

Legislative Review of the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020*

OVERVIEW

Australia's Foreign Relations (State and Territory Arrangements) Act 2020 should rightfully be informed and calibrated by risks to Australian foreign policy, but care should be taken that this does not come at the expense of Australia's foreign policy assets and opportunities.

This submission draws on consultations with four months of consultations with 113 individuals from 93 organisations compiled by the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D) in its recently-released report.¹

The concept of a “whole-of-nation” approach is grounded in the idea that global engagement is not just the domain of core international policy actors but is the role of a far wider constituency. It moves beyond a “whole-of-government” approach to involve a range of other actors including business and investment, science and technology, education, sports, culture, media and civil society.

There is a growing consensus among Australian policymakers and the foreign policy community more broadly that an increasingly challenging and complex external environment necessitates taking a whole-of-nation approach to international policy:

“[N]ational security demands a whole-of-nation effort. It also presents a whole-of-nation opportunity.”

Prime Minister Anthony Albanese, [Address to the National Press Club](#), February 2023.

“Australia faces the most complex and challenging strategic environment since the Second World War. It demands a coordinated, whole-of-government and whole-of-nation approach to Australia's defence.”

Deputy Prime Minister and Minister for Defence Richard Marles, [launch of 2024 National Defence Strategy](#), April 2024.

“[T]he premise of the whole-of-nation approach is that government will not stand alone at the centre of our international engagement. My message to you today is that means all of us have to step up. The Albanese government is committed to leading and facilitating this whole-of-nation endeavour.”

¹ See Asia-Pacific Development, Diplomacy & Defence Dialogue, *What does it look like for Australia to take a whole-of-nation approach to international policy* (Canberra 2024): <https://asiapacific4d.com/idea/whole-of-nation/>

Minister for Foreign Affairs Penny Wong, AP4D parliamentary launch, February 2024.

"This paper sheds light on a pivotal aspect of what must be our nation's trajectory: the idea that we utilise all of our skills, all of our assets, all of our capabilities for Australia to adopt a whole-of-nation approach to its engagement with the world."

Shadow Minister for Foreign Affairs Simon Birmingham, AP4D parliamentary launch, February 2024.

As Australia's relative weight in the Indo-Pacific diminishes, there is a necessity for more purposeful and coordinated Australian statecraft that maximises Australia's assets. Sectors and actors such as education and state and local governments play important and unique roles in Australia's engagement with the world.

Education

Education is an important industry for Australia and a critical arm of how Australia engages with the world. It helps to identify the industries required for the future, how these industries relate to the country's economic and security interests and environmental responsibilities, and how Australia's education systems can best facilitate these desired outcomes. International students likewise provide vital connections to Australia upon returning to their countries of origin.

Some consultees expressed a concern that the research sector and research enterprises often bear the unintended consequences of national security measures. There was a perception that the whole-of-nation rhetoric has primarily been concerned with national security.

Research and knowledge-building are often most effective when they can pursue discovery without directives. This serves longer-term national interests which may not be immediately apparent in a present-day whole-of-nation vision. Yet the research sector also appreciates how complex national security is and understands that there is a balance that needs to be struck.

State, Territory and Local Governments

State and territory and local governments play a significant role in international engagement, in what is sometimes called "paradiplomacy." For example, there are about 100 overseas offices run by state and territory governments and in some countries their footprint is bigger than the Department of Foreign Affairs and Trade and Austrade.

This is not a new development. Australian states have been conducting trade policy and going overseas in the name of national interest since before there was a federation. The constitutional debates saw the States strongly reject the idea that the Commonwealth had exclusive control over foreign and trade policy.

Consultees recognised that the Commonwealth and state and territory governments do not always see eye-to-eye about federalism and constitutional roles. They occupy different political spaces and are accountable to different constituencies.

There is an opportunity to create a whole-of-nation approach through a two-way conversation. Advice from consultees was for the Commonwealth to work to understand what states, territories and local governments are doing and what their goals are; to set up clear lines of communication to demonstrate good faith and manage stakeholder expectations; and to plan for early

engagement and involvement in implementation. It was noted that in some cases this will require support, given resource constraints.

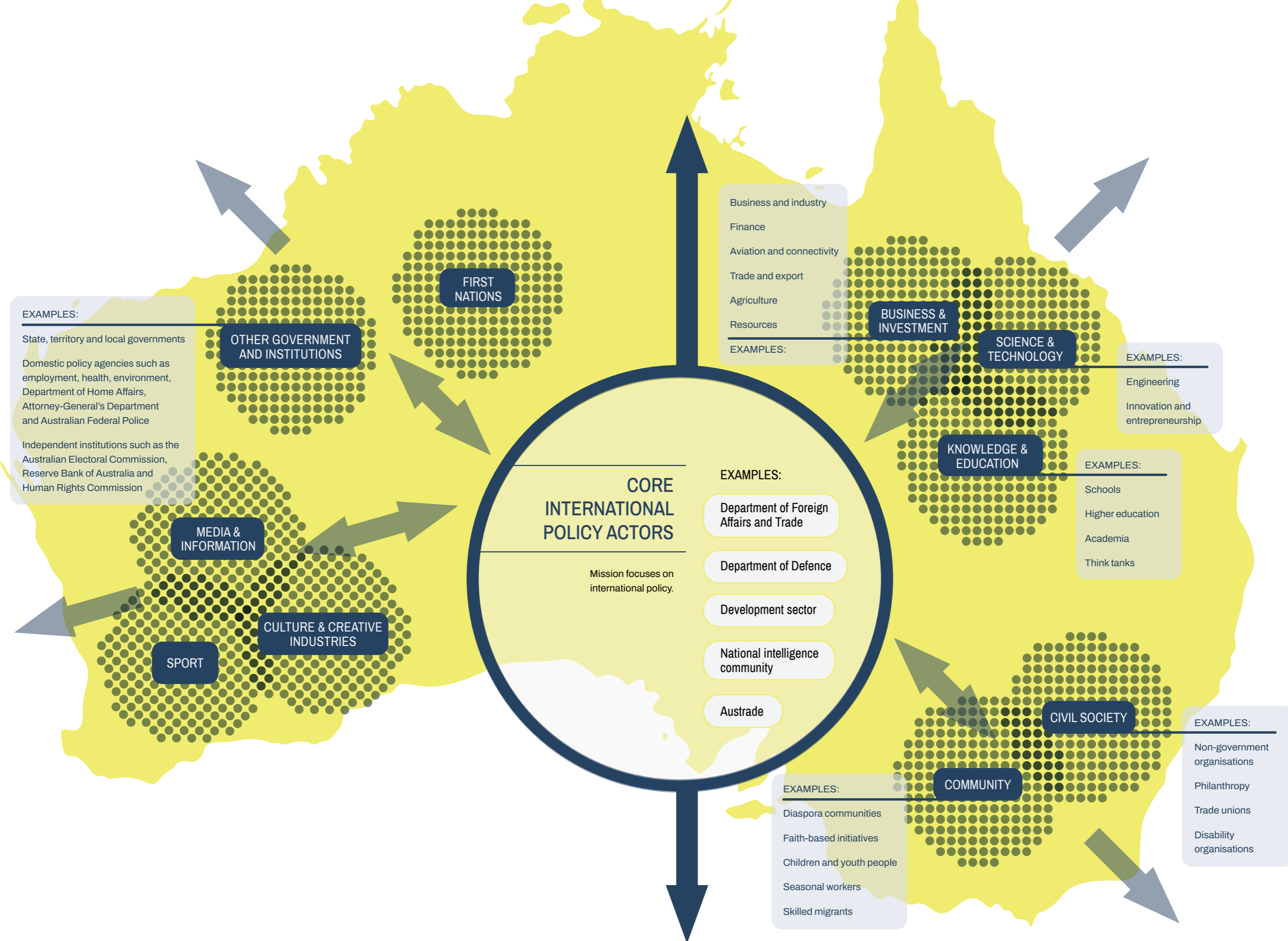
Some consultees expressed a concern that the whole-of-nation approach could, if mismanaged, come to be seen as the Commonwealth paying lip service to the concept, or just conducting a box-ticking exercise, while dictating terms. State, territory and local governments need to feel that they are being taken seriously in terms of their international approach and footprint. Whole-of-nation cannot be about imposing unanimity.

RECOMMENDATION

The Act exists to “ensur[e] that arrangements between a state, territory, local government or university and a foreign entity do not adversely affect Australia’s foreign relations and are not inconsistent with Australia’s foreign policy.” But there is a risk that an overly restrictive framework becomes counterproductive – adversely affecting Australia’s foreign relations by hampering and discouraging the ability of Australian whole-of-nation actors to engage in the international policy space.

While Australia’s approach to mitigating against foreign interference must be robust, it equally needs to be balanced against the necessity of maximising Australia’s international policy assets and opportunities.

The Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D) creates a new dimension in Australia’s international policymaking by bringing together the development, diplomacy and defence communities to achieve new insights, develop new ideas and promote strategic collaboration around shared interests. It is a platform for ideas that encourage more integrated statecraft to maximise Australia’s ability to influence regional and global developments.



FIRST NATIONS

OTHER GOVERNMENT AND INSTITUTIONS

BUSINESS & INVESTMENT

SCIENCE & TECHNOLOGY

KNOWLEDGE & EDUCATION

MEDIA & INFORMATION

CULTURE & CREATIVE INDUSTRIES

SPORT

CIVIL SOCIETY

COMMUNITY

CORE INTERNATIONAL POLICY ACTORS

Mission focuses on international policy.

EXAMPLES:

- Department of Foreign Affairs and Trade
- Department of Defence
- Development sector
- National intelligence community
- Austrade

- Business and industry**
- Finance
 - Aviation and connectivity
 - Trade and export
 - Agriculture
 - Resources

EXAMPLES:

- EXAMPLES:**
- Engineering
 - Innovation and entrepreneurship

EXAMPLES:

- Schools
- Higher education
- Academia
- Think tanks

EXAMPLES:

- Non-government organisations
- Philanthropy
- Trade unions
- Disability organisations

EXAMPLES:

- Diaspora communities
- Faith-based initiatives
- Children and youth people
- Seasonal workers
- Skilled migrants

EXAMPLES:

- State, territory and local governments
- Domestic policy agencies such as employment, health, environment, Department of Home Affairs, Attorney-General's Department and Australian Federal Police
- Independent institutions such as the Australian Electoral Commission, Reserve Bank of Australia and Human Rights Commission