

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

2000-01

**FOREIGN AFFAIRS AND TRADE
PORTFOLIO**

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Senator the Hon Margaret Reid
President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

The Hon Neil Andrew MP
Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Presiding Officers

We hereby submit Portfolio Additional Estimates Statements in support of the 2000-01 Additional Estimates for the Foreign Affairs and Trade Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the portfolio.

We present these statements by virtue of our Ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

Alexander Downer
Minister for Foreign Affairs

Mark Vaile
Minister for Trade

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PART A

User Guide

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. They provide performance indicators against which agencies' contributions to outcomes can be assessed, as well as information that links requests for additional funding, as presented in the Additional Estimates Appropriation Bills, to outcomes.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

Part A: User guide

Provides an introduction explaining the purpose of the PAES as well as information on the styles and conventions used.

Part B: Portfolio overview

Provides an overview of the portfolio. The structure of the outcomes to which the portfolio contributes is depicted in a chart.

Part C: Agency Additional Estimates Statements

For each agency within the portfolio that has an impact on Additional Estimates a statement is presented under the name of the agency.

Section 1: Agency overview, Additional Estimates and variations to outcomes

This section details the link between the resources appropriated and savings and their application to the outputs, which contribute to the achievement of outcomes and the impact of any post-Budget measures.

Section 2: Revisions to outcomes and outputs

This section details changes to planned Government outcomes and the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

This section contains the budgeted financial statements in accrual format, covering budget year, previous year and the three out-years for each agency.

Appendices 1 and 2

This section is presented for those agencies that have changes to departmental and administered revenue (excluding revenue directly appropriated) which are a direct result of Additional Estimates, or changes to estimates of expenses from Special Appropriations.

Glossaries are provided at the end of the document.

STYLES AND CONVENTIONS USED

The style convention used in this document is to round the amount in the tables to the nearest \$'000. All totals are the rounded additions of unrounded figures. Figures have been rounded downward if the end digit is less than five, and rounded upward if the end digit is five or more. Technical terminology and ordinary language used technically is explained in the Glossary.

PART B

Portfolio Overview

STRUCTURE AND ROLE OF THE PORTFOLIO

Foreign Affairs and Trade portfolio agencies support Ministers in the conduct of Australia's foreign relations and trade policy, help Australians win export business and generate inward and outward investment, and provide assistance to developing countries to reduce poverty and achieve sustainable development. The portfolio also provides consular and passport services to Australians, and aims to improve domestic and international public understanding of Australia's foreign, trade and aid policies. The key principles and priorities of the government's foreign and trade policy were set out in a white paper published in August 1997.

The agencies in the portfolio are:

- 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 Australia-Japan Foundation (one of a number of bilateral foundations or councils responsible to the Minister for Foreign Affairs; in this case a Commonwealth statutory authority which receives separate appropriations from the Consolidated Revenue Fund).

There have been no significant changes to the role/mission or structure of the portfolio since the publication of the Portfolio Budget Statements (PBS) for 2000-01.

Additional Estimates and variations – portfolio level

The portfolio is seeking an increase of \$59.23m million in appropriations (equivalent to 2.25% of the portfolio's total appropriation at Budget time). These are comprised of Bill 3 appropriations:

Department of Foreign Affairs and Trade (DFAT) - \$10.191 million

- **\$0.156m** adjustment for overseas inflation
- **\$10.528m** adjustment for foreign exchange variations
- **(\$0.164m)** adjustment for foreign exchange rebasing
- **\$1.075m** supplementation to cover the 2000-01 Comcover premium
- **(\$1.881m)** adjustment for interest funding
- **(\$0.043)** adjustment for VAT and fuel excise
- **(\$2.548m)** adjustment for passport funding
- **\$0.025m** adjustment to funding for Travellers' Emergency Loans (TEs)
- **\$0.162m** adjustment to Capital User Charge (CUC) due to change in net assets for 1999-2000 actuals
- **\$0.081m** supplementation for rental obligations on behalf of the Commonwealth for Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)
- **\$2.8m** appropriation for a international peace monitoring team in the Solomon Islands

Australian Trade Commission (Austrade) - \$5.68 million

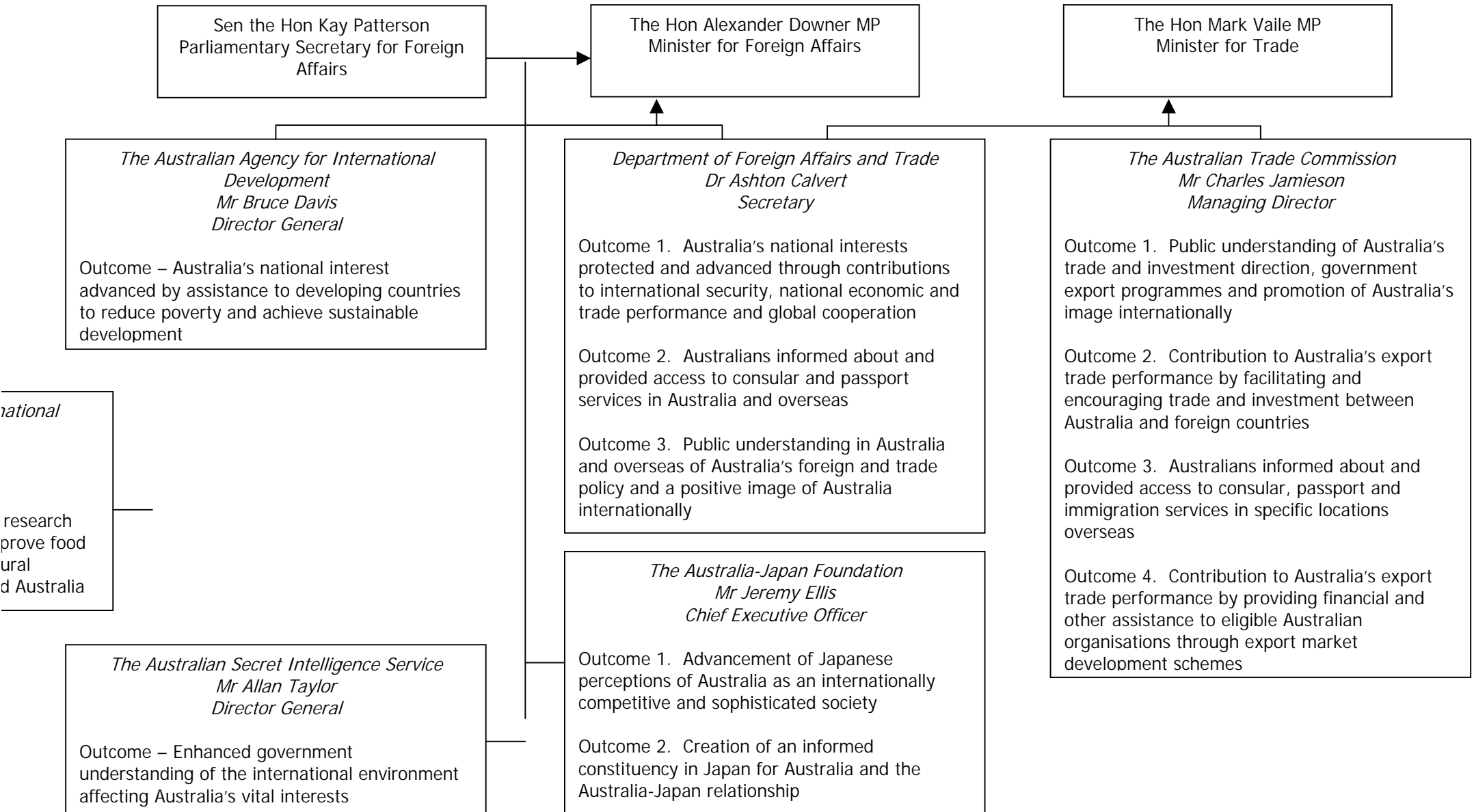
- **\$4.066m** adjustment for overseas inflation and foreign exchange variations
- **\$0.285m** adjustment for domestic price deflator
- **\$2.07m** for revision of capital use charge due to revaluation of assets
- **\$0.259m** for movement in provisions
- **(\$1.0m)** adjustment due to reduction in depreciation charge

Australian Agency for International Development (AusAID) - \$43.359m

- **\$1.0m** supplementation for Australia's contribution to the United Nations Relief and Works Agency (UNRWA)
- **\$41.289m** supplementation for Australia's increased commitment to the Asian Development Fund
- **\$1.157m** adjustment for rephasing from 1999-2000
- **\$0.027m** supplementation for Comcover
- **(\$0.114m)** adjustment due to forecast departmental interest earnings

AusAID is also seeking an administered operating loss of \$6.636m due to rationalisation of payments to multilateral organisations. This change in accounting treatment requires a one-off increase in expenses in 2000-01 and has no corresponding cash requirement.

Department of Foreign Affairs and Trade
Map 1: Structure of outcomes for the portfolio



PART C

Agency Additional Estimates Statements

**DEPARTMENT OF
FOREIGN AFFAIRS
AND TRADE
(DFAT)**

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

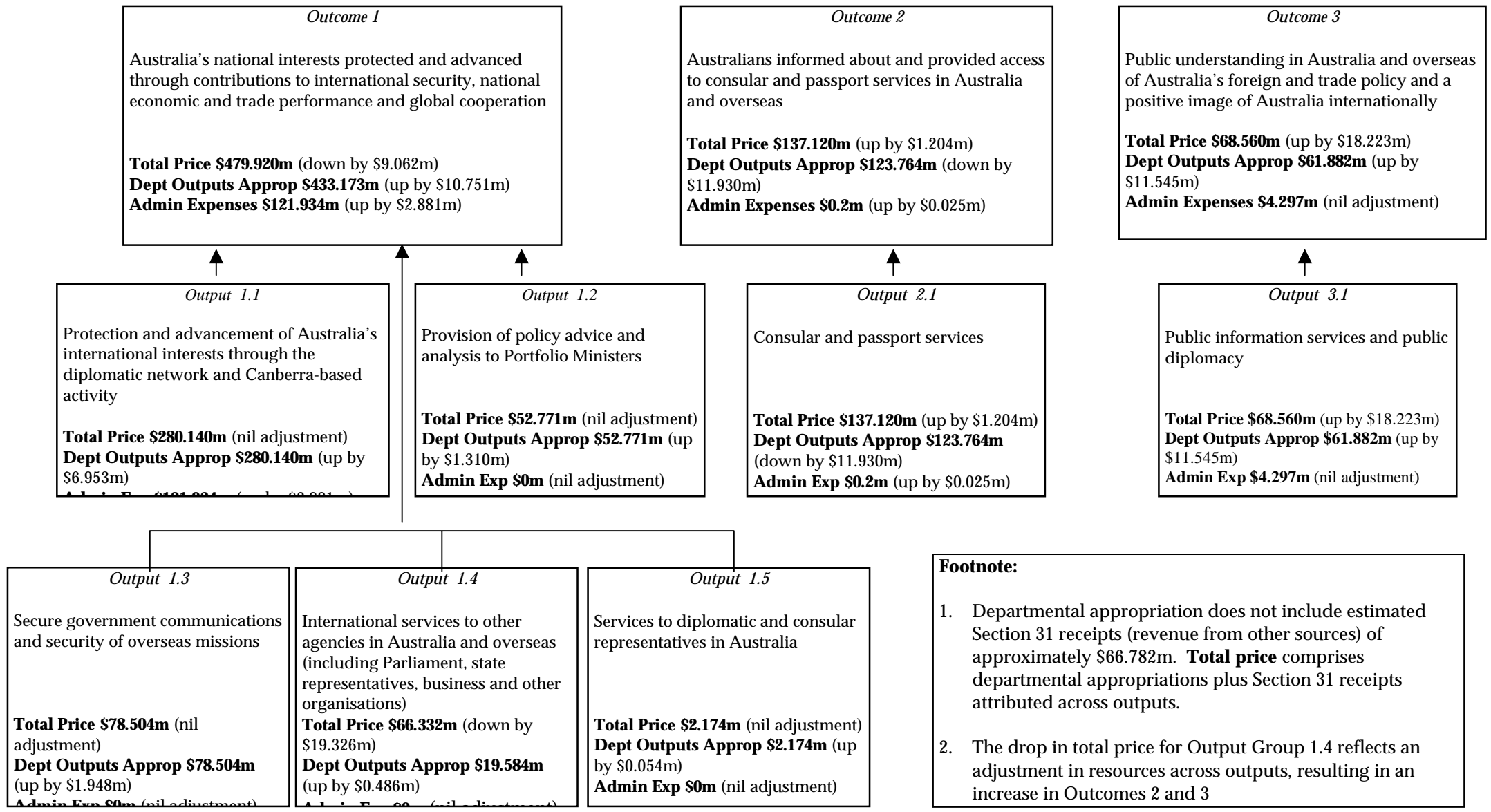
Section 1: Overview, variations and measures

OVERVIEW

The Department contributes to Australia's security, supports national economic and trade performance, and strengthens international cooperation in ways that advance Australia's interests. It assists Australian travellers and Australians overseas, and projects a positive image of Australia internationally. The Department's work towards its three outcomes is carried out by staff serving at its network of overseas posts as well as in Canberra and in State and Territory capitals.

There have been no changes to DFAT's role/mission, outcomes and outputs (apart from adjustments to the pricing of outputs), evaluation, competitive tendering and contracting and purchaser/provider practices as a result of Additional Estimates. These remain as advised in the Portfolio Budget Statements for 2000-01.

Map 2: Department of Foreign Affairs and Trade Resourcing for Outcomes and Outputs (including changes since Budget)



Footnote:

1. Departmental appropriation does not include estimated Section 31 receipts (revenue from other sources) of approximately \$66.782m. **Total price** comprises departmental appropriations plus Section 31 receipts attributed across outputs.
2. The drop in total price for Output Group 1.4 reflects an adjustment in resources across outputs, resulting in an increase in Outcomes 2 and 3

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of Foreign Affairs and Trade is seeking an increase of **\$10.191m** in Bill 3 appropriations. This includes one new Budget measure of \$2.8m in 2000-01:

Department of Foreign Affairs and Trade (DFAT) - \$7.391m (Appropriation Bill No.3 – departmental and administered)

- **\$0.156m** adjustment for overseas inflation
- **\$10.528m** adjustment for foreign exchange variations
- **(\$0.164m)** adjustment for foreign exchange rebasing
- **\$1.075m** supplementation to cover the 2000-01 Comcover premium
- **(\$1.881m)** adjustment for interest funding
- **(\$0.043)** adjustment for VAT and fuel excise
- **(\$2.548m)** adjustment for passport funding
- **\$0.025m** adjustment to funding for Travellers' Emergency Loans (TELS)
- **\$0.162m** adjustment to Capital User Charge (CUC) due to change in net assets for 1999-2000 actuals
- **\$0.081** supplementation for rental obligations on behalf of the Commonwealth for Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

Measures - \$2.8m (Appropriation Bill No.3 – administered)

Outcome 1 — Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation

The Department of Foreign Affairs and Trade will lead an International Peace Monitoring Team (IPMT) to the Solomon Islands, responding to the call for such a team in the Townsville Peace Agreement of 15 October 2000.

The role of the IPMT will be to support the indigenous Solomon Islands Peace Process under the aegis of the Peace Monitoring Council. Its main task will be the supervision of the surrender of weapons, regular inspection of stored weapons, confidence building with affected Solomon Islands communities, and reporting to the Peace Monitoring Council. The monitors will be a completely neutral, unarmed group deployed at the invitation of the main parties to the ethnic tensions.

Additional Estimates and Variations to Outcomes
Measures

	2000-01 (\$'000)	2000-02 (\$'000)	2000-03 (\$'000)	2000-04 (\$'000)
Outcome 1				
Increase in administered appropriations	2,800	0	0	0
Solomon Islands: International Peace Monitoring Team				

Breakdown of additional estimates by appropriations bill

Table 1.2: Appropriation Bill (No. 3) 2000-01

	1999-00 \$'000	2000-01 budget \$'000	2000-01 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	121,881	119,053	119,134	2,881	
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	188	175	200	25	
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	7,469	4,297	4,297		
DEPARTMENTAL OUTPUTS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	443,038	425,502	433,172	7,670	
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	131,930	135,694	123,763		11,931
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	61,943	50,337	61,881	11,544	
Total					
Appropriation Bill No. 3 (Administered and departmental)	766,449	735,058	742,447	22,120	11,931

Table 1.3: Appropriation Bill (No. 4) 2000-01

Nil for DFAT

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	2000-01 Budget	2000-01 Revised	Variation
Outcome 1			
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	2,471.90	2,472.70	0.8
Outcome 2			
Australians informed about and provided access to consular and passport services in Australia and overseas	582.25	576.15	-6.1
Outcome 3			
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	331.15	328.05	-3.1
Total	3,385.30	3,376.90	-8.4

SUMMARY OF AGENCY SAVINGS

DFAT will be reducing its appropriation base for interest funding by \$1,881,000, being the difference between the current DOFA estimate of interest to be earned and the initial interest reduction.

\$164,000 will be returned to the Budget for foreign exchange rebasing gains. This follows the availability of the department's final expenditure data for 1999-2000.

Due to a reduction in the actual demand for passports, DFAT will be returning \$2,548,000 to DOFA for passport funding.

The department will return a further \$43,000 to the Budget to reflect the variation between the built-in appropriation of \$900,000 for fuel excise and VAT expenditure, and actual administered receipts in the 1999-2000 year (\$857,105).

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

Table 1.5 - Changes to Net Annotated Appropriations (Section 31) Receipts

	Total departmental approp 2000-01 budget \$'000	Total departmental approp 2000-01 revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Variation in non-govt revenue \$'000
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	422,422	433,173	66,560	46,748	-19,812
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	135,694	123,763	222	13,356	13,134
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	50,337	61,882	0	6,678	6,678
Total	608,453	618,818	66,782	66,782	0