E. HENDERSON, Mr P. G. F. HILL, Mr D. J. KELLY, Mr R. G.

KENNEDY, Mr E. B.

LAWLER, Mr P. J., O.B.E.

McKAY, Mr D. H., O.B.E. McLENNAN, Mr G. D.

MALONE, Mr J. M.

MARCUSON, Mr P.

METCALFE, Mr R. U.

MILLER, Mr W. G. T.

MORRISON, Mr D. M.

NOTT, Mr P. A.

PARKINSON, Mr N. F.

QUINANE, Mr F. E.

Secretary Attorney-General's Department Deputy Secretary, Department of Foreign Affairs First Assistant Secretary, Accounting and Supply Division, Department of Finance Deputy Chairman, Repatriation Commission. Department of Veterans' Affairs Acting Assistant Director-General, Operations, Department of Social Security Secretary, Department of Administrative Services Secretary, Department of Overseas Trade Assistant Secretary, External Relations. **CSIRO** Acting Director, Australian Information Service. Department of Administrative Services Director **Operations**, Trade Commissioner Branch, Department of Overseas Trade Assistant Secretary, Program Control and Development, Department of Immigration and Ethnic Affairs Assistant Secretary, Personnel Branch, Department of Foreign Affairs Acting Deputy Secretary, Department of Education First Assistant Secretary,

First Assistant Secretary, Information Service Division, Department of Administrative Services Secretary, Department of Foreign Affairs Assistant Secretary, Trade Commissioner Branch,

Department of Overseas Trade

### ROBERTSON, Mr R. H.

SMITH, Mr F. R.

STEVENS, Mr E. J.

TAYLOR, Mr J. C.

TRAVERS, Dr D. B.

VOLKER, Mr D.

WALSHE, Mr J. P., M.B.E.

WATSON, Mr G. C.

WHITLEY, Mr G.S.

WILLIS, Rear-Admiral G. J.

WILSON, Mr L. G.

WOODWARD, Mr L.

YOUNG, Mr R. J.

First Assistant Secretary Management and Foreign Service Division. Department of Foreign Affairs Acting First Assistant Secretary, Department of Education Director. Administrative Post Liaison and Organisation Section, Department of Foreign Affairs Commissioner. **Public Service Board** First Assistant Director-General. Medical Services Division, Department of Health First Assistant Secretary, Planning, Program and Review, Department of Immigration and Ethnic Affairs Assistant Secretary, Administrative Services Branch, Department of Foreign Affairs First Assistant Secretary, Control, Temporary Entry and Citizenship, Department of Immigration and Ethnic Affairs Assistant Commissioner. Overseas Branch, Public Service Board Assistant Chief, Defence Force Staff, Department of Defence Secretary, Administration. CSIRO First Assistant Commissioner, Departmental Operations Division, Public Service Board Acting Commissioner, **Public Service Board** 

## APPENDIX 4. SECTIONS 17 and 25(2) OF THE PUBLIC SERVICE ACT 1922

### SECTION 17

(1) In addition to such duties as are elsewhere in this Act imposed on it, the Board shall have the following duties—

- (a) to devise means for effecting economies and promoting efficiency in the management and working of Departments by-
  - (i) improved organisation and procedure;
  - (ii) closer supervision;
  - (iii) the simplification of the work of each Department, and the abolition of unnecessary work;
  - (iv) the co-ordination of the work of the various Deparments;
  - (v) the limitation of the staffs of the various Departments to actual requirements, and the utilisation of those staffs to the best advantage;
  - (vi) the improvement of the training of officers;
  - (vii) the avoidance of unnecessary expenditure;
  - (viii) the advising upon systems and methods adopted in regard to contracts and for obtaining supplies, and upon contracts referred to the Board by a Minister; and
  - (ix) the establishment of systems of check in order to ascertain whether the return for expenditure is adequate;
- (b) to examine the business of each Department and ascertain whether any inefficiency or lack of economy exists;
- (c) to exercise a critical oversight of the activities, and the methods of conducting business, of each Department;
- (d) to maintain a comprehensive and continuous system of measuring and checking the economical and efficient working of each Department, and to institute standard practice and uniform instructions for carrying out recurring work; and
- (e) such other duties in relation to the Service as are prescribed.

(2) In relation to all matters specified in the last preceding subsection, other than paragraph (e) thereof, the Board shall in the first place advise the Permanent Head of the Department of its suggestions or proposals.

(3) If the Permanent Head does not concur in or adopt the suggestions or proposals he shall within a reasonable time inform the Board of the reasons therefor.

(4) Thereupon the Board may, if it thinks fit, make a recommendation, report or suggestion to the Minister administering the Department, and if the recommendation, report or suggestion is not approved or adopted by the Minister within a reasonable time, the Board may report the matter to both Houses of the Parliament either in a special report or in its annual report.

# **SECTION 25(2)**

The Permanent Head of a Department shall be responsible for its general working, and for all the business thereof, and shall advise the Minister in all matters relating to the Department.

### **APPENDIX 5. CONSULAR ACTIVITIES**

Notorial acts, oaths affirmations and declarations.

Extradition.

Advice to Australians on exchange control and currency.

Advice and assistance to Australian individuals and organisations on economic, financial and commercial matters (when no member of the Trade Commissioner Service is attached to the post).

Registration of Australian citizens abroad.

Protection of, and access to, Australian citizens abroad (e.g. people arrested overseas).

Assistance in locating Australians whose whereabouts overseas are not exactly known.

Repatriation of, and provision of financial assistance to, Australian citizens abroad.

Making necessary arrangements for burial, etc., following deaths of Australians abroad and protection of the estate of deceased Australians and property left to Australians.

Functions related to the provisions of the Navigation Act 1912.

Solemnisation of and registration of marriages, etc.

Registration of births, deaths and marriages.

Functions related to the payment of Social Security and Medibank benefits.

Assistance to Australian citizens concerning drivers' licences and registration of imported vehicles overseas.

Provision of information concerning marine searches and rescues.

Advice to Australian citizens on nationality and citizenship (especially dual nationality).

Issue of passports and travel documents.

Processing of visitor and migrant visa applications.

Issue of diplomatic and official visas.

Provision of advice on health matters to Australian citizens abroad and to foreign tourists intending to come to Australia.

Provision of information on Australian Customs requirements.

Provision of voting facilities at overseas posts for Federal and State elections in Australia.

Other functions, e.g., supervision of examinations on behalf of the Department of Education, programming of arrangements for official visitors.

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