

Overseas Posts Network Review

Trade, Market Access, and International Division

Department of Agriculture, Water and the Environment

Reviewer: Mr Mark Tucker

Former Deputy Secretary of the Department of Agriculture and Water Resources
and the Department of Environment



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Foreword

The Prime Minister, the Hon. Scott Morrison MP, announced changes to the Australian Public Service (APS) on 5 December 2019 with effect from 1 February 2020. The changes included a new department, the Department of Agriculture, Water and the Environment (DAWE), to be established with staff from the Department of Agriculture and Water Resources and relevant functions from the Department of the Environment and Energy.

With the merger of the two departments, the portfolio now comprises of the:

- Agriculture, Drought and Emergency Management
- Environment
- Resources, Water and Northern Australia
- Forestry and Fisheries
- Waste Reduction and Environmental Management

The change has also created a new executive structure. As part of the operation of the new department, a number of functions have been examined and reviewed, a new Purpose Statement has been adopted and significant structural changes have been made.

Despite the significant disruption caused by COVID-19 to world economies and to people's daily lives, agriculture trade and its supply-chain have remained relatively robust during this period. Food supply and food security has been at the forefront of concerns for countries reliant on imports to meet their needs. As a result, agriculture exports from Australia have continued, but not without their challenges - particularly for those producers supplying food services industries or who use air freight to transport high value perishable goods when air travel has dramatically declined. It has also meant in some cases that Australian officials have returned from their overseas posts with the pandemic causing delays in officers taking up vacant positions. Practices have also changed with more virtual interaction and acceptance of e-certification and remote auditing. Many importing countries, though, are expected to regard these practices as 'stop gap arrangements' with risks being managed by using trusted, reliable suppliers with a strong track record and from countries with a solid food safety and health regime.

Summary

The Department of Agriculture, Water and the Environment (the Department) has an Overseas Network (the Network) of Minister-Counsellors and Counsellors (Agriculture) (referred to by the generic term Counsellors unless otherwise specified) based in key agricultural trade locations around the world.

The Network plays an important role in advancing Australia's trade and market access priorities and has continued to do so for over 20 years.

The Network promotes Australia's agricultural interests, and helps our agricultural sector grow by building close connections with government and industry stakeholders in key agriculture markets, and protecting and growing Australia's agriculture exports by:

- Providing market intelligence to inform industry decision-making and government policy priorities.
- Helping resolve problems when they arise, such as the release of detained consignments.
- Supporting negotiations to advance Australia's market access requests.

The Network plays a central role in helping to achieve Australia's agriculture exports to meet the target of AUS\$100 billion in farm gate production by 2030.

Counsellors also inform and support industry-led efforts to take advantage of opportunities, including establishing new markets and pathways, in a changing global agriculture market and to mitigate risks, including those demonstrated through the latest COVID-19 pandemic. An important part of some Counsellors responsibilities is participation in multilateral governance arrangements affecting the conditions for agricultural production and trade.

The Machinery of Government changes have also brought environment functions into the Department in a way that may directly relate to the work of some Posts.

The purpose of the 2020 Overseas Network review is to assess the effectiveness and efficiency of the network and make recommendations on how to optimise its effectiveness with regards to future roles, locations and the levels of Counsellor Network positions.

The review held 78 meetings with 103 participants and received five additional written submissions from stakeholders. All current Counsellors were consulted plus former Minister-Counsellors, senior departmental officers, representatives of Australia's agriculture export industries, Heads and Deputy Heads of Missions, Austrade

representatives in Australia and abroad and senior representatives of the Department of Foreign Affairs and Trade (DFAT).

The overwhelming view from stakeholders is highly supportive of the Network with frequent commentary that its contribution to Australia's agriculture export is essential and valuable. Numerous examples were provided of direct benefit to agriculture exporters from the Network and the contribution of Counsellors to the overall standing of Australia in the countries where they work.

All respondents expressed a view that diminution of the Network would adversely affect Australia's agriculture export performance. Industry was particularly concerned that there be no reduction in the coverage and capacity of those involved in technical market access while DFAT and the Australian Trade and Investment Commission (Austrade) noted that the expertise of Minister-Counsellors and Counsellors (Agriculture) is essential to pursuing successful outcomes in multilateral fora, Free Trade Agreements (FTAs) and market access for Australian agricultural produce. From the perspectives of respondents, Australia's agriculture Counsellor Network is lean compared to our competitors but still highly effective.

Improvements can be made, however, in the way the Network operates and is managed. In addition, the creation of the Department of Agriculture, Water and the Environment (DAWE) requires the department to articulate the future role and function of the Network. Stakeholders also provided clear views on staffing issues and the locations of Minister-Counsellor and Counsellors (Agriculture).

Recommendations

A number of the recommendations below are premised on Minister-Counsellor and Counsellors (Agriculture) and Posts being able to continue to operate effectively in a COVID-19 environment. Should further disruptions occur from the pandemic, adversely affecting the work of the Network such as preventing the replacement of officers who have completed their posting or interrupting agricultural trade, the department would need to put in place different arrangements. Such arrangements could include short-term placements or additional Locally Engaged Staff (LES) with oversight from Canberra and staff in the respective DFAT mission.

Communication and Engagement

1. **Stakeholder Engagement Strategy** – A stakeholder engagement strategy be developed that sets out the Department’s expectations and mechanisms for the Network to interact with stakeholders from industry and other departments during pre-posting, at Post and on re-integration into the department (including debriefs to relevant industry sectors when Counsellors complete their posting). The strategy should be sufficiently detailed to accommodate the variety of Minister-Counsellor and Counsellor (Agriculture) roles across the Network.
2. **Departmental Engagement** – The Trade, Market Access and International Division of the Department working to the International Committee improve the engagement of Counsellors with the department, including by:
 - Facilitating Counsellors regular participation in discussions with the International Committee as required on market priorities, opportunities in new markets and market intelligence thereby providing Counsellors with a broader connection to the work of the Department, including water and environment priorities.
 - Establishing a network of returned Counsellors as a resource for advice and assistance and to support new Counsellors at Post and Counsellors-designate preparing for posting.
 - Working with People Division and the People Committee to develop a process to support placements on the return of Counsellors after their time at Post and their reintegration into the Department’s workforce. This would need to be consistent with the department’s priorities and employee preferences, including making best use of Counsellors’ skills and experience.
 - Developing a process to elevate agriculture trade issues as required to aid cross-Departmental flexibility in reallocating resources to manage [short-term] challenges or opportunities in overseas markets.

3. **Department ICT Systems** – Access be provided for Counsellors to the Department's IT network.

Counsellor priorities and care

4. **Priority setting** – Preparation of Minister-Counsellors and Counsellors (Agriculture) for their roles to include better mechanisms, involving industry, DFAT and Austrade, to determine work priorities for each Post (the current Plant Division approach and the in-Post agricultural strategy developed at some locations may be useful models).
5. **Agriculture experience** – The preparation of Minister-Counsellors and Counsellors (Agriculture) prior to posting to include opportunities for direct experience of agricultural production activities relevant to their Post, such as meat processing; wool, grain and horticulture production or fisheries harvesting.
6. **Agriculture Focus** – Minister-Counsellors and Counsellors (Agriculture) remain focused on their role of promoting and facilitating Australian agriculture exports. The extent to which the Departmental responsibilities of water and environment are covered by Counsellors should be directed to where they intersect with or support agricultural trade. The arrangements need to be carefully calibrated on a Post by Post basis to ensure they do not dilute Counsellor's agriculture market work. Once established the arrangements should be communicated to relevant stakeholders.
7. **Continue recall of Counsellors and LES** – Continue the annual recall for Counsellors and LES officers. Recall of Counsellors enables direct discussions on opportunities and challenges and allows reconnection with the department, including the Executive, and industry representatives. The recall of LES enables them to better understand the broader context of their work and the department and the priorities for Australian agriculture.
8. **Counsellor care, preparation and resourcing** – Minister-Counsellors be given a formal pastoral care role for Counsellors in their region. The role would not be supervisory and not cut across the responsibilities of Heads of Missions (HOM). Where appropriate augment the current preparation of Counsellors, to include further language and cultural training, to assist their capacity to function in foreign cultures and awareness of one's own and others cultural contexts. Counsellors with regional responsibilities covering more than one country be given an adequate travel budget to allow regular visits to each nation.
9. **Departmental support** – The Department continue its current Overseas Posts Network support services delivered by TMAID, but that it examine further opportunities to augment support from the export related areas of the

department to improve responsiveness and flexibility, including surge capacity, for market access opportunities.

10. **Posting Period** – Minister-Counsellor and Counsellor (Agriculture) postings to be for 3 years with an option of an additional 1-year extension subject to the mutual agreement of the Department and Counsellor.
11. **Measuring Impact** – The Department develop a set of metrics to measure the performance of Counsellors to ensure they are aligned to the specific priorities and objectives for each Post. Once developed the metrics be shared with DFAT, Austrade and industry bodies.

Location of Counsellors

12. **Minister-Counsellors** – The current Minister-Counsellor position in Thailand would be better placed in Indonesia given it is the headquarters for the Association of Southeast Asian Nations (ASEAN), Indonesia’s market potential and strategic importance to Australia. With conclusion of the UK FTA, a Counsellor level position would be more commensurate with the department’s placements in other markets.
13. **Counsellors** – The cost/benefit of a Counsellor (Agriculture) in South America be further considered towards the end of the current placement. If the role is principally to collect market intelligence and to build networks, other models should be considered, such as employing experienced locally engaged staff (LES) in relevant markets serviced by a ‘Counsellor’ regularly visiting from Australia or a nearby region.
14. **Other location priorities** – The Department to consider the opportunity for a presence in Saudi Arabia and the Philippines. Given budget constraints, and similar to South America, LES officers may be a useful first step serviced by a ‘Counsellor’ regularly visiting from Australia or a nearby region. Should further resourcing become available, Counsellor positions in these markets would be desirable. Another potential location is Taiwan and some years ahead, Africa.
15. **Determining future placements** – The Department continue to retain a flexible approach to the placement of Counsellors and regularly review Counsellor placement at the end of posting or when changes occur in policy or in-market conditions. To assist the review of Counsellor placement, the Department update the previous analytical framework and process developed for the 2018 placement of additional Counsellors.
16. **Counsellor Network funding** – The Department continue to review regularly the extent of Counsellor resource commitment required to deal with detained consignments and the subsequent calculated contribution of industry through cost recovery arrangements.

Staffing at Post

17. **Executive Level 1 (EL1)** – EL1 (First Secretary) officers be considered for filling some roles in Posts subject to determining the skills and seniority required to effectively fulfil the duties. Relevant opportunities may be in more technical positions under a more senior officer. It needs to be considered carefully on a market-by-market basis with a clear understanding of the issues being managed and seniority required.
18. **Post size** – The Department develop sufficient flexibility to adjust resources at Post depending on circumstances and demand. Such flexibility could include a short-term placement of technical officers or dedicated resources in Canberra to support in a surge capacity.

Senior representation

19. **Ministerial and Senior executive visits** – The Department consider a program of senior visits to Posts to progress market access issues and to enhance the standing and influence of Counsellors.
20. **Monitoring implementation of the review** – The International Committee of the Department periodically review the take-up of this Review's recommendations.

Opportunities to drive export growth

21. **Budget Initiative** - The Department consider a budget initiative to increase the impact of the work undertaken by the Counsellor Network. The initiative would focus on building government-to-government institutional links in key markets through technical cooperation to complement and reinforce the work of Counsellors in improving and maintaining market access for Australian agriculture exports. The initiative would be further enhanced by strengthening industry to industry relationships, including through facilitating collaboration between peak bodies.

Network Review

In 2020, the Department decided to review its Overseas Network to assess its effectiveness and efficiency and to consider how to optimise the effectiveness of the Network with regards to future roles, locations and levels of Counsellor Network positions (see the **Terms of Reference** at **Appendix A: Terms of Reference**).

This review was commissioned to make findings and recommendations on how to optimise the effectiveness of its network in supporting industry to grow agriculture exports, including in relation to:

- the roles & responsibilities of Counsellor positions, including:
 - the degree to which Counsellor positions add value to and support Australia's agriculture trade and market access objectives, taking into account the roles played by relevant Canberra-based DAWE teams and the roles played in overseas markets by DFAT, Austrade and Research and Development Corporations
 - the benefits and risks of some Counsellor positions adding environment-related functions, taking into account roles currently performed by DFAT at overseas posts and the potential impact on agriculture trade and market access work
- the location and level of Counsellor positions, including:
 - the degree to which the existing location of Counsellor positions optimises DAWE's ability to advance Australia's current and future agriculture trade and market access priorities,
 - (subject to findings on roles and responsibilities) whether any changes to the location of Counsellor positions would help to advance broader Departmental objectives without undermining agriculture trade and market access priorities,
 - the degree to which each Counsellor position represents value for money vis-à-vis other related departmental expenditure (e.g. international travel by Australia-based staff),
 - in-country expectations regarding representation (e.g. expectations of host governments and international organisations regarding level of representation, levels of representation from countries, levels of other relevant positions within the Post), and
 - DAWE's SES cap and budget position.

Overview

Network

The extent of the network and location of departmental officers is at **Appendix B: Network and location of departmental officers**. In addition, there are Locally Engaged Staff (LES) in a few other locations.

Network priorities include the work with the department's biosecurity, exports and trade and market access teams to:

- Progress and resolve targeted priority market access issues.
- Remove distortions to international trade.
- Facilitate targeted technical assistance and agricultural cooperation in support of portfolio interests.
- Gaining access to, and influencing, important agricultural and trade decision-makers in key markets.
- Building relationships with trading partners and members of international fora.
- Influencing global issues that impact on Australia's agricultural interests.
- Collecting and analyzing in-market information and providing strategic policy advice back to Canberra about host country agricultural policies that may affect trade; and
- Responding to incidents including animal welfare and livestock exports.

The Network also provides coverage across the department's key international markets and multilateral organisations, such as the Food and Agricultural Organisation (FAO), and the Organisation for Economic Cooperation and Development (OECD).

Global Footprint

In January 2016, under the Agricultural Competitiveness White Paper (the White Paper) five new Counsellor positions were created. These positions included two Minister Counsellor positions in Bangkok and Beijing, and four Counsellor (Agriculture) positions in Hanoi, Kuala Lumpur, and Riyadh.

In 2018, six new positions were created under the 2018-19 Federal Budget initiative 'Growing Australian Agricultural Exports' (GAAE). The expansion of the Network

opened three new posts in Mexico City, Mexico and Santiago, Chile supported by two new Counsellor (Agriculture) officers and in London, United Kingdom supported by a new Minister-Counsellor. The additional three Counsellors (Agriculture) were posted to support existing Agriculture Counsellors (Agriculture) in New Delhi, Tokyo and Brussels.

By 2019, these changes had resulted in an expanded network from 16 A-based officers to 22 A-based officers consisting of five Minister-Counsellors and 17 Counsellors spread across Bangkok, Beijing, Brussels, Dubai, Hanoi, Jakarta, Kuala Lumpur, London, Mexico City, New Delhi, Rome, Santiago, Seoul, Tokyo, Washington and previously in Riyadh.

Included in the expansion was an increased capacity for more policy influence and market and competitor analysis with a longer-term strategic view of trade and market access globally. Inherent in the approach was the opportunity for flexibility in moving the locations of the positions at the end of placements to respond to changes in the international agriculture trade environment and departmental priorities.

Agriculture Counsellors are associated with Australia's DFAT and Austrade Missions in the relevant countries. Both DFAT and Austrade officers are present in markets and, in some places, Australian State and Territory governments have trade representatives who can also be involved in agriculture issues.

How placements were determined

In determining the current location and placement of new officers from Australia, the department undertook a review of the overseas footprint which included extensive consultation with industry, state and territory governments and other Australian Government agencies, such as Austrade and DFAT. The department also considered trends in the trade of Australian agricultural products and Australian Bureau of Agricultural and Resource Economics and Science's (ABARES) forecasting on future production and consumption in key markets.

An analytical framework with advice from ABARES was applied to determine the location of the additional six positions, deployed in 2019. Practical implications, safety and support mechanisms, such as DFAT presence were also considered. The additional Counsellor (Agriculture) to Japan returned numbers at that Post to previous levels.

A second Counsellor (Agriculture) in New Delhi was as a result of the increasingly complex trading environment in India plus the opportunities of that market, including Sri Lanka and Bangladesh.

The policy position in Mexico City, Mexico was to focus on Central America and the opportunities arising from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) 2018, formerly Trans-Pacific Partnership (TPP), including gathering market intelligence and competitor analysis. The position in Santiago, Chile

was to focus on gathering market intelligence and competitor analysis particularly for Chile, Brazil and Argentina.

An additional technical position for Europe (EU) was to facilitate engagement in the EU-Free Trade Agreements (EUFTA), keep across EU regulatory changes and to improve coverage of Eastern European competitors. The Minister-Counsellor position in London, United Kingdom (UK) was to progress UK FTA negotiations lead the departments engagement for Post in the Organisation for Economic Co-operation and Development (OECD) and the World Trade Organizations (WTO) and international commodity organisations for grains and sugar.

There was general support across industries for the additional resources in Japan, Mexico, India and the UK. DFAT supported the positions and their placements. Additional suggestions for locations made at the time and subsequently are the Philippines, Brazil, Saudi Arabia, Taiwan and Africa.

In assessing the suitability of markets, quantitative and qualitative factors were considered through a tool and flowchart developed in 2017 (see **Appendix C:**

Factors for Considerations and **Appendix D: Assessment of**

Suitable Markets). Factors included were: size; growth rates of Australian exports into markets; size and growth rates of economies; size and growth rates of a country's imports of agriculture products from all sources; difficulty of trading across borders; and the presence of FTAs or negotiations on FTAs. Qualitative factors included: personal safety; an analysis of the trade environment; the importance of existing or proposed FTAs (bilateral and regional); consistency with departmental policies and priorities; and Australia's broader trade and investment policies. For the Middle East these factors identified the United Arab Emirates (UAE) as the most suitable location in the region.

Funding

Ongoing funding for the network was provided in 2018-19. Expenditure for the Network in 2019-20 was \$19.515m against a budget of \$17.733m.

The Network Budget is a combination of funds from the 2018-19 Budget, departmental funding and an export cost recovery component from industry of \$0.742m. The cost recovery component is based on the estimated cost of activities undertaken by the Network to assist with detained consignments and other issues which result in goods being held at the border. To calculate the effort associated with these activities a survey was sent to each overseas Post. The survey captured all activities undertaken at post, the cost recoverable component across all Posts was combined to give an average of 7.3% of their time spent on detained consignment activities (noting that posts

previously funded by the White Paper were excluded from calculations). The funds are collected through cost recovery levies paid by all users of the export system.

The effort associated with cost recoverable activity is being re-tested through an activity survey undertaken by each post as part of the current cost recovery reviews underway.

Value of the Network

Australia has a long and strong record of exporting agricultural and food products and has a reputation as a leader in agricultural and food technology and science solutions.

Australia continues to gain new or improved market access for a number of products to a range of markets in our region, e.g. in more recent times chilled meat, citrus and table grapes to China, and plums and carrots to Taiwan. Through ensuring appropriate presence of our Counsellors across the regions, the Network works to keep improving market access for our agricultural and food exports.

A number of FTAs have been successfully concluded. The department's overseas Network are directly engaged in the implementation of our bilateral and regional FTAs to ensure that Australian agriculture can continue to take best possible advantage of these agreements and that relationships with trading partners are strengthened under these agreements. FTAs are currently being pursued with the UK and EU.

Agricultural Value

ABARES provided a forecast and outlook of Australia's Agricultural commodities in its June quarter 2020 report. The report provides an overview of Australia's Agricultural production value estimated at \$61b in 2020-21.

\$61b
Value of
production
in 2020-21



Agricultural overview

Farm production forecast to rebound following drought.

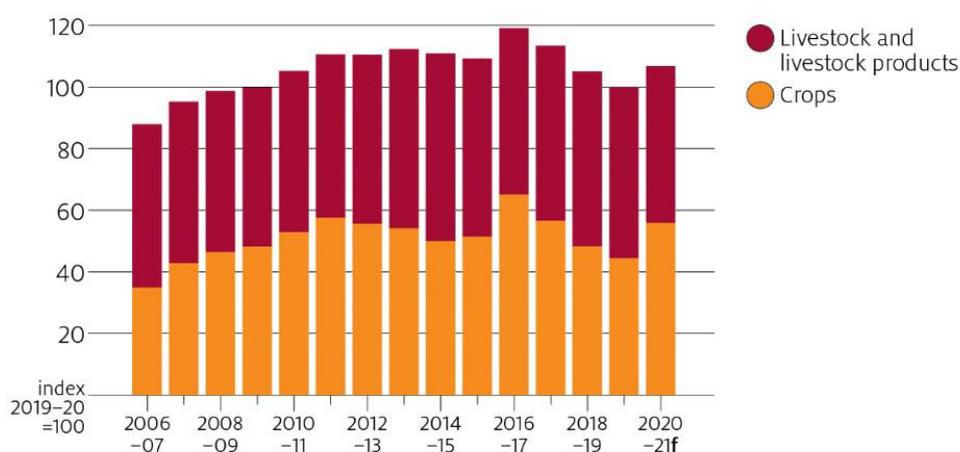
¹While the COVID-19 pandemic has and will continue to present challenges for Australia's agricultural sector, farm production is forecast to rebound in 2020-21, after one of the worst droughts in over 100 years (in terms of rainfall). This follows three consecutive years of contraction in output. Despite a resurgence in production, the

¹ ABARES Agricultural Commodities vol. 10 no.2, June quarter 2020

gross value of farm production is forecast to increase by only 1% to \$61 billion in 2020-21 as a result of falling prices.

In 2019–20 the gross value of farm production is estimated to be \$60 billion. This is an upward revision of almost \$1.3 billion since the March edition of Agricultural commodities and is driven by a \$1.5 billion increase in the estimated value of livestock production. An improvement in seasonal conditions across much of eastern Australia in early 2020 saw restocker competition return to saleyards, and meat prices rise. This coincided with continued strong export demand, driven by the effects of African swine fever across Asia, particularly in China.

Volume of Trade



²(Volume of farm production, 2006-7 to 2020-21f)

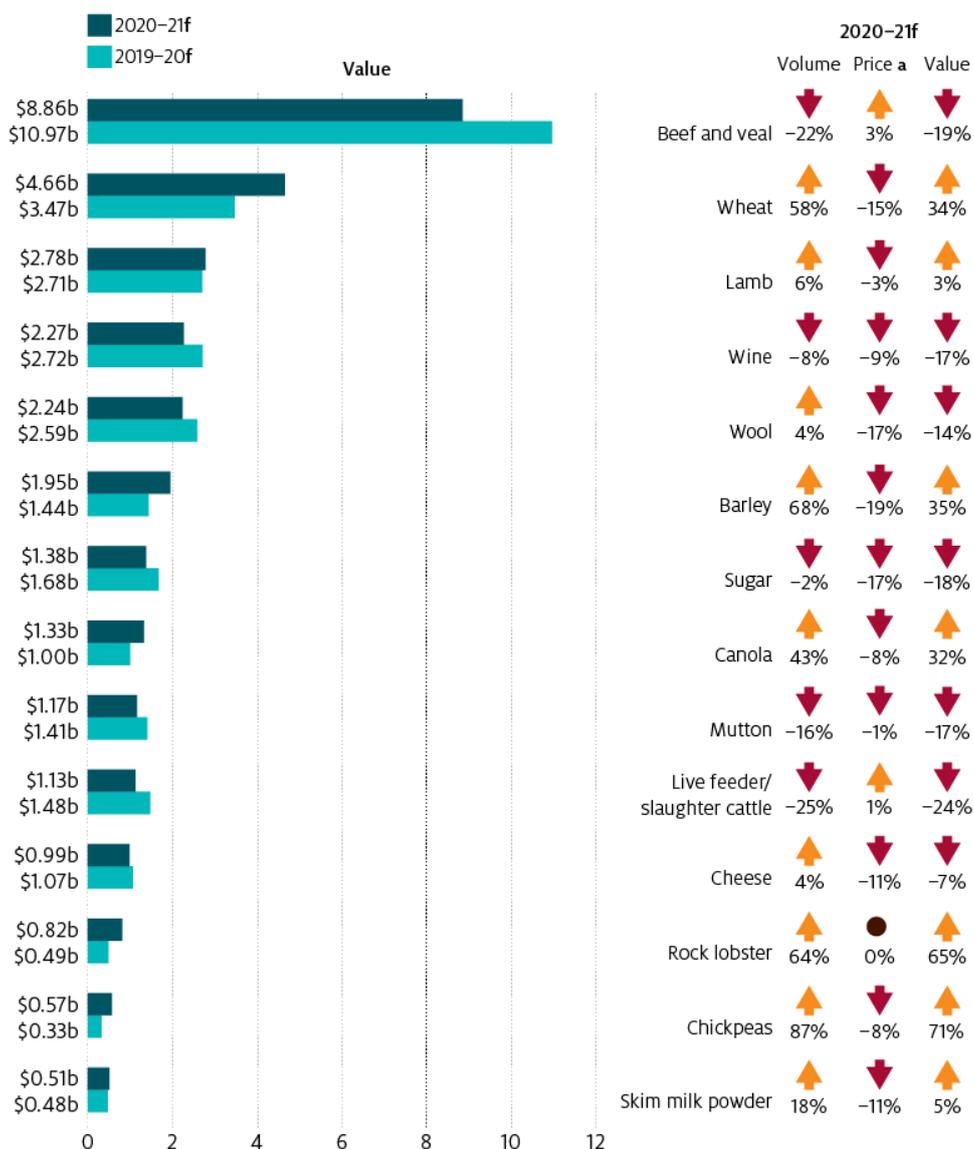
A global recession in the wake of COVID-19 is expected to result in reduced demand and lower world prices for many agricultural commodities in 2020–21. For Australia, this will be compounded by domestic grain prices falling back to export parity—and fodder crop prices falling—as the effects of drought subside. Price falls are expected in most grains, oilseeds, pulses, fibres, fodder and milk. Partially offsetting these falls are modest forecast price rises for red meat, due primarily to African swine fever-induced demand. The global pace of recovery from the pandemic is uncertain, and a prolonged slow recovery would result in prices lower than those forecast in this edition of Agricultural commodities.

² f ABARES forecast. Note: Chain volume measures. Sources: ABARES; ABS

Trade Growth

Over the past two financial years the growth of Australia’s agricultural commodity exports has varied.

In 2019–20 the value of farm exports is expected to exceed \$47 billion, 3% lower than in 2018–19. Exports of livestock and livestock products were valued at \$26.6 billion in 2019–20, of which exports of meat and live animals contributed over \$17 billion, a record high. Crop exports were valued at just over \$20 billion, reflecting constrained production because of the drought.



a All commodity prices are expressed as export unit returns in A\$. **b** Greasy wool. **f** ABARES forecast.
 Note: Export unit returns are obtained by dividing the value and quantity of the commodity exported.

Since the March 2020 the COVID-19 pandemic has spread to almost all countries globally. Efforts to control the pandemic have caused significant disruptions to economic activity.

In 2020, the global economic activity is expected to decline across established, as well as, emerging and developing economies. This differs from the recession of 2009, when only advanced economies experienced recession while emerging and developing economies continued to grow.

While efforts to support national economies are in place the global effects of the COVID-19 pandemic remain at large making social and economic growth uncertain.

Findings and Recommendations

Findings and recommendations are set out below under each relevant term of reference. Perspectives expressed during the consultations with stakeholders are outlined at the end of the section.

Roles and Responsibilities

- 1. The degree to which Counsellor positions add value to and support Australia's agriculture trade and market access objectives, taking into account the roles played by relevant Canberra-based DAWE teams and the roles played in overseas markets by DFAT, Austrade and Research and Development Corporations?**

Roles and value

The roles and responsibilities of Counsellors vary by location, often markedly. Nevertheless, there was an overwhelming view from within the department, Australia's diplomatic missions, other government agencies and agricultural industries that the Network provide a valued and valuable service to achieving export outcomes for Australian agriculture.

The work of the Network enables successful market access and trade of Australian agriculture commodities and results in a significant national economic benefit. The success is built on technical expertise and establishing local relationships which produce results. Where Counsellors have responsibility for technical market access issues, no others at post have the expertise and knowledge to carry out the function.

DFAT representatives noted that, while DFAT is practised at carrying a brief, the technical nature of agriculture meant it was not a function they could successfully perform in any detail. Similarly, Austrade commented they could not perform their role without the presence and support of Agriculture Counsellors. Austrade has a large locally engaged cohort in addition to A-based posted staff, but Austrade is focused on transactional arrangements linking producers across all aspects of the economy with buyers. They work closely with Counsellors and rely on them for government to government relationships and establishing the technical access arrangements. Likewise, Australian Research and Development Corporations with a country presence, while able to collect market intelligence and establish relationships with buyers, could not provide the Government representations and technical skills of the Network.

Industry groups commented that Counsellors are 'one of the best things the department does' and they would be concerned if changes diminished export trade opportunities. Agricultural industries view the Network as an important and valuable resource. They see direct benefit in the market access work of Counsellors in markets to which they

export. Counsellors provide the vital government to government links to deal with regulatory issues and importing government requirements. No others can perform this function. Overall, industry experience with Counsellors is a positive one noting Counsellors make genuine efforts to assist.

A further comment from DFAT officials, including HOMs, was that Counsellors contributed a broader benefit to Australia's international reputation and diplomatic agenda.

Importance of in-market presence

The importance of relationships was stressed in all discussions with respondents to the review. In-market presence was deemed essential noting that decision makers in many countries are not always obvious and that it is critical to Australia's interests to influence decisions before they are made. Being in-country and using established relationships helps to find those decision makers early and to provide an Australian perspective.

Being in-country brings many positives such as having incidental conversations that might not otherwise occur, the availability of real-time information, the ability to influence using the developed relationships, gaining quick answers for stakeholders and insight of nuances/tone unattainable through emails or conference calls. All present and past Counsellors expressed a view that it would be difficult to develop and maintain strong relationships by distance due to language barriers, time differences and/or societal/cultural expectations. Furthermore, market intelligence is key for trade and a Counsellor in market with the right relationships can get information through official and unofficial networks.

While all emphasised the importance of face-to-face interaction, the COVID-19 period provides an opportunity to test the utility of more virtual interactions for international discussion. It is likely to be most successful where relationships are pre-existing and the agenda is focused and can be undertaken in a matter of hours. However, it cannot be expected to replace the face-to-face interactions that build relationships or the large and intense multilateral meetings over several days.

Counsellors with responsibilities in multilateral fora noted that participation in international agriculture trade bodies is essential to ensure Australia's position is understood and contributes to development of world agricultural trade rules in Australia's national interest.

The importance of Ministerial and senior Canberra-based departmental officer visits to markets was emphasised by previous and current Counsellors and DFAT representatives. Such visits reinforced the relationship between countries and demonstrated that Australia is a serious partner. It further assisted the Network by

increasing their reputation in country. Senior visits could also help push along issues which were stuck at more junior levels.

While Counsellors are able to call on DFAT/Austrade representatives at Post if greater seniority is needed, and are grateful for this support, it does not replace the value of senior Australian based government representatives.

Counsellors with multi-country responsibilities commented on the importance of being seen in each market to develop and reinforce relationships and the necessity to have sufficient funds and discretion to travel as required. They emphasised that the current departmental budget constraints and COVID-19 movement restrictions meant an inability to travel to countries in their region of responsibility and as such reduces their capacity to build relationships adversely affecting outcomes.

Government and industry representatives commented that LES, while being a vital component of the department's in-country presence, cannot replace the role of a Counsellor due to trading partner Government expectations of seeing an Australian government representative.

Understandably LES also do not have the full background to interpret agriculture policy and to identify opportunities and challenges. Quality LES, however, make a considerable contribution to the effectiveness and efficiency of the Network. Some Counsellors suggested that more training in dealing with/managing/opportunities with LES would be beneficial to their development and productivity.

The recent practice of recalling LES staff was positively commented upon. It proved valuable in assisting LES officers in their understanding and commitment to achieving Australia's agricultural priorities thereby improving their support to Counsellors in-market.

Engagement with industry

Overall, industry would appreciate more regular interaction with the Network through Counsellors webinars, end-of-posting briefing, quarterly commodity specific market updates, etc. Some industries though, particularly the larger exporters would be concerned if such activities at Post reduced the focus on technical market access and releasing detained consignments. Representatives of these industries advised that they would rather Counsellors concentrate on market access and other priorities rather than periodic reports as they would have minimal benefit to them but increase Counsellor workload. Industry would also benefit from a better understanding of the work of Counsellors other than dealing with detained consignments or market access issues. They expressed a view that they would value regular reporting from Counsellors involved in multilateral fora, FTAs or whose role includes a market intelligence function.

Industry noted the high value they gained from interacting with Counsellors during their recall program in Australia and endorsed a debrief session from returned

Counsellors at the end of their posting for lessons learnt, opportunities, sensitivities, etc. Some industry representatives said returned Counsellors would be better suited to a country desk or somewhere trade related in the department on their return.

Engagement with the department

Connection and support from the department was commented upon as an important contributor to the effectiveness and efficiency of Agriculture Counsellors. Several industry representatives stated that the market access work of Counsellors is only as good as the support they get from Canberra Head Office. For some they viewed the department as lacking flexibility, being too rigid in its priority setting and, as a consequence, missing opportunities. In their view, the length of time it took for Australia to gain market access did not compare favourably with competitors. They recognised that, in part, this was due to the resources available to the department and the competing demands from industry sectors. As a result, some suggested that the Network be reduced by a Counsellor position with the savings invested in Canberra based export work maybe in the market access/negotiation area. DFAT officers at Posts stated that Counsellors are more effective when supported by the department and that resourcing within the department needs to be reviewed.

Counsellors, more so than Minister-Counsellors, commented that while they interacted well and regularly with TMAID and specific line areas, they felt a bit disconnected from the overall department and Executive. Currently counsellors cannot access the department's IT network.

They interact with the department through DFAT's IT system. They felt that the disconnection meant they were less attuned to changes in direction and emphasis in areas of their work. Conversely Counsellors are also of the view that a broader lack of departmental knowledge of their work at times hampers assistance with their issues.

Engagement with the department was also raised in terms of priority setting and responsiveness to opportunities, principally around market access. Untimely responsiveness or lack of capability in the department sometimes meant that potential export opportunities are not seized.

Counsellors in multilateral fora had a clearer understanding of their roles and generally good connections to the department and other government agencies in their work, but limited interaction with industry. The greatest emphasis on priorities and responsiveness came from Counsellors in less mature markets.

Nevertheless, improved priority setting and capacity to respond to opportunities by both the department and industry would increase the effectiveness and efficiency of the work of Counsellors. Plant Division's market analysis including priorities for plant export in each country which is provided to Counsellors was held up as a possible model for wider development. An important aspect to achieving such an outcome would

be improved engagement between Counsellors at post, the department, other agencies and industry.

Selection and preparation of Counsellors

Effectiveness and efficiency are also influenced by the quality of the officers appointed to the role of Counsellor, their preparation, support and connectivity to the department and industry. DFAT, Austrade and industry representatives are highly complementary of the quality of departmental Counsellors. However, a common issue raised was the need for better engagement with Counsellors. Most industry representatives commented that they had discussions with Counsellors prior to their posting and dealt with them directly when issues arose in market but would benefit from a debriefing from Counsellors on their return. The structured recall of Counsellors to Canberra provides the opportunity for further dialogue with industry. The acceptance of more virtual interaction, such as webinars, provides another means for Counsellors to connect with industry from Post.

Counsellors past and present commented that pre-post preparation affected the time it took for Counsellors to become effective in their roles. Improvements were suggested in gaining a better understanding of the industries they are likely to deal with when at post, the processes of the department unfamiliar to them but relevant to their work and for some locations better cultural training.

Improved language skills were also commented upon for some locations where English is not as widely spoken. The purpose would be to enhance their capacity to build relationships. DFAT noted that language training is desirable, but basic conversational skills and cultural understandings is all that is warranted. Due to the technical nature of much of the work, it would not be feasible for counsellors regardless of extensive language training to conduct technical agriculture discussions in the local language. Counsellors would benefit though from being educated on technical market access and historical knowledge of the country and its relationship with Australia.

Returned Counsellors raised the extent to which their skills are put to best use on return. Returned Minister-Counsellors – Senior Executive Service (SES) Band 1 officers understand that their subsequent roles will be determined by the Secretary. However, many previous and recently returned Counsellor (Agriculture) – Executive Level (EL) 2 officers commented that they had to basically find themselves a job and there appeared to be little recognition of the experience, skills and contacts gained from their posting. It led to some questioning the value the department places on the role and that best use was not being made of their experience.

It was commented that with the department investing so much time and money in one person at Post there needed more thought to be given about how to use that experience and information when Counsellors returned.

Some felt that this feeling of being under-valued could discourage others from applying for future Counsellor roles. A returned Counsellors alumnus is in place at the initiative of previous Counsellors but is not connected to any departmental structure or process.

Length of posting

The length of Posting has consequences for the effectiveness and efficiency of the Network and financial implications for the Department. In general, Counsellors commented that their 1st year is learning the work, 2nd year is doing the work and 3rd year is preparing to return to Australia. For some, having four years gave continuity on longer term issues both in terms of the knowledge base but also relationships with trading partner officials and Australian industry. Four years meant issues could be driven. However, others noted that four years away is a long time to be out of the Canberra system and has implications for families (in particular where partners may not be able to work). Others stated that having only a three or four year model created inflexibility in dealing with opportunities/problems as they arise or where a surge capacity in resources might be beneficial.

There was a general view that a 3-year posting with an additional 1 year option subject to the mutual agreement of the Department and Counsellor would be appropriate.

Measuring impact

There was comment about improving metrics to demonstrate the value of the Network and Counsellors contributions. Some previous Counsellors had developed their own metrics but there was no overall structured process for collecting information to demonstrate the achievements of the Network and its contribution to agricultural exports.

While more difficult to measure, metrics for Counsellors involved in multi-lateral fora or FTA negotiations for example would help demonstrate the relevance of these roles to industry and government.

1. The benefits and risks of some positions adding environment-related functions, taking into account roles currently performed by DFAT at overseas posts and the potential impact on agriculture trade and market access work?

The former Department of the Environment and Energy did not have an overseas network of officers except for a placement in Paris focused on the OECD. With the machinery of government changes, the Paris based officer went with the Energy part of the former department and not into DAWE. For environmental issues in other locations, either DFAT is briefed to provide representation on the matter or Canberra based staff travel to the location.

Stakeholder views are quite divergent on the benefits and risks from the Network taking on environmental responsibilities. Some saw it as an inevitable consequence of the merger of the two departments. Others noted that in certain markets and circumstances elements of environment could be useful in promoting Australia's agriculture system or widening the contacts and influence of the Network. It was also commented that assistance in one area gains credit for concessions in other areas and it builds the relationship with the host government who is more likely to trade with a 'friend'.

An important consideration is the basis on which the government provided funding for the network and that a proportion of the budget for the Network comes from industry levies. As a consequence, a significant change in the role of Minister-Counsellors and Counsellors (Agriculture) is likely to require a government decision and further consultation with stakeholders, particularly industry.

Industry, as well as DFAT officers at Australia's missions, expressed concerns about environmental responsibilities if they would dilute the role of Counsellors in promoting trade, solving technical market access issues or dealing with detained consignments. Where they saw benefits, however, was potentially in more mature markets where environmental issues related to agricultural production and trade. They saw an opportunity for the Network to promote Australia's high standards and rigorous regulation of our food production systems. The capacity of Counsellors to cover these issues is also seen as an opportunity to assist the negotiation of FTAs.

There was some common ground from stakeholders where the environmental issues are supportive or complementary to achieving improved agricultural trade outcomes. Overall industry and DFAT officers at Post largely agreed that provided agriculture trade remained the primary focus and environment functions were included to the extent they supported that trade and did not result in certain Counsellor's capacities (e.g. urgent requests to help with distressed consignments) being diluted then it could be beneficially added to the Counsellor remit. All respondents agreed that the arrangements need to be calibrated on a Post-by-Post basis and communicated to relevant stakeholders. For example, there is considerably more overlap between environment and agriculture in the EU compared to some countries in South East Asia.

The EU considers environment and agriculture to be indistinguishable and is placing more emphasis on sustainability and 'green' credentials.

Counsellors noted that if they were required to take on significant environmental roles in representing the department, this would require additional briefing from Canberra and either a reduction in attention to agriculture priorities or a requirement for more resources. They noted there may be scope for LES to do some limited work, but anything of substance would require Counsellor input. Nevertheless, Counsellors in some markets believed that if carefully calibrated there could be advantages to Australian agriculture exports for certain trade-related environmental issues in some circumstances.

Counsellors also stated that there could be expectations from foreign governments that our officers would now cover environmental issues as it was all within one department. Some other countries also have their agriculture and environment responsibilities combined, such as Saudi Arabia. All respondents emphasised that clarity over the roles of Counsellors would be beneficial.

Counsellors also identified specific countries or regions and issues where agriculture exports may be assisted by Counsellor involvement in water management, particularly in China, India, the Middle East and South America because of water scarcity and the direct relationship to food production. Environmental topics relevant to agriculture trade in other countries as identified by Counsellors are marine debris, pollution and water management and their consequences for fisheries production in Southeast Asia; and the EU where the European focus on sustainable agriculture and their 'Green Deal'. The EU is pursuing an agenda through environmental organisations, including the OECD, which could have a significant consequence for Australia's agriculture exports.

In other markets it was recognised that environmental issues are not closely linked to agriculture imports e.g. South America, Mexico or that the issue would not contribute to building relationships such as the differences in policy between Japan and Australia on whaling.

Location and level of positions

- the degree to which the existing location of Counsellor positions optimises DAWE's ability to advance Australia's current and future agriculture trade and market access priorities
- any changes to the location of Counsellor positions to advance broader Departmental objectives without undermining agriculture trade and market access priorities
- the degree to which each Counsellor position represents value for money vis-à-vis other related departmental expenditure (e.g. international travel by Australia-based staff)
- in-country expectations regarding representation (e.g. expectations of host governments and international organisations regarding level of representation, levels of representation from countries, levels of other relevant positions within the Post)
- DAWE's SES cap and budget position.

Location

The overall view from consultations is that Counsellors are generally in the right locations to pursue Australia's agriculture trade priorities. In terms of determining the appropriateness of locations, the analytical framework developed for the 2019 placement of additional Counsellors continues to be valid. Other considerations that could be included in the future are the value of market, market potential, industry priority, importance of the strategic relationship, and degree to which it affects Australia's participation in the governance of the world agricultural trade system.

Depending on the commodity group there are different emphases on specific markets and for some industries further market coverage was identified. Where there were questions about the placement of Counsellors, they focused mainly on South America and the Middle East. Some industry representatives questioned the number of Counsellors (Agriculture) in Latin America and a few thought the number of representatives in Europe are too high while the numbers in Asia/Middle East and North Africa (MENA) are too low.

Most industries, while understanding the potential usefulness of market intelligence from the region, saw South American countries principally as competitors rather than export market opportunities. However, some commodity groups thought it useful to have a presence in South America to foster cooperation with those countries to form a significant bloc to influence relevant international standards and to identify trade opportunities. Some industries commented that they would prefer to see a Counsellor in Brazil rather than Chile. The Chilean HOM noted the importance of a Counsellor

resource in the region for the Spanish speaking countries while the HOM in Brazil emphasised the opportunities in Portuguese speaking countries and suggested a local university intern costing AUD\$5000.00 per year was worth considering.

Agricultural exports to South America are currently just over \$74m per annum with an annualised growth rate over the last three years of 3.79%.

Agriculture exports to the Middle East were worth \$2.951bn in 2018-19 being stable over the last three years. The largest component is UAE with \$742m followed by Saudi Arabia \$396m and Kuwait with \$386m.

In the Middle East it was recognised that while the position in Dubai was useful for trade in much of the region, it was not preferred by Saudi Arabia, the wealthiest Gulf country. Saudi Arabia would rather have an officer in Riyadh. If that is not possible, the feedback was that Saudi Arabia would prefer to deal with officers from Australia rather than a UAE-based Counsellor. As such, an alternative approach is to have an LES in Saudi Arabia supported by a Canberra-based officer who regularly travels to Saudi Arabia to build relationships and deal with issues. Such an approach would be at a lower cost than maintaining a Counsellor in country. It was suggested that four to five visits a year as part of a regional travel plan would be beneficial to the relationship.

It was reported by our current Counsellor (Agriculture) in the region that New Zealand (NZ) managed this well. NZ would fly a Counsellor or Minister-Counsellor in, discuss the preferred position or deliverable, a Junior secretary would follow up several times before the return of the Counsellor. It is then concluded by a Minister or other senior person coming to close out. Usually quite a rapid process and usually successful. However, the HOM and Austrade's senior representative in Kuwait had doubts whether a fly-in and fly-out Counsellor based in Australia would work due to distance and country counterpart expectations. They did not support moving the position in Riyadh to Dubai.

Opportunities for future market access varied between commodities but was commonly commented upon given the importance of market diversification and challenges in the relationship with China. Conclusion of the EU and UK FTAs is a high priority.

The Philippines was mentioned as a significant immediate opportunity by several industries who emphasised the value and potential for trade to the Philippines market and importance of a local presence. Current agricultural exports to the Philippines were around \$1bn per annum over the last three years. Taiwan was also mentioned by some industry sectors and the HOM.

Australia agriculture exports to Africa in 2018-19 were worth \$687m per annum but with an annualised growth decline of 5.6% due to a large drop in wheat exports, in part likely to be as a result of lower Australian production caused by drought. In terms of a future focus, the growing population and income of Africa, particularly Nigeria, was

seen as a significant potential future market. As such, industry believed Africa could be a key market for some commodity exports but as a longer-term prospect.

Overall, there was agreement that locations for Counsellors should be decided against market priorities, including emerging markets vs established markets, and where they align to Departmental and industry priorities, objectives and interest. The capacity to respond to opportunities and changes in circumstances was emphasised. While there was agreement that locations and levels need to be evaluated and reviewed on a regular basis e.g. every five years to cater for changing circumstances, there was also a view that to get the best outcomes required placements and the levels of resourcing to be more nimble and responsive. The review process for assessing Minister-Counsellor and Counsellor (Agriculture), and potentially First Secretary placements at the end of posting or for changes in policy or in-market conditions previously developed by the department is a useful starting point for developing an appropriate framework.

Level of Counsellors and Post size

The level of Counsellors and size of Posts were subject to more debate than location. Some industry representatives questioned the value of Minister-Counsellors in Washington, Brussels and Bangkok. In terms of Washington and Brussels their views are based on the markets being mature and industry not seeing the broader bilateral or multilateral issues involved. The question around Bangkok was whether it would be better to have a Minister-Counsellor in Jakarta due to greater agricultural trade potential, strategic importance to Australia and the location of ASEAN. Similarly, the placement of a Minister-Counsellor in London while perhaps necessary for negotiating the FTA was not considered a longer-term requirement.

In those Posts where the department has both a Minister-Counsellor and Counsellor (Agriculture) or two Counsellor (Agriculture) level positions, there was comment that an arrangement where an EL2 Counsellor (Agriculture) could be replaced with an EL1 - First Secretary in-country officer from the Department could be workable, particularly where more technical market access issues are involved. This was suggested also in part to clarify roles, responsibilities and management oversight. Other advantages of this approach were providing a greater pool of talent for selection (including some who may have relevant language skills), a clearer career path for staff who are interested in overseas posting, and a modest saving on postings (recognising that salary costs are not the major contributor to the costs of overseas posting).

DFAT officers at Posts cautioned that certain Posts can be highly sensitive to downgrades of positions to the extent that it would affect relationships overall with the host nation. However, they recognised that adding EL1s to the network would improve the applicant pool but that EL1s shouldn't be posted alone. The DFAT officers also expressed the view that two EL2s posted together can find reporting lines challenging if there is no clear lead so an EL2/EL1 team at post would solve such tension.

Industry did not have an issue with EL1 officers at Post recognising it would broaden the pool of potential officers and as long as it was to complement the Minister-Counsellor or Counsellor (Agriculture) at Post. Most share the view that it's not necessarily the level of the posted officer (EL1 vs EL2) but the personality and competency that makes the biggest difference.

While there was some caution expressed, adopting an approach allowing EL1s to take up more technical positions under a more senior officer was supported provided it was considered carefully on a market by market basis with a clear understanding of the issues being managed and seniority required. A DFAT officer commented that the level which determines whether or not an officer is deemed a 'Counsellor' is up to Australia.

In considering the size of the Network's footprint, comparison to trading competitors was asked of respondents. The general view across stakeholder groups is that Australia's representation is lean compared to other competitors such as Canada, the EU, South American nations and New Zealand. Other countries appear to devote more resources to their Networks but nevertheless Australia has a good reputation and achieves positive outcomes. It was commented that New Zealand is very effective at pushing its objectives, appearing to be more successful at times than Australia but also recognising that New Zealand has a narrower scope of export interests.

The importance of good quality LES as subject matter experts was noted by all current and past Counsellors. While noting that representation and access to decision makers is best done through Counsellors, LES are essential for their language skills, administrative roles and operational contacts. There was some comment that further investment in quality LES might bring more benefits than placing more junior departmental staff in Posts. Some Counsellors stated that they would benefit from more training in dealing with/managing/opportunities with LES. The recall of LES to Canberra was supported by Counsellors. It assisted LES in their understanding and commitment to achieving Australia's agricultural priorities and provided greater clarity and context for them.

Industry expressed a view that increasing the number of LES overseas rather than more A-based staff might be a lower-cost way to achieve better results at some Posts, especially where language and local customs present challenges to strengthening relationships with regulators.

Value for money, budget and SES cap

Expenditure for the Network in 2019-20 was \$19.515m against a budget of \$17.733m. The total value of agriculture exports to market regions with Counsellors totalled \$48,109b in 2018-19. The value for money for each position cannot be measured just on agriculture export value alone. For example, successful completion of the UK and EU FTAs is a high priority. In addition, Counsellors involved in multilateral fora have a critical role in ensuring the global rules for agriculture trade are not distorted and meet Australia's interests. For Counsellors in emerging markets, such as India and South America, it is about the potential for agriculture trade opportunities and likely success of market access negotiations. As such, respondents supported the Post investment in India, but many questioned the value of the current investment in South America.

International travel expenditure for the Department of Agriculture and Water and the Department of the Environment for 2018-19 was \$5.561m. Of that total, TMAD spent \$838,869 which included \$630,790 for Counsellor travel. COVID-19 significantly curtailed international travel in the latter half of the 2019-20 financial year. Virtual meetings are replacing some discussions in international fora, in many instances quite successfully, but respondents believe that face to face meetings are necessary for complex matters and relationship building. Nevertheless, international travel is not expected to return to previous levels in the near future thus reducing overall international travel expenditure by the department.

Currently there are six Minister-Counsellor positions (SES Band 1) in the Network. There is a general view from respondents that it was important to have a Minister-Counsellor in each major export region of the Network as a clear signal of Australia's commitment to agricultural trade, to match our competitors and to demonstrate our presence. The Minister-Counsellor position in the UK is seen as a time limited appointment and once the FTA is concluded could be competently managed by a Counsellor.

Industry was of the view that Counsellors dealing with technical market access represented good value for money and were one of the department's best investments. They were less convinced of the contribution of Counsellors involved in multilateral responsibilities or those whose primary responsibility is gathering market intelligence.

HOMs and Austrade representatives at Post universally commented that the role of Counsellors was critical to Australian agriculture export success and could not be replicated by other agencies or industry.

For some markets there was a general view that we have less dedicated resources compared to our competitors but nevertheless continue to be successful in market access for our agriculture trade priorities.

In considering the issues under this term of reference, many respondents identified areas and roles where they would like more investment in the Network or their support arrangements should budgets allow.

Saudi Arabia and the Philippines were the two markets most regularly identified followed by Taiwan with potential in Africa further down the track. Retaining and building market share and broadening the agricultural products able to access existing markets, particularly in China and Japan are priorities and, if necessary, industry would understand reasons for further investment in those Posts.

For Counsellor positions with a primary function of gathering market intelligence industry believed that the information could be collected in a more cost-effective way rather than placing a Counsellor in the specific market.

As noted previously, some in industry commented that the work of Counsellors is only as good as the support they get from Canberra based departmental officers. They therefore supported further investment in the export related areas of the department provided it was focused on market access work.

There was also general support for the department having a 'surge capacity' that could be used when opportunities arose for market access that needed to be seized quickly for success. The other circumstance where a 'surge capacity' was thought to be helpful is when there are specific trading challenges or difficulties with an importing country that need to be worked through in some detail or urgency.

In-country expectations

For all markets, seniority matters. It enables access to more senior decision-makers and the sharing of more information and confidences. To be truly successful, it must be matched with competency and a willingness to engage with government representatives and industry.

Minister-Counsellors can usually access the highest decision makers in the relevant country's government. Counsellors (Agriculture) reported that they generally had good access and could call on the HOM or Deputy HOM if more senior representation was required.

LES have good networks at the operational level and often have an excellent appreciation of the 'system' in their country and how it works but are not able to access senior decision makers because of the government to government relationship inherent in trade arrangements.

Counsellors noted that the level of our representation in-country was compared by host nations to our competitors and taken as a sign of the importance of the relationship to Australia. It was reported that the downgrading of the previous Minister-Counsellor role in Japan was seen as a serious matter by the Japanese government. The current two Counsellors (Agriculture) were continuing to work hard to maintain the strong relationships with Japanese decision makers.

A common issue raised by Counsellors is that their standing and effectiveness is enhanced when senior representatives visit from Australia. Opportunities for Ministerial and senior departmental visits needed to be further explored and could help progress market access issues with the right pre-planning and priority setting.

Other issues raised

State government agriculture officers

It was noted in several consultations that State governments had their own agriculture representatives in some markets. There was not a close link between those officers and Counsellors although industry did provide examples of when they worked with State officials and that they were at times more responsive than Posts. Others commented that State government officers were, at times, not well connected into the overall priorities of industry and the Australian government and could cause some confusion. Industry questioned whether better linkage between Posts and State government officers would provide better outcomes for Australian agricultural exports.

Environmental representation

As noted previously, the former Department of the Environment and Energy did not have an overseas network of officers except for a placement in Paris focused on the OECD. With the machinery of government changes, the Paris based officer went with the Energy part of the former department and not into DAWE.

In discussions with the Paris-based officer they believed they had capacity to continue their work on environmental issues in the OECD and to do so under DAWE's direction but this would require an agreed arrangement, including funding, with the officer's home department.

Appendix A: Terms of Reference

Department of Agriculture, Water and the Environment (DAWE) Overseas Counsellor Network Review

Context

DAWE's network of overseas Agriculture counsellors (Counsellor Network) have played an important role in advancing Australia's trade and market access priorities for over 20 years.

Through building close connections with government and industry stakeholders in key markets, Counsellors protect and grow Australia's agriculture exports by:

- Providing market intelligence to inform industry decision-making and government policy priorities
- Helping resolve problems when they arise, such as the release of detained consignments
- Supporting negotiations to advance Australia's market access requests.

Counsellors will play a central role in helping to grow Australia's agriculture exports to meet the target of \$100 billion in farm gate production by 2030. Counsellors will inform and support industry-led efforts to take advantage of opportunities and mitigate risks from COVID-19 related changes to global agriculture production and consumption, including through establishing new markets.

Machinery of government changes have brought environment functions into the Department in a way that directly relate to the work of some Counsellor positions.

Purpose

The review will assess the effectiveness and efficiency of DAWE's network of overseas Agriculture Counsellors (Counsellor Network) and make recommendations on how to optimise the effectiveness of the Network with regards to future role, location and level of Counsellor Network positions.

Scope

The review will make findings and recommendations on how to optimise the effectiveness of the Counsellor network in supporting industry to grow agriculture exports, including in relation to:

- the roles & responsibilities of Counsellor positions, including:

- the degree to which Counsellor positions add value to and support Australia’s agriculture trade and market access objectives, taking into account the roles played by relevant Canberra-based DAWE teams and the roles played in overseas markets by DFAT, Austrade and Research and Development Corporations
- the benefits and risks of some Counsellor positions adding environment-related functions, taking into account roles currently performed by DFAT at overseas posts and the potential impact on agriculture trade and market access work
- the location and level of Counsellor positions, including:
 - the degree to which the existing location of Counsellor positions optimises DAWE’s ability to advance Australia’s current and future agriculture trade and market access priorities
 - (subject to findings on roles and responsibilities) whether any changes to the location of Counsellor positions would help to advance broader Departmental objectives without undermining agriculture trade and market access priorities
 - the degree to which each Counsellor position represents value for money vis-à-vis other related departmental expenditure (e.g. international travel by Australia-based staff)
 - in-country expectations regarding representation (e.g. expectations of host governments and international organisations regarding level of representation, levels of representation from countries, levels of other relevant positions within the Post)
 - DAWE’s SES cap and budget position.

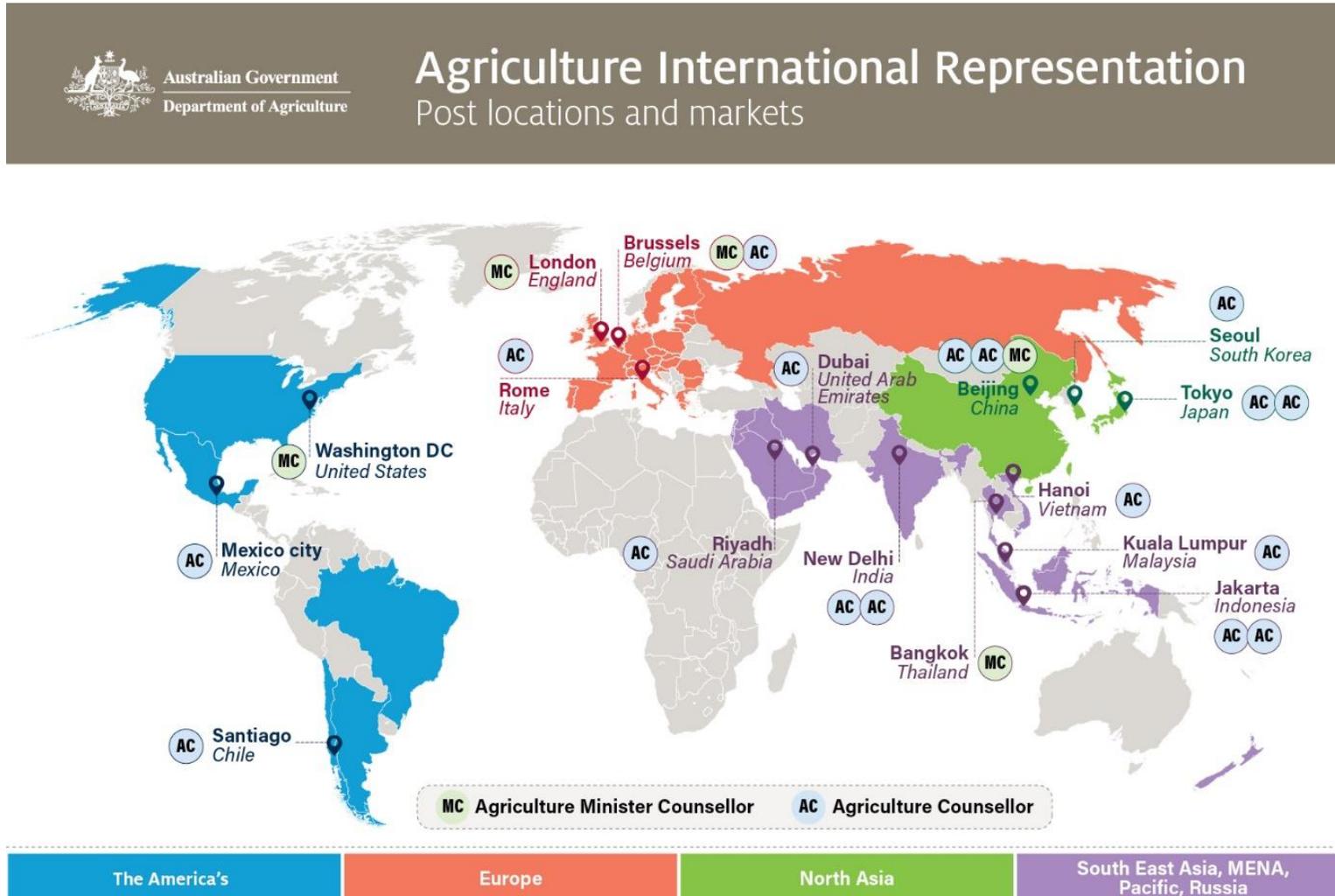
Process, Governance and Timeline

The Review will be undertaken by Mark Tucker, reporting to the First Assistant Secretary, Trade and Market Access Division. Mark will be supported by a small Secretariat within the Division.

The Review will include broad consultation, with a particular focus on agriculture industry stakeholders who deal with the Counsellor network.

Mark will submit a report to the Department with clear findings and recommendations within six weeks of commencing the review.

Appendix B: Network and location of departmental officers

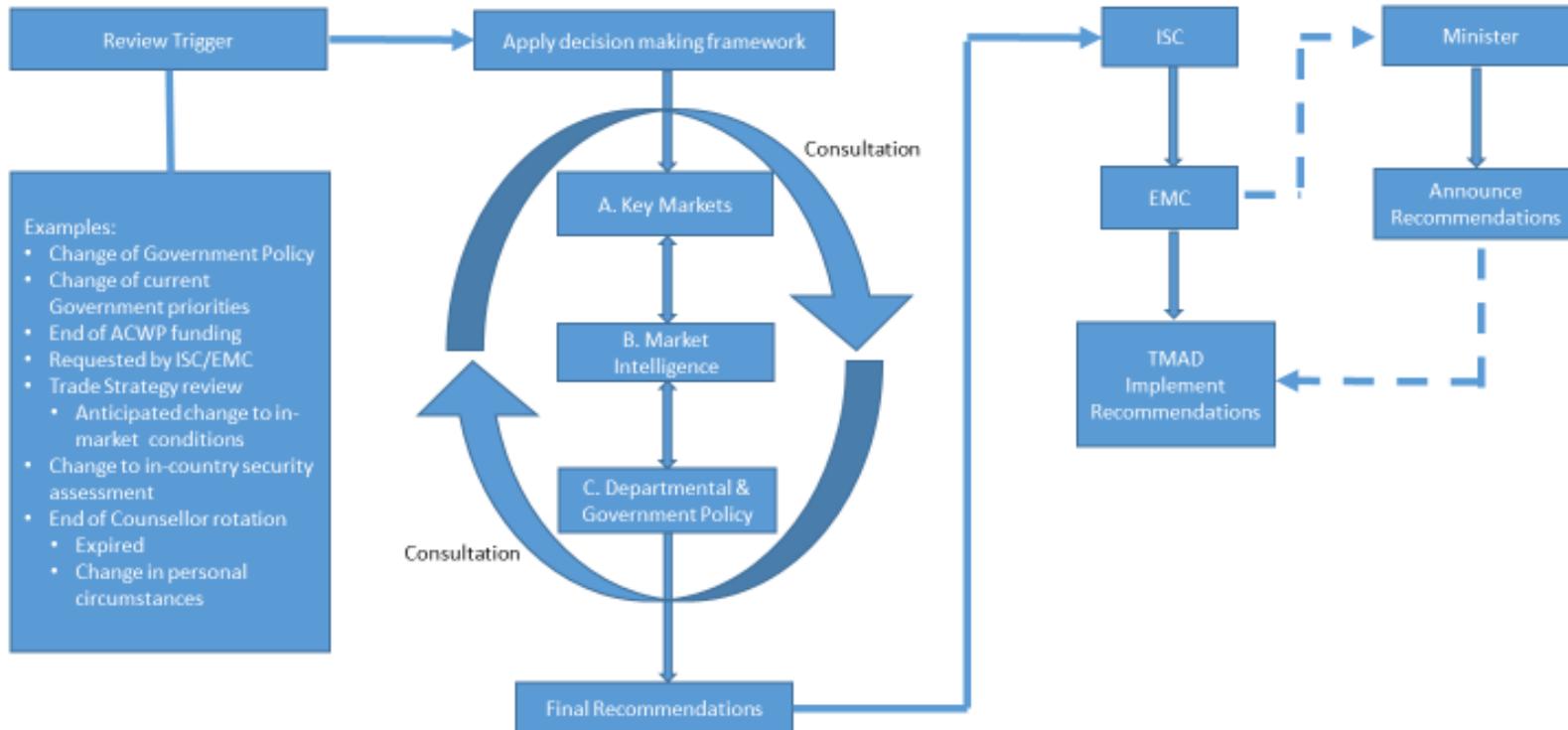


Source: Overseas Network Locations (22 A-based officers across 16 posts) - Department of Agriculture, Water and the Environment, January 2019

Appendix C: Factors for Considerations

Factors for Consideration	Assigned Weighting (%)	
	Table 2	Table 3
Trade importance		
Est. 5 year growth rate	0.00%	0.00%
Est. 10 year growth rate	18.75%	25.00%
2011-2014 average annual export value (AU)	18.75 %	25.00%
Size of the economy (average 2013-2020 PPP adjusted USD billions)	18.75 %	25.00%
Trade Difficulty		
Cost of enforcing contracts (World Bank)	0.00%	0.00%
Difficulties in trading across borders (World Bank)	18.75 %	25.00%
Other Issues		
Existing FTA or ongoing negotiations	25.00%	0.00%
Total	100.00%	100.00%

Appendix D: Assessment of Suitable Markets



Glossary

Term	Definition
A-Based Officer	Australian-based staff. A member of the Australian Public Service, Australian Defence Force or other Commonwealth agency who has been posted or deployed overseas in an official capacity.
Bilateral agreement	Agreement between two nations or entities.
Bilateral relationship	The relationship between two nations.
biosecurity	Managing risks to Australia's economy, environment and community of pests and diseases entering, emerging, establishing or spreading in Australia.
Country or Geographic desk	The Department of Foreign Affairs and Trade area that specialises in certain country or geographic location.
drivers	Forces of change, either positive or negative, that affects supply and demand. For example, population growth or limits on natural resources.
economies of scale	That range of production or output over which the average cost of production falls as the volume of its output increases.
Embassy v. High Commission	Embassies are diplomatic missions sent to non-Commonwealth countries, while High Commissions are diplomatic missions sent to Commonwealth countries.
HOM	Head of Mission – the senior Australian Government representative at an overseas mission. HOM are responsible for advancing Australia's national interests, leading the Mission and ensuring the welfare of staff and their families at post. May also referred to as 'Head of Posts' or 'HOP' when referring to a post located in a non-capital city (for example, Ho Chi Minh City, Phuket etc.)
Mission	A diplomatic post overseas. Mission is also used to refer to an Embassy or High Commission.
regulation	A rule or order, as for conduct, prescribed by authority; a governing direction or law.
safe food	Food that is produced in accordance with recommended safety guidelines for the commodity, to minimise risks such as contamination.

sustainability	The capacity for development that can be sustained into the future, within the capacity of the natural resource base. This includes encouraging sustainable agricultural and fishing practices which maintain and improve the natural resource base.
trade barriers	Any regulation or policy that restricts international trade.
white paper	A statement of government policy on a particular issue.

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