The Lowy Institute for International Policy’s new report, *Diplomatic Disrepair: Rebuilding Australia’s International Policy Infrastructure*, warns that Australia’s overseas diplomatic network remains chronically underfunded and overstretched.

The report revisits the Institute's 2009 study, *Australia's Diplomatic Deficit*, which reported that Australia’s diplomatic network had been hollowed out by years of funding cuts under successive governments. Despite some positive developments since 2009, Australia remains one of the lowest-performing OECD nations in terms of the extent of its diplomatic network abroad. Unless these deficiencies are remedied, the report argues, Australia’s economic, political and security interests could be seriously jeopardised.

Effective diplomacy can pre-empt the need for far more expensive military and humanitarian interventions, and help support Australia’s prosperity and security at a time of global economic instability and uncertainty created by power shifts in Asia. But Australia’s diplomatic infrastructure is outdated and inadequate, and the ability to reach and influence important new international audiences is held back by poorly resourced and uncoordinated public diplomacy and a failure to embrace new media platforms.
Australia’s diplomatic footprint: outdated and inadequate

- Australia's network of 95 overseas missions is far smaller than the OECD average of 133.
- Australia, with its population of nearly 23 million, has fewer missions than Norway (population 4.8 million), Finland (population 5.3 million), Sweden (population 9.3 million) and Belgium (population 10.8 million). These are all far smaller countries located in a much more stable part of the world. (See graph above.)
- While the Australian public service grew more than 60% since 1997-8, Defence grew 40% and AusAID almost doubled in size, DFAT staffing almost flat-lined. Of even more concern, the size of our overseas diplomatic corps has shrunk by more than a third since the late 1980s.
- At 24%, Australia has the lowest proportion of its diplomats serving overseas (compared with those at Canberra headquarters) of any of the 13 foreign services we reviewed in our study — the average is around 40-50%.
- Many of our diplomatic missions are too small to effectively carry out core diplomatic tasks other than basic administrative and consular functions.

Increased demand for consular services

- With the explosion in international travel, Australians are now taking more than seven million trips abroad every year, and passport applications have surged 16% just in the last two years.
- There are now over 200,000 requests annually for consular assistance, a 50% increase over the last five years.
- More Australians are being caught up in political uprisings, natural disasters and terrorist attacks, yet DFAT actually shed staff in the consular section between 2008 and 2010.

Resources overstretched

- Funding and staffing for the Department of Foreign Affairs has stagnated at a time when our economic and security environment is becoming more, not less, challenging.
- The campaign for a seat on the UN Security Council in 2013–14 is further stretching scarce diplomatic resources.

Conclusions

- DFAT requires a major, ongoing boost to its funding base. The government should consider creative solutions such as delaying the scale-up in development assistance spending and redirecting the resulting resources to DFAT.
- DFAT should reduce unnecessary administration and layers of management, streamline work practices, relax risk-averse media guidelines and overhaul its public diplomacy.
- More of Australia’s existing diplomats should be deployed overseas, and new missions opened in emerging centers of influence and economic opportunity.