

# Exploring the International Roles of 'Domestic' APS Agencies and their Impacts

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## Introduction

The aim of this paper is to identify and examine the challenges faced by Australian government departments and agencies in the expansion of their international activities. Its focus is not on departments and agencies that have a specialized, largely international role, such as departments of foreign affairs or defence. Rather, it focuses on departments and agencies that, at least traditionally, have had a largely domestic, inward looking orientation, for it is in these organizations that international activities have grown most rapidly in recent years. This is most obvious in the member countries of the EU, where the obligations of membership have involved practically all government organisations, stimulating the growth of the increasingly large, Europeanisation literature. However, even this now very large literature has largely neglected the non-EU related, international activities of government organisations.

The paper argues that, while the challenges faced in the internationalisation process varies by organization, there are a number of significant, common and recurring issues, notably those related to organizational design, strategy, funding, staff recruitment and workloads, and intra- and inter-departmental coordination. It is based on a detailed survey of the primary and secondary literature and a series of interviews undertaken by the author with those responsible for international activities in the Australian Commonwealth Government in 2007-08. The interviews were granted on the condition of anonymity for the names of those interviewed.

Government organisations have faced a range of challenges as the extent and type of their international activities have grown. The selection examined below focuses on the major issue areas identified by those public servants interviewed for this study. Four major issue areas were identified by nearly all of those interviewed, being: planning, strategy, funding and management. In turn, within these four broad areas the more detailed issues they highlighted and that are examined are:

- Difficulties involved in implementing political strategy.
- Persuading colleagues as to the value of international activity.
- The move from reactive to proactive strategies and plans.
- Difficulties in measuring performance in relation to international targets and activities.
- Sources and timing of funding and workload issues.
- Coordination issues.

The paper falls into three sections. The first provides some historical and current detail that indicates the extent and increasing frequency of international activities by 'domestic', departments and units. The second and third sections examine the challenges faced by these departments in relation to planning and strategy, funding and management.

## Historical and current background

There is a temptation to regard the international involvement of domestically oriented departments as of relatively recent origin, and largely stimulated by the forces of globalisation. However, even a cursory glance at the history of departmental involvement shows that this is not the case. This is most obvious in relation to the UK, where Australia's status as a number of British colonies and then a member of the Commonwealth, ensured that international links with corresponding UK departments developed at an early stage and continued for many decades (Carroll 2008a). A similar situation exists in relation to New Zealand, where Australian and New Zealand departments have had close, informal and formal links for many decades, for example, in relation to the policy of Closer Economic Relations (CER), and the Trans-Tasman Mutual Recognition Agreement (see Patman 2001).

The early focus on relationships with the UK began to change, if slowly, during the Second World War, as Australian attention focused increasingly on relationships with the USA. Initially, this was largely for reasons of security, but broadened to include economic and social reasons as the American dominance in international trade and finance became evident (see, for example, Murchison 1994, Tange 1996). Not only did the focus of departmental activities expand to include the USA, but the frequency and intensity of that involvement increased, especially in relation to the increasing number of formal treaty obligations that had domestic implications. The 2004, Australia - United States Free Trade Agreement, for example, required Australia to ratify the World Intellectual Property Organization's (WIPO) Performances and Phonograms Treaty 1996, and the WIPO Copyright Treaty 1996, in line with USA ratifications. This sparked off, in turn, a surprisingly large number of changes to existing Australian policies, administered by a range of departments, to put them in line with equivalent US policy. These changes involved: the *Copyright Act* 1968; the *Customs Act* 1901; the *Customs Tariff Act* 1995; the *Agricultural and Veterinary Chemicals Code Act* 1994; the *Australian Wine and Brandy Corporation Act* 1980; the *Life Insurance Act* 1995; the *Foreign Acquisitions and Takeovers Act* 1975; the *Commonwealth Authorities and Companies Act* 1997; the *Therapeutic Goods Act* 1989; the *Patents Act* 1990; the *Telecommunications Act* 1997 and the *Broadcasting Services Act* 1992 (Zanker 2004).

This increase in the range, frequency and intensity of bilateral relationships extended to a wider range of Asian and Pacific countries from the 1960s, and it was accompanied by a significant growth in multilateral relationships, including, for example, the UNO, GATT/WTO, IMF, OECD, and, more recently, APEC, to name a few of the larger, more well known organisations. The Department of Agriculture, Fisheries and Forestry (DAFF), for example, has made considerable use of the OECD, particularly its Committee on Agriculture and Joint Committee on Trade and Agriculture, to highlight what it regards as the trade-distorting impacts of the EU's agricultural support policies, arguing that the cost of such policies should be included in OECD estimates of support to European agriculture. Similarly, its IP Australia division has provided advice to the Department of Foreign Affairs and Trade (DFAT), team negotiating a dispute that had been initiated with the WTO regarding the EU's policy related to trade marks for wine.

Departments also have increasingly compared their domestic performance with the performance of other countries, making substantial use of data developed by international organisations such as the OECD. The former Department of Industry, Tourism and Resources (DITR), for example, used OECD innovation data to assess Australia's innovation performance. Indeed, most departments now work regularly within several international organisations on a wide range of issues.

Before the coming to office of the Rudd Government, as of June 2008 there were three Australian departments and twelve agencies devoted primarily to international work within Commonwealth Government portfolios, with seven of the specialised agencies, unsurprisingly, being in the Defence and Foreign Affairs portfolios. However, five of the twelve internationally specialised agencies were in the domestically focused portfolios of Attorney-General's, Department of Agriculture, Fisheries and Forestry (DAFF), Transport and Regional Services (DOTAR), and Prime Minister and Cabinet (PMC). Interestingly, the largest internationally specialised agency in terms of staff, at 5,450, is the Australian Customs Service (ACS), which is based in a non-internationally specialised portfolio, Attorney-General's. There were also *forty five* specialised international units within the domestically focused departments. Only two departments, the Department of Veterans Affairs (DVA), and the Department of Human Services (DHS), had no specialised unit in regard to international work.

If we exclude those departments specialised in international activities (DFAT, Defence, Immigration and Citizenship), four of the remaining fourteen had one major division with substantial international responsibilities (Treasury had six units with the title division, but these are similar in most respects to branches in other departments). The non-specialised departments and agencies ranged widely in terms of size, from the very small, such as the Foreign Investment Review Board, an advisory body within the Treasury portfolio with a chair and three members, assisted by a small secretariat and annual expenses of approximately \$120,000, to the largest, the ACS, with 5,450 staff and annual expenses of \$1.2 billion. It was not possible to identify all possible sections with international responsibilities as they are not always identified in published documents.

The types of internationally related work undertaken vary a great deal but, in summary, and excluding the wholly, internationally specialised organisations, they include nine broad sets related to:

- Establishing, maintaining and further developing international relationships.
- Domestic policy development and advice.
- International policy development, usually within the context of international organisations, but sometimes on a bilateral basis, notably with New Zealand.
- Research (including monitoring and assessment of overseas developments, but excluding applied research for policy purposes, which is included under domestic and international policy development, above).
- Promotional and facilitative functions.
- Capacity building on and offshore – in essence the provision of technical aid.
- Coordination functions.
- Regulatory functions.
- General administrative functions.

## **Planning and strategy**

As noted by Stewart, departments and agencies in Westminster-type systems are able to engage in strategic planning 'only fitfully' as they are

...constrained by the processes, procedures and routines of Ministerial and Cabinet government, and more generally, by the conventions of Westminster-based Ministerial responsibility (Stewart 2004: 17).

However, this does not mean that they have little influence on policy, though the bulk of their activities are concerned with what Stewart describes as organizational or managerial strategy, rather than policy strategy, the latter being the domain of ministers and relevant advisers (2004: 19-20). In the senses defined, organizational strategy is what a department does to meet the needs and expectations of its stakeholders as expressed in policy strategy. Managerial strategy consists of the technical activities of budget-making, reporting and operational decisions. International activities, in this context, are overwhelmingly concerned with organizational and managerial strategy, what is often referred to as the implementation of policy.

Hence, it is perhaps not surprising that most departmental mission statements and corporate plans rarely make reference to their international activities as strategic objectives. Rather, they are means to an end. The Department of Health and Ageing's (DHA) Corporate Plan, for example, makes no direct reference to its international activities (Department of Health and Ageing 2006). Similarly, in relation to its 2008 planned annual outcomes, fifteen in total, only one makes any explicit reference to an international dimension, number fifteen, which aims at the development of a stronger and internationally competitive Australian sports sector (Department of Health and Ageing 2008:34).

It is only when the researcher moves into the details of organizational and managerial strategy, focused on the achievement of departments' specified outcomes that the international activities become more evident. In regard to the DHA's aim of ensuring a more responsive industrial chemicals regulatory scheme, for example, it benchmarks its performance against comparable international regulatory schemes, works to align itself with international regulations, considers harmonization with comparable international regimes and develops bilateral arrangements with major trading partners (Department of Health and Ageing 2008: 57-8). Further detail is then provided in the Budget papers where relevant indicators and/or targets are listed in relation to each output. In regard to Outcome One, for example, the DHA aimed at an  
Influential role in international assessments of regulatory approaches, and methodologies for incorporation, as appropriate, into Australian industrial chemicals assessment and management systems.

This was to be achieved by means of

Active participation in international harmonisation activities and progression of bilateral relationships (Department of Health and Ageing 2008: 70).

In addition, the 'International Policy Engagement', activities of the Department, including membership of WHO, OECD and APEC, were to involve a total of \$11.6 million (Department of Health and Ageing 2008: 159). This total does not, however, include the Department's full range of programmes that involve international activities, only those involved with the provision of policy advice and the membership of the three international organizations.

Interviewees noted, with varying degrees of emphasis, four recurring issues in regard to operational and managerial strategy:

- one, the challenge of turning policy strategy into feasible organizational and managerial strategy;
- two, persuading colleagues of the value of international activities;
- three, moving from a reactive to proactive stance;
- four, specifying measurable objectives and targets.

*Turning policy strategy into feasible organizational and managerial strategy;*

The task of turning policy strategy into organizational and managerial strategy was reported as an infrequent, but important and often challenging task, taking place on those occasions when a government (often an incoming government), made significant changes to existing policy. The first of the Howard governments, for example, put an increased emphasis on the need to promote greater international trade and this change in emphasis was reflected in the Department of Health and Family Service's 1996-97 Budget, although it was not worked out in detail until the 1997-98 Budget (Department of Health and Family Services 1996, 1997: 7.4). While senior public servants in the departments were by no means unaware of the existence of international trade in health services, they were uncertain as to its current extent, its potential and how it might be achieved. Nor did the Government provide useful, detailed guidance on the matter. The result, as might be expected, was a substantially increased need to consult with departments that possessed such expertise and, to a limited extent, the recruitment of staff with relevant qualifications and experience both before and after an organizational strategy could be developed. In turn, more detailed and precisely targeted programs gradually emerged that required greater managerial resources, leading to greater demands on the budget (see the successive budgets for the Department and its successors in this area as noted on its website).

In terms of managerial strategy the promotion of trade in health services necessitated an increased sensitivity, for example, to regulatory barriers to trade in international services and the work of those international organizations that played a major role in regulating such trade, notably the WTO, WHO, the OECD and, to a lesser extent, the World Bank (Kaasch 2007). It required new and intensified efforts by departmental representatives within those organisations to persuade and work with the representatives of other governments and organisation secretariats to reduce regulatory barriers to trade in health services, a politically sensitive area for all governments. Importantly, it also required the recognition that the successful promotion of trade in health needed the effective coordination of Australian efforts within not just the WHO, traditionally at the heart of the global governance of health, but also within the WTO, WIPO and the OECD, organisations with which the DHA of 1996 had relatively little familiarity. Achieving the needed coordination meant, in turn, close and effective coordination between the DHA, DFAT, interested industry actors and Austrade. Consultation with Austrade, for example, with a new emphasis upon trade in health services, resulted in the increased range of advice Austrade now provides for potential exporters in this area, provided by a specialized team of officials (Austrade 2008).

The task of turning policy strategy into effective organisational and managerial strategy is, thus, a challenging one as governments often do not make the objectives of their new or modified policies specific, also sometimes underestimating the capacity of departments and agencies to respond to the desired changes. It is a task made even more difficult by the Government's often very limited authority and influence in the international context, whether in a bilateral or multilateral arena. In the latter case, for example, the difficulty of gaining international agreements to open up trade in health services, as with services in general, can be seen in the very limited progress made in the WTO's Doha round of negotiations, underway since November 2001 (Baldwin 2007).

### *Persuading colleagues of the value of international activities*

While of variable concern, several of those interviewed noted the continuing need to defend the value of their international activities and also to convince departmental colleagues as to the value that could be gained by their undertaking relevant international activities, both when proposals first arose and then on a regular, annual basis. This was particularly the case where

the current government or responsible minister had not made the need for international activities both explicit and specific in regard to a policy area. One interviewee noted that ...there is a tension with the rest of the Department, with its domestic focus, in trying to get Ministerial and senior staff attention for international issues. Not that staff do not realise the importance of international, but they have a heavy domestic day to day workload that is more visible and that tends to drive out international. It's a cultural issue also, staff from Trade and Agriculture and Industry are used to thinking in terms of markets, especially international markets, but many DEST staff are not, they have a 'social policy', domestically oriented focus.

Others noted that their international trips were often regarded as a 'junket', by staff in other areas, especially where they involved travel to attractive destinations such as Paris and Geneva, and that there were some

...recurring difficulties with other divisions that tended to view our Division as an 'outsourced DFAT', plus we had to sometimes push or coerce other divisions into international activities...

Particularly irritating were the repeated, annual demands from the Department of Finance and Deregulation as to why departments such as health and education were engaged in international work, with comments as to 'why it wasn't being done in AusAID', especially from 'lower level' and 'old school', bureaucrats.

However, most also noted that both the need to defend or to promote international activities had become less frequent during the latter half of the 1990s as such activities became more commonplace, and increasingly accepted as a normal part of departmental work.

#### *From reactive to proactive strategy*

A number of interviewees noted that strategy had become more proactive in recent years, in contrast to the bulk of their early international work, which was characterised as being somewhat reactive. Much of what took place then, they indicated, was determined by:

- one, sudden, unexpected, international developments, in the form of natural disasters such as earthquakes and tsunami, or unexpected domestic political developments in neighbouring states;
- two, by the need for attendance at regularly scheduled international meetings, notably at international organisations, but also bilateral meetings.

They noted that over time planning for international activities had become far more proactive, based on the annual development of specific plans for achieving a range of policy objectives, annual plans guided by longer term strategies articulated in the PBS. It was stressed that, nevertheless, international activities still sometimes involved the need to react rapidly to unexpected developments, for example, outbreaks of avian influenza in South East Asia.

The increase in planned and more systematic international activities has been particularly noticeable in both DAFF and DHA. In the former case, there has been a rapid increase in offshore activities designed to increase the governance capacity of states such as Indonesia and the small island states of the south and west Pacific. These have focused, for example, on programs intended to improve plant, animal and human health procedures related to the export of plant and animal products for the Australian market. The aim is to reduce the incidence of exclusion of such products from Australia by customs, characterised as a largely reactive response, and, in so doing to improve bilateral relationships, increase trade, safeguard public health and, of course, reduce customs costs. The motives involved were described as a mixture of humanitarian and economic, though several stressed the increasing emphasis upon the benefits of proactive planning for Australian trade.

## *Measuring objectives and targets*

While the development of a more proactive stance was noted it has not been without its difficulties, with interviewees repeatedly noting the challenge of setting clear, specific and measurable objectives and targets for their international activities. This is apparent on an examination of departmental budget statements, where it is rare to find examples with these characteristics in relation to international programs. In the case of DAFF, a department that has a complex set of international activities, one of its key international outcomes is improved access to international markets, yet its planned activities are rarely quantified and are often somewhat vague. One of its targets, for example, is that

Australian Government agreed strategic objectives are achieved in the development of international standards throughout 2008–09 (DAFF 2008: 54).

Yet, the reader is not provided with a list of these strategic objectives, nor the international standards in question, nor a reference to where they might be obtained.

It is not that officers are unaware of the lack of precision and measurability of such targets, but that it is often inherently difficult to measure work performance where international discussions and negotiations regarding policies, regulations and standards is involved. The increasing development of bilateral free trade agreements was an area of work that was repeatedly noted in this regard, work made even more challenging by its rapid and largely unforeseen growth in the last decade, with Australia having

...concluded free trade agreements with New Zealand, the United States, Singapore and Thailand and is currently negotiating with ASEAN (jointly with New Zealand), China, Japan, Chile, Malaysia and the Gulf Cooperation Council. Feasibility studies on possible free trade agreements are being conducted with India, Indonesia and the Republic of Korea (DFAT 2008a).

A good example of the difficulties involved in determining strategy and measuring performance in the international arena can be seen in relation to the Australian Tax Offices's (ATO), work regarding the concealment of assets in offshore tax havens. Its analysis of Australian Transaction Reports and Analysis Centre (AUSTRAC) information showed that over the five year period 2001-02 to 2005-06 total direct transfers regarding tax havens increased from A\$5.8 billion to A\$13.7 billion, an increase of some 230% (ANAO 2008: 11). In brief summary, ATO work to ensure that Australian taxpayers do not make illegitimate use of tax havens is made extremely difficult because of an inability to easily access information, so that the illegitimate use of tax havens adversely impacts the national revenue base. Hence, it developed a risk management framework for its compliance work in order to enable a more effective, strategic approach to guide its detailed efforts (ANAO 2008).

However, while the ATO was praised for its attempts to adopt a more sophisticated strategy for dealing with this issue, an Australian National Audit Office performance report found that the key steering committee responsible for determining strategic direction had not met in accordance with its charter, failing to provide the expected, high level coordination needed for the approach and, importantly, that there was

...often no direct link between the measurement and the key outcome. A key management challenge for the Tax Office is how to measure the effectiveness and utility of their compliance strategies as they evolve in response to the changing nature of the risks (ANAO 2008: 13-14).

## **Funding and Managing operations**

The issues associated with funding and managing operations varies both across and within departments and units, in large part determined by the nature of their work and the environment within which it takes place. The International Quality Branch in the Department of Education, Employment and Workplace Relations (DEEWR), for example, has a regulatory role, aimed at protecting the interests of international students and the reputation of Australia's educational system in overseas markets by ensuring compliance with the regulations. As a result it is faced with the challenge of working within a network of often tense relationships with a number of actors with sometimes conflicting responsibilities:

- one, with the other branches within DEEWR concerned to increase the numbers of international students studying in Australia, rather than to regulate the behaviour of education providers;
- two, with public and private providers of education, especially when faced with the collapse or possible collapse of a private provider, such as the collapse of A to Zed International Pty Ltd, trading as the Australian School of Business and Technology (Australian Education International, 2008);
- three, with state departments of education, given that the federal regulation relies on complementary state regulation for effective implementation

In contrast, the International Branch of DHA, for example, working within its Portfolio Strategies Division, has a less complex policy development and coordination role, providing strategic input regarding international issues into whole of department policy processes, facing much the same type of general issues as do all policy and strategic development divisions. Hence, the list of issues outlined in this section, for lack of space, focuses only on a small range of those indicated by interviewees, as follows.

### *Funding issues*

As with all departments, the funding of international activities takes place predominantly within the four year Portfolio Budget Statement cycle (PBS). In relation to international activities it was described by most of those interviewed as in many respects a 'bottom-up' process, especially as regards budget planning. It started, typically, from an estimate of the costs of mandatory international contributions to international organizations such as the UN, the OECD and the WTO and the costs associated with the desired level of engagement that was seen as essential to maintain and pursue Australian interests e.g. how many staff visit the WTO, with what frequency, etc. Hence, the bulk of the departmental units responsible for international work did not have to go through the full details of the annual budgetary process to gain approval for their international and related activities, as most were already agreed. Rather, within the context of the budget allocation the focus was on the development of annual plans as to the extent and type of international activities to be undertaken, focusing only on changes to those already planned for the longer, four year PBS cycle.

While the funding process is thus largely routinised, three issues were emphasized by those interviewed:

- one, the fact that funding for their activities often came from several different program sources, posing a coordination problem at the unit level that they experienced less often with domestic activities;
- two, unexpected international developments and the costs involved;

- three, as signatories to international treaties and a member of a wide variety of international organisations, the annual increases in costs involved were difficult to control, given that they required the agreement of the other members of each organisation in question.

In DAFF, for example, the funding of international activities, notably offshore staffing, comes from several sources, including IFAS, the National Food Industry Strategy, the illegal fishing, Northern Australia initiative, plus from the relatively few activities funded directly by DAFF's International Division. As one interviewee noted in describing the complexity of funding '...it's a bit of a jigsaw puzzle as to how we fund these things.' This is a situation with advantages and disadvantages. It means that divisions and branches dependent, at least in part, on funds from programs under the control of other divisions and branches, or even other departments and agencies, are more vulnerable when it comes to funding cuts, given their relative lack of bargaining power. Their ability to persuade the funding unit as to the worth of their international input is of crucial importance in such situations. However, at least when it comes to major funding cuts where it is commonly regarded as easier to cut whole programs rather than parts of several separate programs, a unit whose funding comes from several programs is in a somewhat securer position, assuming that no one of those programs constitutes the bulk of its funding.

In regard to the unbudgeted costs of unexpected international developments the challenges imposed have varied. In general, the larger and more severe the development, such as a major natural disaster, the easier (relatively speaking), it is to gain additional funding e.g. activities adversely impacted by the 2004 Boxing Day, Indian Ocean tsunami – the sheer scale of the disaster seems to open up the Cabinet's purse. It was with smaller scale issues that funding typically becomes more difficult, for example, with those caused by the frequent delays to the WTO's Doha Round negotiations, or the costs associated with WTO dispute resolution cases involving Australia.

The cost of Australian membership of international organisations is significant, estimated at \$259 million for 2008-09 (Australian Government Budget 2008: 25). As noted, from a resource and funding management viewpoint controlling these costs represent a significant challenge for departmental managers as the task of identifying and, most of all, gaining agreement to cost savings in international organisations is extremely difficult, if not impossible although, for the most part, membership funding is carried on DFAT's budget. As described in the latter's annual reports over a number of years, it has constantly pushed for cost-saving reforms and budget discipline to international organisations, especially the UN organisations, with little evidence of success (DFAT, 2008b: 116). This is also an area where some of the output measures of DFAT activities intended to indicate the success of the department and its staff seem to work in directions other than those which might be taken in the interests of economy. In regard to the measurement of DFAT's Output 1.1, Security, Nuclear Disarmament and Non-Proliferation, for example, two of the 'Quantity', indicators are:

- Number of representations made to other governments and international organisations in support of Australia's international interests
- Number of international meetings or negotiations (DFAT 2008b: 137).

There is no indication of a 'quality', indicator that involves a calculation of the costs involved in such representations, meetings or negotiations.

The difficulties associated with this area are highlighted in DFAT's performance measures for 'Administered items for Outcome 1 Contributions to international organisations', where the quality indicator is the

- Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organizations,

and the quantity indicator is the

- Number of international organisations to which Australia contributes (DFAT 2008b: 164).

While timeliness of the payment of dues is undoubtedly of some importance, it would surely do no harm if these indicators were complemented by one or two related to targeted reductions in expenditure on membership resulting from greater organizational efficiencies in bodies such as the UN, the WTO and the OECD.

### *Workload issues*

Given the reported increase in international activities noted by all of those interviewed, it is not surprising that most also reported increased and sometimes initially unfunded workloads as an issue, though of varying degrees of importance, depending on the rate and extent of the increase. One official from DITR noted that

International activities have been relatively stable over the last five or six years. There had been a ratcheting up over the years, but not in the last few years.

In contrast, a colleague working in Invest Australia, a unit within the DITR portfolio, noted that its work had grown substantially, both by reorganisation and with additional staff and funding, though it was also noted, with a distinct sense of relief, that 'At the moment we're catching our breath!' Three Treasury officials noted that

... International work had expanded gradually over time in terms of extent and importance...

At the other extreme, an official in DAFF noted that

The Bilateral branches had been faced with a dramatic increase in work in recent years in relation to the expanding number of FTAs in which Australia was involved.

Even where there is a seeming reduction in international workloads closer examination sometimes reveals a change in how that work is conducted, rather than an actual decrease in the extent of work. DITR, for example, at the time the interviews were conducted in 2007, was planning to reduce its six offshore staff to three. However, as explained to the author, DITR's overall international engagement had actually grown and was likely to continue to grow, but the means used for international activities had changed, with much greater use of electronic means of communication rather than a physical presence offshore.

The increase in workload was not confined to the specialised international units in departments, but also involved a range of branches that added an international dimension to their work, either by running training programs for visitors or by offshore work. In several cases the increased load consisted either of new activities or an increase in the intensity of existing work. DAFF's two Bilateral Trade branches, as noted above, were faced with a dramatic increase in their workloads after 2000 in relation to the expanding number of free trade agreements in which Australia became involved. This entailed a considerable range of activities, from additional and recurring consultation with interested parties, both inside and outside government, to high level economic analysis as to the possible impacts of free trade for a range of agricultural products,

extensive coordination with the relevant DFAT team coordinating work at the whole of government level, and negotiations with officials in the other country.

As well as new activities most interviewed noted a substantial increase in the work involved in hosting visiting staff from other countries, or delegations keen to learn how DAFF undertook its work. The causes of the increase were several, but, in particular, the move to a more proactive stance in international work regarding capacity building in neighbouring states was singled out as a prime cause. Areas of greatest interest included departmental work and procedures in relation to quarantine and how it managed its involvement with international organisations such as the WTO, to the extent that the department annually had more overseas requests for such sessions than it could cope with, having to turn down several requests for such visits and meetings.

The increased emphasis on capacity building has also resulted in an increase in offshore work by departmental staff, though the extent and type varies greatly between departments. In DAFF, offshore work based on funding largely provided by AusAID, is for a variety of training programs in plant and animal health, plus the setting up of surveillance mechanisms for diseases. Much of this work relates to quarantine policy and three sequenced areas of work, pre-border, border and post-border activities e.g. to help control avian flu initiatives in Indonesia so as to stop it spreading to Australia, or the control of foot and mouth disease in Thailand. The DHA has had similar experiences, especially in relation to health security, with a noticeable increase in the provision of onshore training and advice to public servants from the Asia-Pacific region. As one senior official in the DHA noted in regard to capacity building and workloads,

We've deliberately gone out with Government encouragement and targeted countries such as Vietnam, Indonesia, and China. This led, for example, to the creation of an Office of Health Protection, now the area that's driving that sort of international engagement. We are much more proactive than we were – as diseases, for example, cross state boundaries, so we need to respond internationally. It's in our national interest, as well as being a good corporate citizen, to help and work in the region, with a focus on capability building in countries such as the Solomons and PNG, which have very limited health systems and resources. So we actively work with them, for example, in building up their executive leadership. We meet two or three times a year with heads of health areas in the region, quite informally, as well as providing technical assistance. It's not done through multilateral organisations such as the WHO, though they know about it and are happy with it.

In most cases interviewees noted that funding for increased international workloads eventually did 'catch up', with the workload so that pressures had eased over time for those activities which had become an established part of the Department's activities. It was only in those departments, notably DAFF and DHA, that the increase had been more or less continuous, with work pressure unremitting.

Several officials also noted that it was difficult to judge the actual international workload of colleagues as: one, it sometimes took place offshore, making observation of the actual load difficult; two, a great deal of it took place via the phone, email and video conferencing, again making its extent and impact difficult to assess; three, that, at least on occasion, the increase in workload reported by staff was a short term phenomenon caused by having to gain new knowledge regarding the international area involved.

#### *Intra-portfolio and inter-portfolio coordination*

Without exception, all those interviewed indicated that the coordination of work both within and across departments and agencies had become a substantially more demanding and important task as the range and type of international activities had grown. This has resulted in most departments either establishing one or more coordinating units at branch or divisional level, or assigning that responsibility to an existing unit in the attempt to ensure whole of department coordination of international activities, from the planning to implementation phases of their work (Carroll 2008b). The coordination work identified as most significant and challenging fell into two broad areas:

- Intra-portfolio coordination, across the range of divisions, branches and portfolio agencies, including coordination with off-shore staff in embassies, international organisations and seconded to other governments on a range of projects.
- Inter-portfolio coordination, across all relevant departments and agencies.

The extent and focus of the coordination task in any of these two broad areas varies greatly across departments, with those most heavily involved in international work typically having the largest units, often at divisional level, sometimes with several branches responsible for coordination in specialized areas of work. Hence, it is difficult to generalise about the issues involved. DEEWR's International Group, for example, has four specialized branches regarding the international dimension of education, with several others working in the areas of employment and workplace relations (DEEWR 2008). Similarly, DAFF has four specialized branches in its Trade and Market Access Division, two on a bilateral and geographic basis, plus one for fisheries matters and one for multilateral trade, focused primarily on the WTO and OECD. At the other extreme the Department of Human Services has no specialized coordinating unit responsible for international activities, such work being a part of its general Policy and Strategy Division. It should be noted that the lack of a specialized unit does not mean that the Human Services Portfolio undertakes no or limited, international activities, given the extensive international child support work of its Child Support Agency, governed by a series of international agreements (CSA 2008).

In regard to intra-portfolio coordination the experience of most departments reveals what seems to be a common, three stage sequence of developments to improve coordination: one, reaching the agenda; two, structural differentiation and planning; three, further structural differentiation.

The first stage commences with a realisation that a number of different branches are undertaking international activities, activities that often have unanticipated, cross-branch implications. The realisation first emerges in the informal, person to person, particularly supervisor to supervisor communication most characteristic of coordination processes. Where international coordination issues then become more frequent it sparks further discussion at more formal, inter-branch or/and divisional meetings, in turn leading to them becoming a regular item on committee agenda. As an official from the Department of Environment and Water noted

The biggest change in the Department's international work is that it has become much more integrated, because branches tended to act separately with little coordination, or staff failing to write reports following attendance at, for example, World Heritage meetings.... Other departments had similar problems but we are now regarded, as noted in PM and C recently, as much more 'zipped up'.

Similarly, over time international issues then gain a more prominent place at the highest level, on the departmental Executive committee, or, in departments such as Environment and Water, the creation of a specialised, department-wide, International committee (sometimes a sub-committee of the Executive committee). Interestingly, while several departments had

established specialised international committees, most of them have been wound up after varying periods of time. As a senior DAFF official noted

We have no specialised, DAFF international committee, though it was tried in the past and failed, perhaps because too many junior staff were becoming involved, with too low a status. All the Deputy Secretaries now have international responsibilities of one shape or another, so the aim is to ensure that international work is seen as a normal part of the work of the DAFF.

A second stage occurs as international activities grow even further in extent, frequency and importance, typically leading to one or more of three developments: one, the assigning of whole of department coordination responsibilities to an existing branch or division, often the relevant departmental policy branch; two, the creation of an entirely new international branch with primarily coordination responsibilities; three, the development of whole of department, division or branch international plans of various types, often accompanied by the creation of one or more advisory committees to provide advice from non-governmental stakeholders, such as the Stockholm and Basel Policy Groups in the Department of Environment and Water. One senior official at Deputy Secretary level indicated that one of the important drivers for this type of structural differentiation and specialisation was

Much more heightened awareness of cross over issues, for example, the EU might be running with seemingly unrelated issues in differing international fora, but then they turn out to be related, part of a strategic move by the EU, and we've had to develop a greater whole of department or whole of government awareness of this.

A DITR official stressed the importance of both plans and the process of planning as effective forms of coordination, both in making staff aware of the need to be aware of the wide ranging implications of some types of international activities and, of course, in providing a guide to the staff involved.

A third, less common stage in the sequence of coordination stages as international activities grow, most evident in DAFF and DEEWR, is a further structural differentiation within the unit responsible for international coordination into a series of specialised coordinating branches, sometime accompanied by organising the differentiated branches into a new division. DAFF, for example, now has a Trade and Market Access Division containing: one, a Multilateral Trade Branch, coordinating departmental activities related to international organisations, notably the WTO; two, an International Fisheries Branch; three, a Bilateral Trade Branch with responsibilities for the Americas, South East Asia, Indian sub-continent and Pacific; four, a Bilateral Trade Branch responsible for North Asia, Europe, Middle East and Africa. Each of the branches usually has a range of responsibilities in addition to coordination, most often providing support for the relevant international activities of line branches within the Department.

As with the need for intra-portfolio coordination, there has been an increase in the need for inter-portfolio coordination, for example, in regard to trade and export development and promotion, involving as many as eighteen different departments and agencies (ANAO 2000: 12). The aspects noted by interviewees focused on: one, the fact of growth in the volume and intensity of such coordination, especially with, and by, DFAT; two, the increased use of newer means to achieve coordination. The need for inter-portfolio coordination, already evident in most departments, was given added impetus in 2002 by then Prime Minister John Howard, who noted that

Some of the most challenging policy choices faced by government are those that cross the traditional boundaries between Cabinet ministers' portfolios and between the Australian, State and Territory levels of government... (T)asks that run well beyond the remits of individual ministers...are whole of government problems and their resolution requires a long-term strategic focus, a willingness to develop policy through consultation with the community and a bias towards flexible delivery that meets local needs and conditions (Howard 2002).

The need to achieve better inter-portfolio coordination was then taken up as a priority by the key Management Advisory Committee whose key report stressed the need for coordination to meet international demands in a world where not only DFAT, but other departments had primary responsibility for international activities (Management Advisory Committee 2004: 25-6). In particular, it was felt that

Building a stronger culture of consultation on international activities is important, given the increasing linkages between international issues and domestic policy matters (Management Advisory Committee 2004: 26).

The responses of those interviewed in 2007-8 suggested that such a culture had been established in relation to international activities, with several noting that both the processes of, and the outputs from, interdepartmental coordination had been more positive in recent years, with comments such as '..links with DFAT are better...', '... the Taskforce works closely with DFAT...', '...the relationship with DFAT is very important...', and 'Engagement with overseas posts is now much better, using the DFAT systems.' An ANAO review of DFAT's management of Australia's bilateral relations also found that feedback from other departments regarding its performance '...was consistently positive....', and that DFAT engages in a timely manner with other Australian Government agencies in the implementation of bilateral priorities—both planned and in response to unexpected developments (ANAO 2004).

The area noted most frequently by interviewees in regard to coordination with DFAT was that involved with the increasing number of free trade agreements entered into and planned from 2000 onwards. The work involved typically focused on the use of the coordinating device of a special purpose team of officials drawn from DFAT and other relevant departments, notably DAFF and DITR, rather than the traditional interdepartmental committee (IDC), which was regarded as 'too slow'. In turn, the core team was supported by officers in a range of departments, based on their expertise (Goode 2005).

In addition to the above developments departments sometimes establish a temporary, cross-branch or cross-departmental, project-based unit to deal with issues of complexity and political sensitivity. This is illustrated by DAFF's Apples Taskforce, set up in 2008 within its Trade and Market Access Division to coordinate input regarding the case brought to the WTO by the New Zealand Government regarding Australia's quarantine measures for apples imported from New Zealand. As well as various branches within DAFF, the Taskforce works closely with DFAT, the Attorney-General's Department and Australian representatives at the WTO (DAFF 2008:100).

However, while coordination via specialised project teams has grown, as has the introduction of whole of government, special purpose agencies such as the Australian Greenhouse Office, most interviewees stressed that the most typical and frequent means of coordination was still informal, person to person communication, often on a face to face basis and, increasingly important, by means of the now ubiquitous email (Management Advisory Committee 2004: 39).

### *Implementing international treaty obligations*

Finally, an area noted by those in several departments concerned the rapid increase in the work involved in ensuring Australian observance of its obligations springing from international treaties, including, but not restricted to the FTA's noted above. Since 1990, for example, some

- Ninety eight treaties have been acceded to, but not yet ratified or entered into force
- One hundred and sixteen treaties have been ratified, but have not yet entered force, and, most dramatically,
- Six hundred and sixty nine treaties have entered into force (DFAT 2008c).

The work involved in regard to these treaties varies a great deal, depending on the nature and extent of the treaty. It includes work on their development and negotiation, such as those involved in FTA's as described above, plus, usually, a National Interest Analysis and Regulatory Impact Analysis. Similarly, there is work involved in their implementation, though this may range from no additional activity where Australia's existing legislation fulfills the treaty obligations, to substantial work on new legislation or substantial alterations to existing legislation and its implementation. As a member of the WTO, for example, Australia is committed to participation in its rules-based activities, notably its complex dispute settlement process, and the administration associated with being a party to such a dispute is considerable e.g. the case brought by New Zealand in regard to the importation of apples into Australia that led to the creation of an Apples Taskforce in DAFF (DFAT 2008e, DAFF 2008:100),

Substantial work on reporting on performance in relation to implementation and compliance sometimes takes place, though this is not always required. However, many treaties establish a committee or small secretariat that monitors signatories' implementation of obligations, usually by way of reports from the signatories, requiring variable, but significant workloads. The United Nations Human Rights Committee is responsible, for example, for monitoring the implementation of obligations under the *International Covenant on Civil and Political Rights*, and requires regular reports (DFAT 2008d).

### **Conclusion**

The expansion of the international work of 'domestic', departments and agencies has resulted in a number of challenges for those concerned, many experienced in common, but with variations in extent, intensity and persistence. The bulk of the variations can be accounted for by the nature of the work involved, the capacity of the departments in question and the demands posed by their specific international environments. Similarly, the responses to the challenges often took a similar form, such as the increased recruitment of staff to cope with increasing workloads, increased funding from a variety of sources, increasing structural differentiation, increasing use of new communication modes, notably email and, to varying extents, a cultural shift in attitudes as to the value of international activities. Also, what is very evident has been an increasing need for coordination within and between departments and agencies, a need met with a variety of responses, up to and including the development of new, theme or project based units with a whole of government remit.

What is also evident is the research opportunity this process of internationalisation has made available for scholars. These include questions such as:

- What has been the performance of the varying responses to coordination needs by different departments?
- Which of the several organisational responses to growing international workloads has been most effective, and why?
- What has been the policy and administrative impact of the learning opportunities presented by increased international activity?
- How has Australia's experience with administrative or management internationalisation compared with that of other countries?
- Has increasing internationalisation, especially its multilateral form, resulted in an increasing convergence of national administrative structures, processes and techniques, such as many argue has been the case as regards 'Europeanisation', and, if so, why?
- What has been the role of DFAT in relation to the internationalisation of 'domestic', departments and agencies?

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