



PORTFOLIO BUDGET STATEMENTS 2011-12
BUDGET RELATED PAPER NO. 1.9

FOREIGN AFFAIRS AND TRADE PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY

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The document must be attributed as the *Portfolio Budget Statements 2011-12 – Foreign Affairs and Trade Portfolio*

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**PARLIAMENT HOUSE
CANBERRA 2600**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2011-12 Budget for the Foreign Affairs and Trade portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

We present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Kevin Rudd'.

Kevin Rudd
Minister for Foreign Affairs

A handwritten signature in dark ink, appearing to read 'Craig Emerson'.

Craig Emerson
Minister for Trade

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Ann Thorpe, Chief Financial Officer, Department of Foreign Affairs and Trade on (02) 6261 1240.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2011-12 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2011-12 (or Appropriation Bill [Parliamentary Departments] No. 1 2011-12 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The objective of Australia's foreign and trade policy is to contribute to improvements in international security, national economic and trade performance and global cooperation to advance Australia's national interest – the security and prosperity of Australians.

The Minister for Foreign Affairs and the Minister for Trade are the two portfolio ministers. Two Parliamentary Secretaries are responsible for Trade and Pacific Island Affairs.

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) and the Export Finance and Insurance Corporation (EFIC).

In 2011-12, DFAT will seek to advance the national interest by enhancing Australia's relations bilaterally, regionally and multilaterally and extending Australia's influence on global and regional developments. DFAT will continue to promote a clear understanding of the Government's foreign and trade policy priorities and project a positive image of Australia.

DFAT will again contribute to increasing the international competitiveness of the Australian economy and Australian exporters by pursuing trade liberalisation and expanding markets for Australian exports through arrangements that complement and are supportive of the multilateral trading system.

DFAT will continue to protect the interests of Australian citizens abroad through timely and responsive travel advice, consular services and a secure passport system. DFAT will also continue to ensure the security of Australia's network of overseas diplomatic missions and to maintain and protect Australia's secure government communications systems. DFAT will deliver timely and responsive services to the diplomatic and consular corps in Australia.

Austrade will continue to promote Australia's international trade, investment and international education interests. Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present opportunities to Australian businesses. Austrade's international activities will focus particularly on growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education) and where there is a clear role for Austrade to support

Australian firms in addressing prevalent market failures. In established markets, it will focus predominantly on opportunities for inward investment and education services. Austrade will continue to administer the Export Market Development Grants scheme.

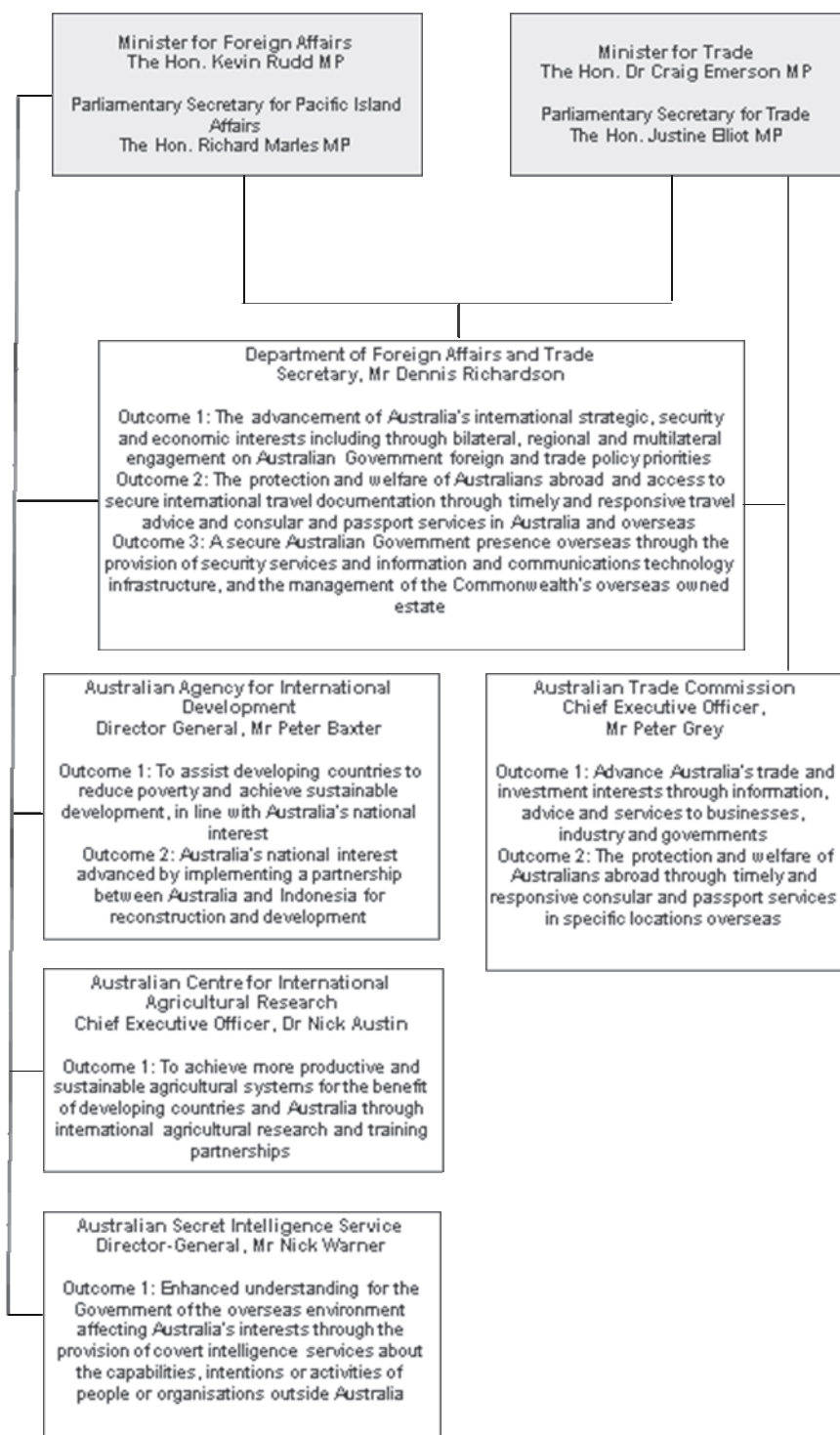
Austrade will partner with State and Territory Governments and other Commonwealth Government agencies to attract productive foreign direct investment from target markets. It will market Australia's nation brand, *Australia Unlimited*, to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism.

Through AusAID, the Australian aid program seeks to reduce the number of people living in poverty in developing countries in the Asia Pacific region and beyond. By doing so, the aid program also advances our national interest through promoting a more stable and prosperous region and world. The aid program is guided by the Millennium Development Goals (MDGs), the internationally agreed targets for poverty reduction and human development.

ACIAR will continue to focus Australia's agricultural research expertise on enhancing food security and alleviating poverty in the Asia-Pacific region and Africa. ACIAR will invest in capacity building and training activities for individuals and institutions in developing countries in these regions, including through postgraduate training for scientists. ACIAR will continue to administer and manage Australia's increasing investment in the multilateral research centres of the Consultative Group on International Agricultural Research as part of the *Overseas Development Assistance – Food Security through Rural Development* initiative.

Through ASIS, the portfolio will continue to enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect identified interests.

Through EFIC, the portfolio will help Australian exporters and companies investing in projects overseas to gain access to internationally competitive finance and insurance services. EFIC will continue to provide financial facilities for exporters of all sizes, including loans, guarantees, medium-term credit insurance, bonds/sureties and political risk insurance. It will continue to manage the National Interest Account.

Figure 1: Foreign Affairs and Trade portfolio structure and outcomes

PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2011-12 budget year, by agency.

Table 1: Portfolio Resources 2011-12

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Foreign Affairs and Trade					
Administered appropriations	274.0	-	0.2	0.1	274.3
Departmental appropriations	911.3	72.0	-	168.1	1,151.4
Total:					1,425.7
Australian Trade Commission					
Administered appropriations	150.4	-	-	-	150.4
Departmental appropriations	184.2	5.3	-	27.0	216.5
Total:					366.9
Australian Agency for International Development					
Administered appropriations	3,765.6	47.9	-	9.4	3,822.9
Departmental appropriations	278.1	15.8	-	0.2	294.1
Total:					4,117.0
Australian Centre for International Agricultural Research					
Administered appropriations	75.3	-	-	15.0	90.3
Departmental appropriations	9.9	-	-	-	9.9
Total:					100.2
Australian Secret Intelligence Service					
Administered appropriations	-	-	-	-	0.0
Departmental appropriations	192.9	219.0	-	52.5	464.4
Total:					464.4
Portfolio total	5,841.7	360.0	0.2	272.3	6,474.2
Less amounts transferred within portfolio					
Resources available within portfolio:					6,474.2