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

Victorian Government submission



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Executive Summary

The Victorian Government welcomes the opportunity to provide a submission to the legislative review of the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020* (FRA).

Reform of the FRA would benefit all Australian governments and is required to better achieve its core objectives while supporting the ability of states and territories to pursue effective international engagement.

Under the current arrangements, the ability of state and territory governments to enter into low risk and mutually beneficial agreements with foreign entities is significantly restricted, largely due to a complex compliance burden that is disproportionate to risk.

Victoria recognises that the core objective of the FRA is to ensure that the Commonwealth can protect and manage Australia's foreign relations by ensuring that arrangements with a foreign entity do not, or are unlikely to, adversely affect Australia's foreign relations or be inconsistent with Australia's foreign policy.

Victoria supports this valuable objective but considers the current operation of the FRA can impede the ability of state and territory governments to proactively support Australia's national interest through targeted international engagement. Targeted reform of the FRA would support the Commonwealth's foreign policy agenda while protecting the ability of state and territory governments to actively engage with global partners.

The Victorian Government's submission seeks to directly address the consultation questions outlined in the Terms of Reference and has been supported by consultation across the Victorian Government to present a pathway to effective reform.

A recalibration of FRA compliance requirements will strike the right balance between achieving its objectives and placing proportionate requirements on state and territory governments. This submission identifies three key areas for reform to enhance the operation of the FRA and the Foreign Arrangements Scheme to ease the shared administrative burden, increase efficiency, and ensure that all parties have a consistent understanding of their obligations under FRA:

- Exempt low-risk, high-volume categories of arrangements from the scope of the FRA.
- Amend to the FRA to allow for greater clarity and efficiency in compliance.
- Clarify key definitions in the FRA to reduce confusion and uncertainty.

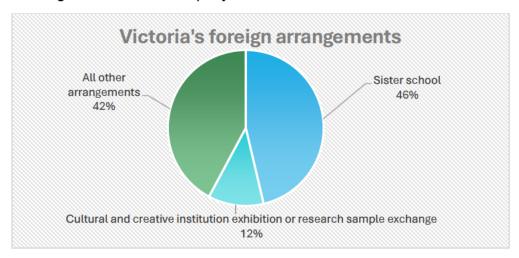
This submission outlines ten recommendations required to implement these proposed reforms.

Context

The Victorian Government welcomes the opportunity to provide a submission to the legislative review of the *Australia's Foreign Relations* (State and Territory Arrangements) Act 2020 (the Review).

Australian state and territory governments enter arrangements with foreign entities to promote trade, support industry and attract investment, talent, visitors, students and major events. These activities support economic growth and social connection – core to the remit of subnational governments – and increase Australia's understanding of global partners and issues in an increasingly connected and geopolitically complex world. This includes in education, agriculture, the visitor economy, and cultural and creative industries – all areas where Victoria has a strong record of international engagement. Australian subnational governments have been independently recognised as having important roles to play in maximising national capability, increasing trust in democratic institutions, and building broader and deeper relationships abroad¹.

Since 2021, over half of Victoria's notified agreements (58 per cent) fall into the low-risk categories of sister school arrangements and cultural and creative institution exhibition or research sample exchange arrangements. The remaining notifications include a broad range of activity including objective-based bilateral agreements, overarching sister-state and city memoranda of understanding, and multilateral agreements including agreements where the Commonwealth government is also a party.



Since the commencement of the FRA, the Victorian Government has worked closely with the Commonwealth Government to ensure compliance. In doing so, it has identified operational, commercial, legal and reputational risks resulting from current obligations imposed by the FRA. The recalibration proposed by this submission would support the objectives of the FRA while reducing the compliance burden for all levels of government without exposing Australian entities to greater foreign policy risk.

The international engagement interests of state and territory governments, businesses and communities, are an important part of Australia's reputation with global partners and contribute not only to progressing domestic priorities, but also to global perceptions that all levels of government in Australia are an efficient, attractive, and valued party to partner with.

¹ Australian Strategic Policy Institute (ASPI) (2023). <u>Building whole-of-nation statecraft: how Australia can better leverage subnational diplomacy in the US alliance</u>, ASPI, accessed 5 August 2024

Key areas for reform

Exempt low-risk, high-volume categories of foreign arrangements from the scope of the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020.*

The Victorian Government has identified categories of high-volume, low-risk foreign arrangements currently within the scope of the FRA which should be exempt. These represent low-risk areas of considerable activity where states and territories play a leading international engagement role.

Recommendation 1: The Commonwealth Government should <u>exempt public creative and cultural institutions</u> from the Foreign Relations Act to ensure efficient progression of commercial, transactional, exhibition loan or exchange agreements.

Foreign arrangements to facilitate exhibition exchange or research collaboration by **state-owned public creative and cultural institutions** support largely commercial activities. These are a vital part of Victoria's economy, with the state's creative industries contributing \$40.3 billion to Victoria (or 7.3 per cent of the total Victorian economy) in the 2022-23 financial year.² Victoria's public cultural institutions are considered 'agencies' of the state as they cite direct accountability to the Victorian Government in their corporate reporting and engage in public functions on behalf of the Government and are therefore in scope of the FRA. Around 12 per cent of all Victoria's notified foreign arrangements involve public creative and cultural institutions. This is despite these commercial activities having no impact on foreign policy settings and posing minimal risks to Australia's foreign relations.

The FRA's lengthy approval process timelines have prevented Victoria's creative and cultural institutions applying for key international grants, blocking an important funding source for their work and creating significant financial risk that impedes their operations. Grant rounds are often open for relatively short periods and applications require time to develop and complete; it is often not feasible for these arrangements to progress given the approximate 80-day period to acquit state and federal government process for core arrangement approval under the FRA.

The Victorian Government recommends that the Commonwealth Government <u>exempt public creative and cultural institutions</u> from the FRA to ensure efficient progression of commercial, transactional, exhibition loan or exchange agreements. This would ensure the administrative burden of compliance was commensurate with the negligible foreign policy risks these arrangements may pose.

² Victorian Government (2024), <u>Economic contribution data - Victoria's creative economy | Creative Victoria, Victorian Government, accessed 5 August 2024.</u>

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Recommendation 2: The Commonwealth Government should <u>exempt government schools</u> from the Foreign Relations Act, with specific criteria for inclusion by exception to address arrangements that would pose a medium or high risk.

Another category of low-risk, high-volume foreign arrangements is **government school sister school arrangements** with foreign schools and educational institutions. Around 46 per cent of Victoria's notified non-core arrangements are sister school arrangements.

Internationalising education through sister school partnerships is a vital tool of Victorian pedagogy and curriculum development. These arrangements are unique and cost-effective ways for Victorian students to forge people-to-people links and develop their global understanding, intercultural capabilities and foreign language skills. These opportunities are being jeopardised by the FRA's current operation. Sister school arrangements have no foreign policy overlay and do not appear to be a mechanism for foreign influence on an Australian sub-national government – two of the primary risks the FRA is intended to mitigate.

The administrative burden imposed by the FRA is further exacerbated by the Commonwealth's requirement to add expiration dates to foreign arrangements. Practically, this request means while arrangements must be renewed beyond set terms, there is no streamlined or simplified process available to renew those which have been previously approved.

The Victorian experience is that it can take approximately eight hours to prepare the documents required to seek the FRA approval for every single prospective sister school arrangement; representing over 1,600 hours of compliance work completed by teachers and public servants since the introduction of the FRA. This time and resource burden imposed on schools has led many to reconsider entering these mutually beneficial relationships, with the Victorian Department of Education citing the administrative burden of facilitating the compliance requirements of the Act impacting the ability of government schools to provide meaningful cultural exchange and language learning opportunities for students.

As Australian non-government schools are exempt from the operation of the FRA (due to not being state or territory entities), there is a significant disparity resulting in inconsistencies and diminished international engagement capacity for state government schools. Continued application of the FRA to state government sister school partnerships risks inequitable outcomes for government students and widening learning outcome gaps in the Australian school system.

Victorian government schools have almost 200 sister school arrangements which are all three to five years old. If these are to be renewed, there will be a peak of approval requests to renew these arrangements which will be a difficult administrative burden to balance. Victoria's Department of Education provides extensive resources to assist government schools to establish, amend and renew sister school arrangements, supported by a biannual coordination procedure for prospective arrangements. Despite this and due to the complexity of the FRA, schools often require further support.

Exemption of low-risk sister school arrangements would allow the Victorian Government to focus compliance efforts on more complex arrangements with genuine foreign policy considerations or which pose higher levels of risk.

The Victorian Government therefore recommends <u>exemption of government schools from the FRA or the rules established under the FRA as a default position</u>, with criteria for when school arrangements should be included for a specific reason or to address a medium or high risk.

Additionally: the Commonwealth Government should review section 13 of the FRA to consider removing the application of the FRA's processes in full to variations of school arrangements (including renewals or options to extend) and consider a new or alternative process for existing arrangement renewals.

Additionally: The Victorian Government would welcome clarity from the Commonwealth Government on the perceived risks from institutional autonomy of foreign entity schools at Primary and Secondary level which obviously present a significantly different risk profile to foreign entity universities.

Recommendation 3: The Commonwealth Government should <u>exempt foreign arrangements</u> which the Commonwealth is also a party to (or seeking to enter at the same time as states and territories) from the FRA.

Despite the clear alignment with Australia's foreign policy, there are cases where state and territory governments must gain approval under the FRA to enter agreements that the Commonwealth is already a party to.

The FRA's primary objective is to ensure that state and territory arrangements do not adversely impact Australia's foreign relations. Where the Commonwealth Government is an existing party to a foreign arrangement, there is an assumption that there are no national security or foreign policy risks attached to that arrangement such that there would be no concerns with state and territory governments also seeking to be a party on that basis. There is therefore no clear justification for these being captured by the FRA.

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The Victorian Government therefore recommends that the Commonwealth Government <u>exempt</u> foreign arrangements to which the Commonwealth is also a party (or seeking to enter at the same <u>time as states and territories</u>) from the FRA. This would better support international cooperation in the national interest and state and territory alignment with Australia's foreign policy.

Recommendation 4: The Commonwealth Government should <u>exempt fellow Five Eyes</u> <u>countries (Canada, New Zealand, the United Kingdom and the United States of America)</u> from the Foreign Relations Act.

The Victorian Government considers that arrangements with fellow Five Eyes alliance countries of Canada, New Zealand, the UK and the USA, do not meet threshold of requiring notification under the Foreign Relations Act given our close relationships, aligned interests and the extensive information-sharing arrangements which exists between alliance members. As identified in the Review's consultation workshops, Five Eyes alliance partners represent three of the top five

sources for all notified core arrangements and two of the top five for all notified non-core arrangements. These national level statistics are broadly consistent with Victoria's international engagement activity.

This issue has been particularly impactful for Victoria when cooperating with New Zealand. The Australia-New Zealand relationship is the closest and most comprehensive bilateral relationship and, bound by extensive historical ties, shared legislation and formal arrangements which facilitate broad economic, social, cultural and political cooperation. There is an inconsistency in state and territory governments being restricted from entering into simple arrangements with New Zealand, and other Five Eyes partners.

Victorian government entities have outlined how current FRA requirements are contrary to the principle of removing barriers to collaboration under agreements such as the *Trans-Tasman Roadmap to 2025*:

One such Australia-New Zealand cooperation framework is the <u>National Coronial Information System (NCIS)</u>, an online repository of coronial data from Australia and New Zealand hosted by the Victorian Department of Justice and Community Safety (DJCS) on behalf of Australian states and territories, select Commonwealth Government agencies, and the New Zealand Ministry of Justice. As agreements with New Zealand are within the scope of the FRA, the NCIS agreement is considered a core foreign arrangement. This creates additional operational requirements and a significant administrative burden beyond the capacity of the small unit which administers NCIS projects designed to support the welfare of communities across Australia and New Zealand. DJCS has expressed concerns that extended application timeframes may act as barriers to timely access to NCIS data by prospective project applicants and create reputational risks.

The Victorian Government recommends that the Commonwealth Government <u>exempt Five Eyes</u> <u>alliance partners from the Foreign Relations Act</u>. This exemption would be an appropriate narrowing of scope of the FRA and better calibrate it to address foreign policy risks and changing foreign policy settings.

Legislative reform of the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020* to allow for greater clarity and efficiency in compliance.

This Review is an opportunity for the Commonwealth Government to legislate reform to simplify compliance with the FRA. Addressing the **administrative burden of two-step notification process for non-core foreign arrangements** should be a priority area of reform.

Recommendations 5: The separate notification process in section 34 (Requirement to notify the Minister about proposals to enter non-core foreign arrangements) of the Foreign Relations

Act should be repealed so state and territories are only required to notify of non-core foreign arrangements once they have been entered.

The FRA mandates a two-step notification process for non-core arrangements. First, a notification of proposed entry to an arrangement (section 34), followed by a notification that the arrangement has been entered into (section 38). These arrangements are largely between subnational entities and of lower risk.

This dual notification requirement should be amended to balance administrative burden and risk mitigation. Currently a non-core arrangement may be signed and immediately entered after the first stage of notification, meaning there is no additional risk assessment or analysis taking place in between notification stages. The two step notification requirement, therefore, imposes a greater administrative and resourcing burden without supporting greater levels of risk mitigation.

The Victorian Government recommends **removing the separate notification process in section 34** (Requirement to notify the Minister about proposals to enter non-core foreign arrangements) so **state and territories are only required to notify the Minister of Foreign Affairs of non-core foreign arrangements once they have been entered.** The Minister would retain the ability to invalidate or render unenforceable any non-core foreign arrangement. This amendment would be a mechanism for the FRA to strike the right balance between achieving its objectives and the administrative requirements it places on states and territories.

Recommendation 6: The Commonwealth Government should amend the Foreign Relations Act to <u>define foreign arrangements negotiated and executed by existing multilateral organisations or multiparty foreign arrangements as non-core foreign arrangements.</u>

The complexity of meeting the FRA's requirements when entering multilateral or multiparty arrangements is a key issue impacting Victoria's compliance. These arrangements are often high profile, designed to be signed at key international events and time sensitive. One example is the Mediterranean Climate Action Partnership which was signed by Victoria and multiple sub-national foreign entities at COP28 Climate Change Conference.

Multiparty arrangements are often symbolic, non-binding and focused on making a public stance on mutually significant issues such as climate change. Their governance is often overseen by initiating independent bodies such as the United Nations or World Economic Forum, and their multilateral nature often results in fewer concrete obligations being placed on signatory parties than Victoria's typical bilateral agreements.

Membership of these agreements can change over time, and can be difficult to determine the final signatory list in advance. As a result, multilateral agreements can go from being classified as non-core or core over the life of the agreement. This can place states and territories at risk of having what was a non-core, multiparty arrangement later determined as a core foreign arrangement and being potentially invalidated for a failure to follow the FRA mandated approval processes for core agreements, exposing states and territories to legal and reputational risks.

Risks are exacerbated by a lack of international awareness of the FRA, which is unique to Australia and its compliance requirements. As a result, many international partners do not build the FRA's legislative requirements and approval processes into negotiation timeframes.

As currently enacted, under the FRA, if a core foreign entity wishes to join what would otherwise be a non-core arrangement close to the date of signing the agreement, Victoria must either decline to enter at a critical juncture (i.e. ahead of a planned announcement), or to exit the agreement and seek approval to negotiate or an exemption from approval to negotiate and re-enter. This risks Victoria's reputation as a dependable partner and hampers its ability to join beneficial international partnerships. It also places both Victoria and our fellow state and territory governments at a competitive disadvantage globally due to these unique compliance obligations.

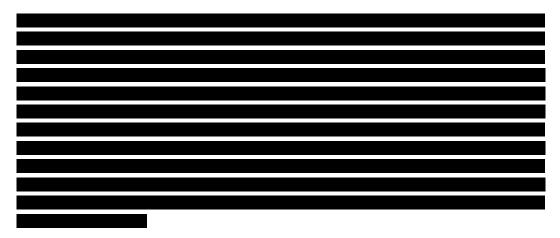
The Victorian Government recommends the Commonwealth Government amend the Foreign Relations Act to <u>define multilateral foreign arrangements or multiparty foreign arrangements as non-core foreign arrangements</u> to recognise the complex administrative environment of

international engagement, the lower order risks posed by these arrangements, and the global competitive disadvantage Australian state and territory governments are currently placed at. This amendment would better support international cooperation in the national interest.

Recommendation 7: The Commonwealth Government should <u>amend the Foreign Relations</u>
Act to allow for departmental rather than ministerial approval to negotiate and/or enter
arrangements in certain time-sensitive circumstances.

The FRA's inflexible nature, including two potential 30-day waiting periods for core arrangements, can give rise to a range of challenges when seeking to enter foreign arrangements.

Victoria's economy is well connected to other markets and subject to external economic headwinds. Competitive international sector opportunities are often contingent on first-mover advantage and can be impeded by the FRA's lengthy processes. The FRA captures many forms of international cooperation not originally envisaged when the Act was drafted, creating unforeseen barriers to international engagement by state and territory governments.



The FRA's inflexibility is resulting in reputational damage and international partners do not necessarily differentiate between different levels of government. Challenges in cooperating with one state or territory due to FRA requirements can therefore cause reputational damage to all Australian entities.

The Victorian Government recommends that the Commonwealth Government <u>amend the Foreign Relations Act to allow for departmental rather than ministerial approval to negotiate and/or enter arrangements in certain time-sensitive circumstances.</u> This amendment would be a mechanism to enhance the operation of the Foreign Relations Act and to support international cooperation in the national interest.

Recommendation 8: The Commonwealth Government should <u>amend section 53(2) of the Foreign Relations Act, or the rules made under the FRA; to include the status (active or inactive) and end dates (past or scheduled) as information the Minister must include for each foreign arrangement on the Public Register.</u>

The Foreign Arrangements Scheme Public Register does not accurately display inactive arrangements as it lacks an expiration date field. This means that historical, expired arrangements with countries covered either by sanctions or with whom Australia currently has limited bilateral engagement with, nonetheless remain on the Public Register with no indication that they are inactive.

The Victorian Government has identified reputational risks from this omission. Not including the status and end date of arrangements risks the Public Register presenting inaccurate/misleading information, as the only public source of information on state and territory arrangements. This out-of-date public information can misrepresent state and territory-level international engagement and suggest non-existent inconsistencies with Australian foreign policy.

The Victorian Government therefore recommends that the Commonwealth Government <u>amend</u> <u>section 53(2)</u> of the FRA or the rules made under the FRA to include arrangement status (active <u>or inactive</u>) and arrangement end dates as <u>information the Minister must include for each foreign arrangement and subsidiary arrangement referred to in subsection 53(1)</u> to ensure accuracy of the Public Register and reputational integrity of Australian state and territory arrangements in scope of the FRA. This amendment would be a mechanism for the FRA to improve transparency and awareness of international engagement.

Recommendation 9: The Commonwealth Government should amend the FRA to <u>add</u> <u>provisions giving the Minister (or their delegate) the ability to 'cure' arrangements not previously notified.</u>

The introduction of the FRA required states and territory governments to conduct stocktakes of existing foreign arrangements to submit to the Minister for Foreign Affairs for approval as pre-existing arrangements. In the event that existing arrangements were inadvertently not submitted, the FRA provided the Minister (or their delegate) with the ability to 'cure' these defects in notifications. Victoria recommends that this ability for the Commonwealth to 'cure' inadvertent errors in notification should also apply to more recent arrangements.

This could address situations where administrative error does not result in low-level arrangements that pose no risks to Australia's national interest and / or foreign policy are not rendered invalid or unenforceable.

This power would ensure improperly notified arrangements remain binding or in operation saving both time and effort and safeguarding against reputational damage. It could be designed to only allow its exercise in circumstances where, the Minister (or delegate) determine, the arrangement does not adversely affect Australia's foreign relations and is not inconsistent with Australia's foreign policy.

The Victorian Government recommends that the Commonwealth Government amend the FRA to <u>add provisions giving the Minister (or their delegate) the ability to 'cure' arrangements not previously notified</u>. Such an amendment to the FRA could also assist where there is a failure to notify at one stage (for example, notifications under section 16) but later stage notifications are properly made. This would enhance the FRA's operation through greater efficiency.

Clarify definitions of terms in the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020* to reduce confusion and uncertainty.

Recommendation 10: The Commonwealth Government <u>should clarify the definition of key terms</u> <u>under the Foreign Relations Act:</u>

- <u>'Core foreign entity' in section 10(4), 'core foreign arrangement' in subsection 10(2)</u> through providing more explicit guidance on what defines a core foreign entity and a non-core foreign arrangement.
- 'Agency (however described) that is part of an entity covered by paragraph (a) and (b) (in section 7(c))
- 'An entity (other than a university) that...is <u>established for a public purpose'</u> (in section 8(1)(h)(ii))
- 'A university that...does not have institutional autonomy' (sections 8(1)(i)(ii), 8(2))

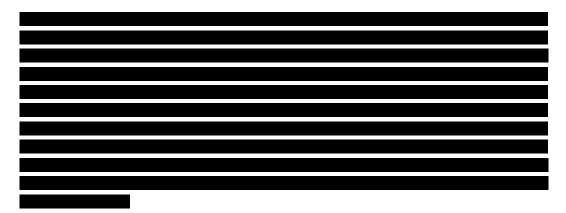
Additionally: the Department of Foreign Affairs and Trade should <u>provide approved advice to provide greater clarity of intent and interpretation of these definitions.</u>

Additionally: the Department of Foreign Affairs and Trade should develop a <u>register of whether specific countries and foreign entities are deemed to be core or non-core foreign entities under the FRA</u> to be made available on the Foreign Arrangement Scheme Online Portal.

The Victorian Government's experience is that the FRA is not always clear to interpret and apply, resulting in adverse consequences for state and territory governments.

The limited guidance on the definition of 'core foreign entities' and 'State/Territory entity' (particularly the definition of 'agency (however described) in section 7(c) in the FRA), coupled with unclear exceptions and differing interpretations, has resulted in ongoing confusion.

Negotiations to develop a <u>mRNA Victoria-Korea Health Industry Development Institute MOU</u> were complicated by different interpretations of the Korean entity, with the Victorian Government interpreting it as core, the DFAT vaccination policy area interpreting it as core, and the DFAT Foreign Arrangements Branch interpreting it as non-core. This delayed international cooperation on a national priority policy area of RNA research and manufacturing capability.



Victoria has identified confusion over the unclear definitions of 'agency' of a State of government of a State in section 7(c), entity 'established for a public purpose' in section 8(1)(h)(ii) and 'institutional autonomy' in sections 8(1)(i)(ii) and 8(2) under the FRA.

<u>Under section 7(c)</u> State and territory entities include 'a Department or agency (however described) that is part of an entity covered by paragraph (a) or (b)'. The meaning of 'agency' here is not clear. Sections 7(g) to (i), the Minister's Second reading speech and explanatory memoranda do not further clarify the intended meaning.

The need to clarify terms on a case-by-case basis when assessing prospective arrangements and their scope under the FRA due to the minimal guidance provided by the legislation places a significant administrative burden on state and territory governments.

The Victorian Government recommends the Commonwealth Government clarify the definition of 'core foreign entity' in section 10(4), 'core foreign arrangement' in section 10(2), 'agency' of a state government in section 7(c), an entity 'established for a public purpose' in section 8(1)(h)(ii), and 'institutional autonomy' sections 8(1)(i)(ii) and 8(2) under the FRA to avoid misinterpretation by states, territories and potentially the Courts.

The Victorian Government also recommends the Commonwealth Government develop a register, to be hosted on the Foreign Arrangement Scheme Online Portal, of all countries and foreign entities whose status as core or non-core has been determined under the FRA. An entity's listed status on the register should be viewed as a conclusive determination of whether it is considered core or non-core for purposes of the FRA. This would improve clarity of the FRA's interpretation and application and enhance compliance with the Foreign Arrangements Scheme through publicly available information.

Conclusion

The Victorian Government remains committed to complying with the *Australia's Foreign Relations* (State and Territory Arrangements) Act 2020 but recommend amendments to appropriately balance the Commonwealth's risk management objectives with the broader benefits of state and territory governments' ability to engage internationally. Victoria's recommendations are targeted and aim to improve compliance, enhance efficiency and remove administrative burdens on both the Commonwealth and state and territory governments. This outcome will be beneficial for all levels of government and support the realisation of the FRA's core objectives and intent.

Appendix A: Summary of Recommendations

Recommendation 1: The Commonwealth Government should <u>exempt public creative and cultural institutions</u> from the Foreign Relations Act to ensure efficient progression of commercial, transactional exhibition loan or exchange agreements.

Recommendation 2: The Commonwealth Government should <u>exempt government schools from the Foreign Relations Act</u>, with criteria for arrangements which should be included for a specific reason or to address a medium or high risk.

Additionally: the Commonwealth Government should review Part 1 Division 2 section 13 subsection—1 - Application of this Act to variations of arrangements to consider removing the application of the Foreign Relations Act's process in full to variations (including renewals or options to extend) and consider a new or alternative process for existing arrangement renewals.

Additionally: the Victorian Government would welcome clarity from the Commonwealth Government on their perceived risks from institutional autonomy of foreign schools at Primary and Secondary level which obviously present a significantly different risk profile to foreign universities.

Recommendation 3: The Commonwealth Government should <u>exempt foreign arrangements</u> <u>which the Commonwealth is also a party to (or is seeking to enter at the same time as states and territories)</u> from the Foreign Relations Act.

Recommendation 4: The Commonwealth Government should <u>exempt fellow Five Eyes countries (Canada, New Zealand, the United Kingdom and the United States of America)</u> from the Foreign Relations Act.

Recommendation 5: The separate notification process in section 34 (Requirement to notify the Minister about proposals to enter non-core foreign arrangements) of the Foreign Relations Act should be repealed so state and territories are only required to notify of non-core foreign arrangements once they have been entered.

Recommendation 6: The Commonwealth Government should amend the Foreign Relations Act to <u>define foreign arrangements negotiated and executed by existing multilateral organisations or multiparty foreign arrangements as non-core foreign arrangements.</u>

Recommendation 7: The Commonwealth Government should <u>amend the Foreign Relations Act</u> to allow for departmental rather than ministerial approval to negotiate and/or enter arrangements <u>in certain time-sensitive circumstances</u>.

Recommendation 8: The Commonwealth Government should <u>amend s 53(2) of the Foreign Relations Act</u>, or the rules made under the FRA; to include the status (active or inactive) and end <u>dates</u> (past or scheduled) as information the Minister must include for each foreign arrangement on the Public Register.

Recommendation 9: The Commonwealth Government should amend the FRA to <u>add provisions</u> giving the Minister (or their delegate) the ability to 'cure' arrangements not previously notified.

Recommendation 10: The Commonwealth Government should <u>clarify the definitions of key</u> terms under the Foreign Relations Act:

- 'Core foreign entity' and 'core foreign arrangement'
- 'Agency' of a state government
- An entity 'established for a public purpose'.
- 'Institutional autonomy'

Additionally: the Department of Foreign Affairs and Trade should provide approved advice providing greater clarity of intent and interpretation of these definitions.

Additionally: the Department of Foreign Affairs and Trade should develop a register of whether specific countries and foreign entities are deemed to be core or non-core foreign entities under the FRA to be made available on the Foreign Arrangement Scheme Online Portal.