Foreign Arrangements Scheme

Annual Report 2023



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Foreign Arrangements Scheme

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About the Foreign Arrangements Scheme

The Foreign Arrangements Scheme ensures Australian governments, at all levels, act consistently with Australia's foreign policy. The Scheme provides a framework for cooperation on foreign policy and foreign relations between Australia's Federal and sub-national governments (including state, territory and local governments and public universities).

The Foreign Arrangements Scheme commenced on 10 December 2020 following passage of *Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (the Act)*. Existing foreign arrangements by states/territories, local governments and public universities with foreign national and subnational governments (including foreign universities that do not have 'institutional autonomy' from a foreign government) were required to be notified before 10 June 2021. The Act also imposed an ongoing obligation (commencing 10 March 2021) on states/territories, local governments and universities to notify new arrangements.¹

Under the Act, the Minister for Foreign Affairs must approve, or refuse to approve, negotiation and entry into new arrangements by states/territories with foreign national governments within 30 days of their notification. Other arrangements must be notified, but the Minister's approval is not specifically required. The Minister retains the power to cancel, vary, or refuse to approve negotiation/entry into, any arrangement where it is, or is likely to be, inconsistent with Australia's foreign policy or adverse to foreign relations.

The Scheme establishes a Public Register which includes information about foreign arrangements notified under the Scheme, including whether a decision has been made. A total of 8,636 foreign arrangements were published on the Public Register as of 31 December 2023.

Information about the Scheme is available at www.foreignarrangements.gov.au.

^{1.} For more detailed descriptions of types of foreign arrangements subject to the Scheme, see section 4 of the Act. Further information about the types of arrangements and corresponding requirements under the Scheme can also be found at www.foreignarrangements.gov.au.

Reporting requirement

The Act requires the Minister to table an annual report in both Houses of Parliament on the exercise of the Minister's decision-making powers under the Act during the preceding year.

Under section 53A of the Act, the report must include:

- statistical information about the decisions made by the Minister under the Act during the year, including the total number of decisions, the total number of decisions in each class of decision, and the outcomes of the decisions;
- a summary of the details of each of the decisions made by the Minister under the Act during the year, and
- an outline of the engagement that has occurred during the year with entities covered by the Act to articulate and explain to those entities Australia's foreign policy and how they should engage with foreign entities in Australia's national interest.

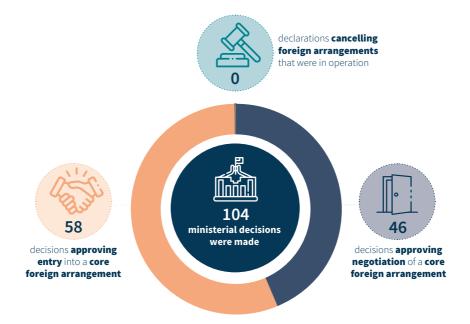
Decisions under the Act

Statistical Information

During 2023, 104 ministerial decisions were made, including:

- 46 decisions approving negotiation of a core foreign arrangement; and
- 58 decisions approving entry into a core foreign arrangement.

No declarations cancelling or varying foreign arrangements that were in operation were made.



Since the commencement of the Act, as of 31 December 2023, 417 ministerial decisions have been made, including:

- 151 decisions approving negotiation of a core foreign arrangement;
- 262 decisions approving entry into a core foreign arrangement; and
- 4 declarations cancelling or varying foreign arrangements that were in operation.

Information on Decisions Made

Details of arrangements on which a decision has been made are published on the Public Register unless a statutory exclusion from publication applies (for example, if the decision relates to negotiation of a prospective core arrangement). The Public Register can be accessed at www.foreignarrangements.gov.au/public-register.

Stakeholder Engagement

Throughout 2023, the Department of Foreign Affairs and Trade (DFAT) continued its engagement with state, territory and local governments and universities to support their compliance with the Scheme. The stakeholder engagement and outreach program provides a platform to grow awareness, enhance cooperation, and foster dialogue to identify risks, strengthen due diligence measures, and ensure international engagement by Australian subnational entities is consistent with Australia's foreign policy settings.

Foreign Arrangements Scheme and foreign policy outreach

DFAT increased the scale and scope of stakeholder engagement in 2023. For the first time in the Scheme's operation², DFAT conducted a series of in-person outreach initiatives in every Australian state and territory to articulate foreign policy settings, explain the Scheme's requirements, share best practice guidance, and facilitate foreign policy support on potential foreign arrangements and international engagement.

The range of stakeholders covered by outreach activities was increasingly diverse, as were the formats of engagement and content covered. Engagement activities included forums and conferences, group training, briefings and information sessions, delivered in-person and virtually to individuals and collective groups in Australia and overseas. Stakeholders included Australian state and territory governments, local governments and universities and their representative bodies, as well as other Commonwealth agencies, foreign government representatives, and multilateral bodies.

Recognising the high degree of international engagement between Australian local councils and foreign entities, DFAT undertook targeted engagement including attending the National General Assembly of Local Governments and presenting at the Sister Cities Australia National Conference. Looking forward, engagement with the local government sector on the Scheme will remain a priority for DFAT.

DFAT University Forum

With university arrangements constituting the majority of foreign arrangements notified under the Scheme, engagement with the university sector remained a key focus. For the first time DFAT, in partnership with Universities Australia, hosted two DFAT-University Forums in 2023. Across the two events, over 200 delegates from the sector and government engaged on the complexities of delivering world-class higher education programs and cutting-edge research while meeting the requirements of Australia's national security and resilience architecture. DFAT also provided high-level foreign policy briefings to university executives on developments across a number of themes and regions. Working closely and flexibly with universities will continue to be a priority, and the Forum will remain an enduring part of DFAT's stakeholder engagement.

^{2.} Outreach activities in 2021 and 2022 were largely conducted virtually due to COVID-19 restrictions.

Stakeholder Engagement

Legislative Review

A legislative review of the Scheme will commence as soon as possible after 10 March 2024, as required under section 63A of the Act. The review will consider possible improvements to the operation of the Act, the effectiveness of the Act in meeting its objectives and whether the Act should be amended to implement review recommendations.

Published Guidance

DFAT published additional guidance on the Scheme on best practice for risk identification and mitigation in drafting and entering arrangements with foreign entities. This guidance and other resources on the Scheme, including Frequently Asked Questions (FAQs), Fact Sheets, links to the Act and the Public Register, are available on the Foreign Arrangements website at www.foreignarrangements.gov.au/resources.

Stakeholder Engagement

State and Territory Entities engaged



38 universities



137 local governments



8 state and territory governments



Other entities engaged



12 peak bodies



2 multilateral groups





15 foreign governments 26 commonwealth agencies

University Forums (June & November 2023)



 $\text{over}\, 200\,\text{attendees from}\, 35\,\text{university institutions across both Forums}$

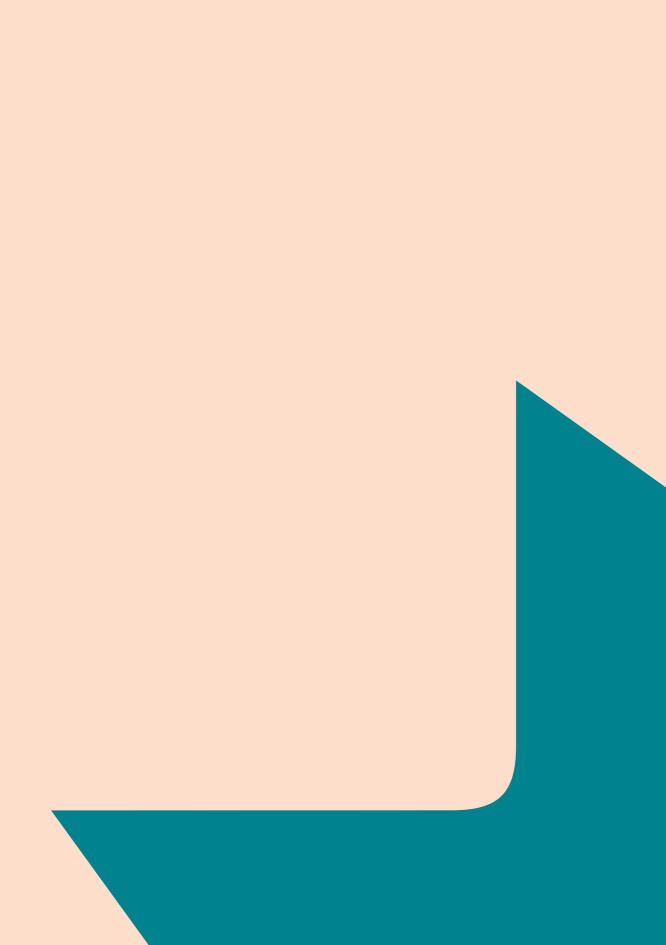


other government agencies: **21** attendees from **10** departments

Website hits



36,403 Website hits



Foreign Arrangements Scheme