

PART B

Portfolio Overview

PORTFOLIO OVERVIEW

Foreign Affairs and Trade portfolio agencies support Ministers in the conduct of Australia's foreign relations and trade policy, help Australians access markets, win export business and generate inward and outward investment, and provide assistance to developing countries to reduce poverty and achieve sustainable development. The portfolio 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 portfolio is responsible for the management of the Commonwealth's overseas property portfolio.

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 Export Finance and Insurance Corporation (EFIC) and the Australia-Japan Foundation (AJF).

Portfolio priorities

In 2002-03, the portfolio will seek to build on Australia's strong economic and political standing to influence regional and global developments in pursuit of our national interests. This year, DFAT will prepare a new foreign and trade policy white paper examining the key international security and economic challenges facing Australia and how Australia can best advance its national interests.

The portfolio will contribute to Australia's security by working closely with domestic agencies and other countries to strengthen regional and global security. In the aftermath of the terrorist attacks in the United States on 11 September 2001, the portfolio will maintain Australia's support for efforts to counter international terrorism including through the implementation of relevant UN Security Council resolutions, and the negotiation of agreements and arrangements with other countries.

The portfolio will actively promote the outcomes of the Bali Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime, including by the newly created Ambassador for People Smuggling Issues. The portfolio will continue to strengthen, through increased cooperation with regional governments, measures to prevent the organised illegal movement of people.

The portfolio actively contributed to international efforts in launching a new round of multilateral trade negotiations in the World Trade Organization (WTO) at Doha. The portfolio will continue to pursue Australia's interests, most notably in the areas of agricultural, services and industrial product trade; trade and environment; and geographical indications. Having already played a constructive role in promoting the benefits of the new round of negotiations among developing nations, the portfolio envisages continuing this consultative process.

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The portfolio will continue to advance vigorously our relations in the Asia Pacific region, which remains Australia's primary area of strategic and economic focus. The relationship with the United States will remain of the highest priority across a broad range of our national interests. Trends in Europe are of increasing global importance, and the portfolio will work hard to reinforce the existing links which Australia has with European countries and institutions. The portfolio has continuing responsibilities to promote sustainable development, good governance and stability in the South Pacific, including through support for peace processes in Bougainville and Solomon Islands.

The portfolio will continue efforts to lower regional barriers to trade and investment for Australian business through engagement in the Asia Pacific Economic Cooperation (APEC) forum. The portfolio is negotiating a free trade agreement (FTA) with Singapore and is actively engaged in efforts to launch FTA negotiations with the United States and Thailand. The portfolio will also work constructively with the Association of South East Asian Nations (ASEAN) on the development of the ASEAN Free Trade Area-Australia New Zealand Closer Economic Relations Trade Agreement (AFTA-CER) Closer Economic Partnership. The portfolio will use Australia's bilateral relationships, along with its APEC membership, to advance economic reform, more open and transparent policy regimes and good governance in the Asia-Pacific region. The portfolio will pursue a framework for enhanced economic and trade cooperation with China. The portfolio will launch high-level consultations to explore all options for deeper economic linkages between Australia and Japan. In partnership with business, the portfolio will continue to advance Australia's commercial interests in the expanding Middle East markets.

The portfolio will work to achieve the Government's goal of doubling the number of Australian exporters by 2006. Austrade will work with ally and partner organisations, including State governments and private sector organisations to assist greater numbers of companies to realise their export potential. The Government's commitment to extend and expand the TradeStart and Export Access programmes will further assist these efforts. Assistance will be provided to Australian businesses to capitalise on opportunities in Asia and to establish new markets in Europe, the Middle East and the Americas.

The portfolio will continue to provide financial support for Australian exporters to promote their products and services through the Export Market Development Grants Scheme administered by Austrade. EFIC will continue to provide Australian exporters with internationally competitive finance and insurance services. EFIC has formed an alliance with a private sector insurer. The alliance is aimed at improving short-term 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 trade finance services.

The portfolio will work to advance and defend Australia's important interests on relevant multilateral issues. A priority will be working to implement and where possible strengthen international regimes covering weapons of mass destruction, the implementation of international arms control, disarmament and related export control

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agreements. In pursuing Australia's interests in multilateral environmental negotiations, particularly climate change, the portfolio will work to ensure that our broad trade, economic and environmental interests are advanced.

Australia's forthcoming term on the United Nations Commission on Human Rights will provide Australia with the opportunity to promote human rights, including through the development of national human rights institutions and good governance. We will continue to pursue reform of the United Nations, including through the high-level diplomatic initiative on Treaty Body reform. A key portfolio goal is completion of the bilateral Timor Sea Treaty with an independent East Timor. The portfolio will continue to collaborate closely with other Australian and international agencies in protecting Australia's fisheries resources. The portfolio will be heavily involved in carrying out Australia's responsibilities as current Chairman-in-Office of CHOGM.

In promoting regional peace and stability, AusAID will continue its strong focus on the Asia-Pacific region. Its programmes will concentrate on supporting economic growth and good governance through reducing poverty and building institutions which are open, transparent and accountable. The programmes will provide support for nation building in East Timor's first year of independence and assist Pacific island nations to deal with their economic, social and law and order problems. The programmes will also provide increased funding for emergencies and to assist refugees, asylum seekers and internally displaced people.

ACIAR projects in East Timor will continue to contribute to rebuilding its capacity in agricultural research and production. Through ACIAR Australia will make a contribution to improving agricultural production systems and research capabilities in a range of developing countries, including the Democratic People's Republic of Korea.

The portfolio will provide high quality consular and passport services to Australians travelling and resident overseas, as well as their families in Australia, through the network of posts and honorary consulates, the 24-hour Consular Operations Centre and consular cooperation arrangements with other countries. The portfolio will enhance its consular information programme through improvements to agency websites, expansion of the range and distribution of its publications, and cooperation with the travel industry and media. Client access to passport services will remain a priority. A new lower cost passport will be offered to Australian senior citizens. Research into a biometric identifier for the Australian passport will commence.

The portfolio will continue to promote a positive image of contemporary Australia, including its record of innovation, its strengths as a knowledge-based economy and its artistic and cultural assets. The portfolio will continue to consult the community as part of its policy formulation and provide Australians with information about Australia's foreign and trade policy and, in particular, promote wider understanding of the benefits of trade for all Australians.

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New Budget Measures

The 2002-03 Budget allocates \$67.0 million over four years in additional resourcing to the Foreign Affairs and Trade portfolio for the following new budget measures:

- **New senior Australian passport**
(Revenue foregone for the Commonwealth of \$6.0 million over four years, offset against revenue collected through increasing the price of the Australian passport.)
- **Research and development of a biometric identifier for the Australian passport**
Department of Foreign Affairs and Trade – \$3.0 million in 2002-03
- **Increase in the price of the Australian passport**
(Revenue for the Commonwealth of \$17.4 million over four years.)
- **Continuation of Australia's temporary presence in Nauru**
Department of Foreign Affairs and Trade – \$2.1 million in 2002-03
- **Ambassador for People Smuggling Issues**
(Department of Foreign Affairs and Trade to absorb \$0.5 million per annum)
- **Integration and Expansion of TradeStart and Export Access Programmes**
Australian Trade Commission - \$21.5 million over four years.
- **Increase in the export Market Development Grants minimum grant**
Australian Trade Commission - \$1.6 million over four years.
- **Funding under the Memorandum of Understanding with Nauru to address unauthorised arrivals**
Australian Agency for International Development - \$7.0 million in 2002-03.
- **Australia's contribution to the Heavily Indebted Poor Countries (HIPC) Initiative**
Australian Agency for International Development - \$10.0 million in 2001-02.
- **Increased funding to intelligence agencies**
Australian Secret Intelligence Service - \$21.8 million over four years.

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Chart 1: Administered appropriations for agencies in the portfolio

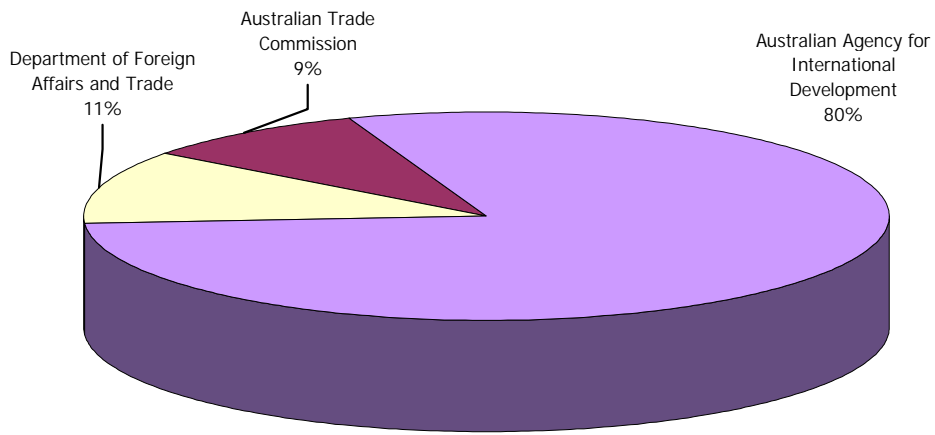


Chart 2: Departmental appropriations for agencies in the portfolio

