

PART B

Portfolio Overview

PORTFOLIO OVERVIEW

The second White Paper on foreign and trade policy, *Advancing the National Interest*, launched in 2003, articulates the purpose of Australian foreign and trade policy: to advance the national interest – the security and prosperity of Australia and Australians. The White Paper sets out strategies that the Government will use to pursue these core objectives.

The foreign affairs and trade portfolio agencies support Ministers in the conduct of Australia's foreign and trade policy, and pursue bilateral, regional and global strategies to further these policy objectives. The agencies contribute to international security, national economic and trade performance and global cooperation; develop and promote domestic and international understanding of Australia's foreign and trade policy; support Australian business by providing market access and export advice and assistance; promote trade and investment; provide assistance to developing countries to reduce poverty and achieve sustainable development; provide consular and passports services to Australians; and manage efficiently the Commonwealth overseas owned estate.

The portfolio consists of: the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), the Australian Agency for International Development (AusAID), the Australian Centre for International Agricultural Research (ACIAR), the Australian Secret Intelligence Service (ASIS), the Export Finance and Insurance Corporation (EFIC) and the Australia-Japan Foundation (AJF).

Portfolio Priorities

In 2003-04, the portfolio will seek to build on Australia's international standing to influence regional and global developments in pursuit of the national interest, including by consolidating and expanding bilateral links. The portfolio will actively seek out affinities with like-minded countries to advance Australia's interests.

The portfolio will contribute to Australia's security by continuing to work closely with domestic agencies and international partners in efforts to strengthen both regional and global security. In the aftermath of the terrorist attacks in the United States on 11 September 2001 and in Bali on 12 October 2002, the portfolio has provided support for Australia's efforts to counter the threat of international terrorism and the proliferation of weapons of mass destruction. Further efforts in 2003-04 will include work through the newly established Ambassador for Counter-Terrorism, the implementation of agreements and cooperative arrangements with other countries, particularly regional neighbours and Australia's alliance partners, and support for United Nations Security Council resolutions. The portfolio will strengthen measures to combat the organised irregular movement of people, including through cooperation with regional countries. Following the conflict in Iraq, the portfolio will contribute actively to international efforts to meet the humanitarian and longer-term reconstruction needs of the Iraqi

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people. The department will continue to support efforts to shape a diplomatic solution to the Democratic People's Republic of Korea nuclear issue. In light of the increased terrorist threat to Australia's interests overseas, the portfolio will continue to ensure the security of overseas missions and will provide a secure and reliable international communications network for Ministers and Australian government agencies.

In advancing Australia's trade and investment interests, the portfolio will continue to seek improved market access for, and to provide information and assistance to, Australia's exporters and investors. In the World Trade Organization (WTO) Doha round of multilateral trade negotiations, the portfolio will actively pursue Australia's interests, including improved market access outcomes on agriculture, services and industrial products. The portfolio will pursue and defend Australian trade and economic interests using the WTO dispute settlement system. Through the Asia-Pacific Economic Cooperation (APEC) forum, it will build support for trade reform and make practical improvements in the business environment. The portfolio is leading the negotiations on a free trade agreement (FTA) with the United States – a significant step towards raising bilateral economic ties to a level commensurate with the security relationship. Negotiations for an FTA with Thailand are also well advanced and trade and economic arrangements are being pursued with Japan and China.

The portfolio will work towards achieving the Government's goal of doubling the number of Australian exporters by 2006. Austrade will work with ally and partner organisations, including State and Territory governments and private sector organisations, to assist more companies to realise their export potential. Through a network of 51 offices, TradeStart – a key part of this strategy – provides new exporters with access to one-on-one advice and services under Austrade's recently established New Exporter Development Program (NEDP). The NEDP assists small-and-medium-sized Australian companies develop businesses overseas and make their first export sale. Austrade will also pursue key export promotion and business leveraging opportunities to promote Australia's international business credentials. This will include the Rugby Business Club Australia initiative, designed to deliver trade and investment outcomes from the Rugby World Cup 2003. Austrade will also continue to work with existing exporters to assist them with new opportunities and new markets, as well as providing financial support for exporters to promote their products and services through the Export Market Development Grants (EMDG) Scheme.

Through EFIC, the portfolio will ensure Australian exporters and Australian companies investing in new projects overseas have access to internationally competitive finance and insurance services. EFIC's export credit insurance business has formed an alliance with Gerling-NCM (GN), a private sector insurer, aimed at improving the credit insurance services available to Australian exporters. The alliance will allow the Government to test fully the advantages for Australian exporters of private sector provision of EFIC's commercial credit insurance. It is intended that GN will purchase this part of EFIC's business if it meets performance benchmarks. The portfolio will continue to advise on the use of the National Interest Account.

The portfolio will advance and defend Australia's interests on global issues, including in engagement on international environment issues, particularly climate change. Australia's current term on the United Nations Commission on Human Rights will continue to provide opportunities to promote human rights. The portfolio will pursue reform of the United Nations, and assist the Prime Minister in his current role as Chair-in-Office of the Commonwealth. A key goal will be effective implementation of the Timor Sea Treaty and the International Unitisation Agreement.

The aid programme will continue its strong focus on promoting good governance and underpinning peace, stability and prosperity in the Asia-Pacific region. Particular attention will be given to strengthening regional security by building partner governments' capacity to promote peace and manage non-military threats to security. Aid to Indonesia will be significantly expanded to improve governance and basic service delivery. The portfolio will intensify its engagement with poor performing states, including those in the South Pacific, particularly in strengthening law and order, financial management and basic services. Trade-related assistance to developing countries, in support of the Doha agenda and promoting food security for the world's poor, will be a priority. Increased funding will be provided through humanitarian, emergency and refugee programmes.

ACIAR, on behalf of AusAID, will continue to administer a project to help rebuild farming capacity in Afghanistan through the provision of suitable seed stock. Through a small suite of ACIAR projects, Australia will address food nutrition and food security issues facing farmers in Burma, and will continue to work with the Democratic People's Republic of Korea to improve capacity to boost food production.

The portfolio will provide high quality consular and passport services to Australians travelling and residing overseas, including through the network of overseas posts, the 24-hour Consular Emergency Centre, an enhanced consular information program and consular cooperation arrangements with other countries. It will enhance travel advice dissemination, to improve Australians' awareness of travel advice, safety and security issues associated with overseas travel.

The portfolio will project a positive image of Australia internationally, and will accord a high priority to the promotion of Australia as a supplier of goods and services and a valuable trade and investment partner. It will continue to consult the Australian community as part of its policy formulation process and seek to increase public awareness of foreign and trade policy, particularly highlighting the benefits of trade.

The Australia-Japan Foundation will encourage a closer relationship between the peoples of Australia and one of our most important bilateral partners, Japan. The Foundation's priority in 2003-04 will be the expansion of material available in Japanese about Australia. A major focus will include the digitalisation of information and development of online-learning tools, and encouraging the use of these and other Foundation materials in Japanese schools. It will facilitate and encourage interaction between Australian and Japanese organisations.

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Chart 1: Administered appropriations for agencies in the portfolio

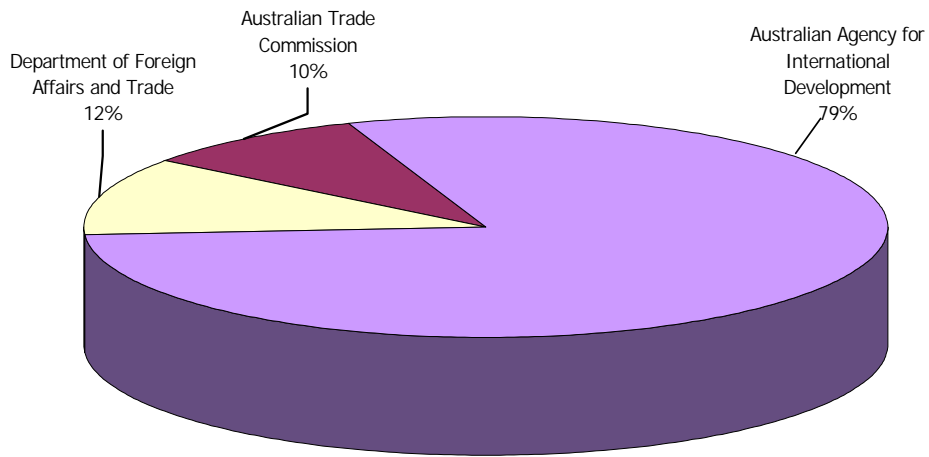
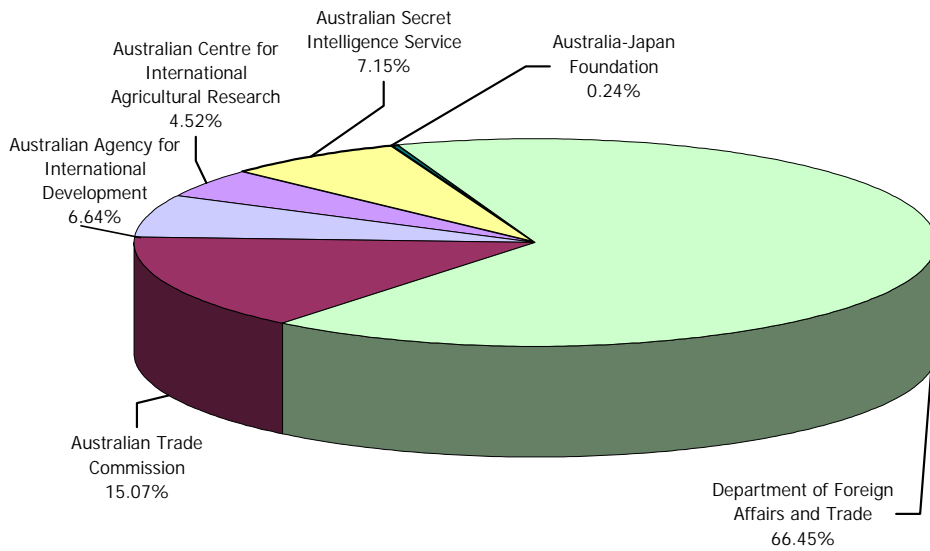


Chart 2: Departmental appropriations for agencies in the portfolio



Map 1: Structure of Portfolio Outcomes

