



BUDGET★

PORTFOLIO BUDGET STATEMENTS 2010-11
BUDGET RELATED PAPER NO. 1.10

FOREIGN AFFAIRS AND TRADE PORTFOLIO

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

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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 2010-11 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

Stephen Smith
Minister for Foreign Affairs

Simon Crean
Minister for Trade

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication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 Finance 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 2010-11 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 2010-11 (or Appropriation Bill [Parliamentary Departments] No. 1 2010-11 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 overarching objective of Australia's foreign and trade policy is to advance Australia's national interest – the security and prosperity of Australians – by contributing to improvements in international security, national economic and trade performance and global cooperation.

The Minister for Foreign Affairs and the Minister for Trade are the two portfolio ministers. There are two Parliamentary Secretaries with responsibilities for Trade and International Development Assistance. 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 2010-11, DFAT will seek to advance the national interest by enhancing Australia's relations multilaterally, regionally and bilaterally, heightening Australia's status and influence as a middle power on global and regional developments and furthering national stability and prosperity.

DFAT will support efforts to improve the international competitiveness of the Australian economy and Australian exporters by reducing trade barriers and expanding markets for Australian exports through systems that complement and are supportive of the multilateral trading system.

DFAT will project a positive image of Australia and promote a clear understanding of government policy. Providing efficient and effective consular services and a secure passport system to Australians will remain an enduring priority.

DFAT will manage and support Australia's overseas diplomatic network. It will manage efficiently the Commonwealth's overseas owned estate. It will continue programs to improve the security of Australia's network of overseas diplomatic missions and will maintain secure government communications overseas. DFAT will continue to provide services to the diplomatic and consular corps in Australia.

Through Austrade, the portfolio will advance Australian trade and investment interests through the delivery of information, advice and services to business, industry, institutions and governments. Building recognition of Australia as a globally-engaged nation, attractive business partner and world class destination through the implementation of the Brand Australia initiative will be an important priority in 2010-11. Austrade will continue to administer the Export Market Development Grants scheme and partner with state and territory governments in attracting productive foreign direct investment in priority industries.

Portfolio Overview

Austrade will also support the sustainable development of Australia's international education and training services through international marketing. The Government's decision to transfer responsibility for this function from the Department of Education, Employment and Workplace Relations to Austrade from 1 July 2010 is yet to be reflected in the Administrative Arrangements Order.

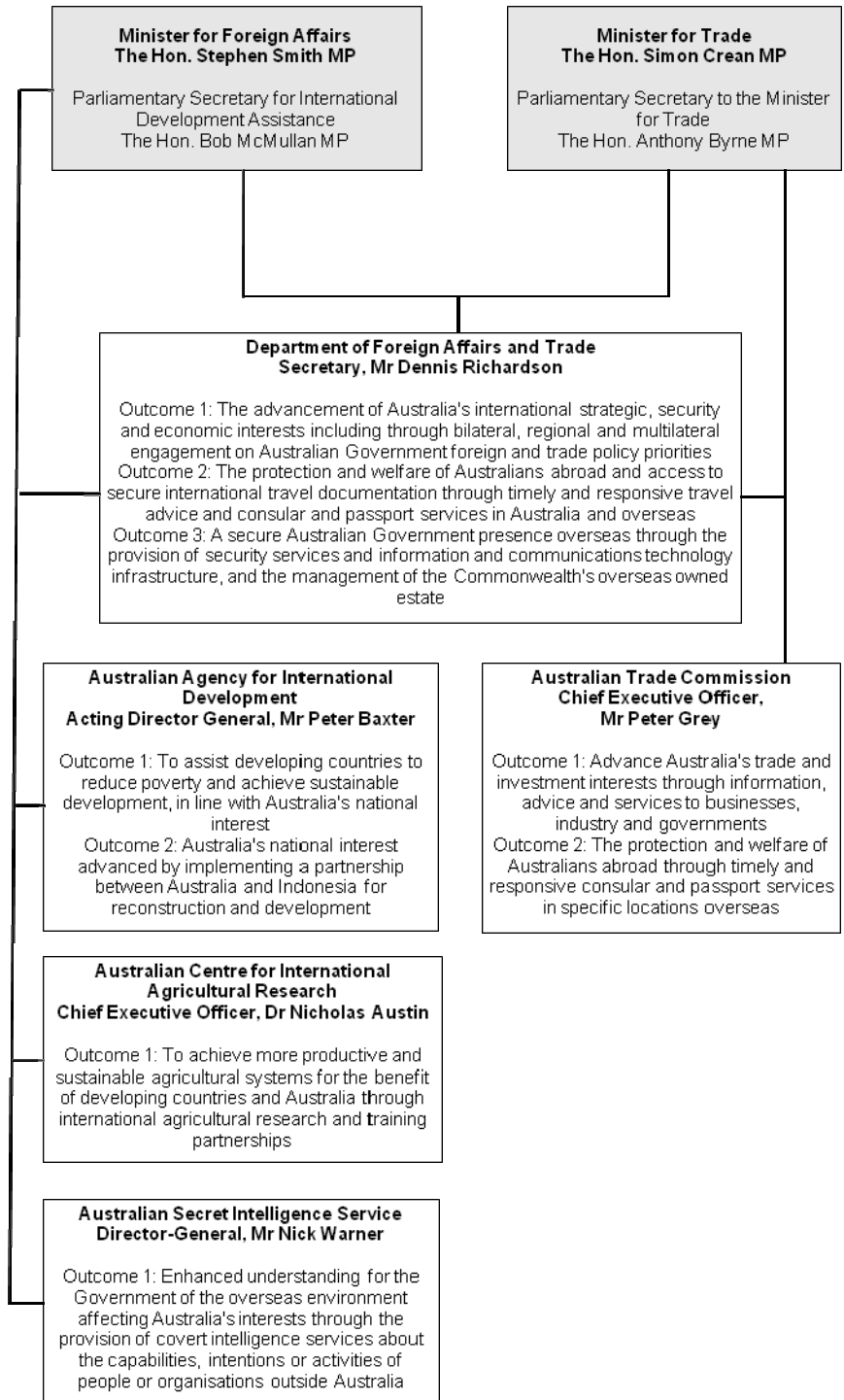
Through AusAID, the Australian aid program helps developing countries reduce poverty and achieve sustainable development, in line with Australia's national interest. AusAID will continue to provide support for health and education with an emphasis on primary health care and basic education needs, and continue to help developing countries work towards sustainable economic growth.

ACIAR will continue to implement research projects designed to reduce poverty and raise productivity in accordance with the whole-of-government *Overseas Development Assistance - Food Security Through Rural Development* initiative. ACIAR will also administer, on behalf of the Australian Government, Australia's contribution to multilateral agricultural innovation for developing countries through increased investment in the Consultative Group for International Agricultural Research.

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. It 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 2010-11 budget year, by agency.

Table 1: Portfolio Resources 2010-11

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Foreign Affairs and Trade					
Administered appropriations	295.0	-	0.7	8.0	303.7
Departmental appropriations	948.0	71.9	-	156.2	1,176.1
Total:	1,243.0	71.9	0.7	164.2	1,479.8
Australian Trade Commission					
Administered appropriations	150.4	-	-	-	150.4
Departmental appropriations	198.3	-	-	26.0	224.3
Total:	348.7	-	-	26.0	374.7
AusAID					
Administered appropriations	3,424.5	318.8	-	9.5	3,752.8
Departmental appropriations	219.2	12.3	-	0.2	231.7
Total:	3,643.7	331.1	-	9.7	3,984.5
Australian Centre for International Agricultural Research					
Administered appropriations	61.0	-	-	17.3	78.3
Departmental appropriations	9.9	-	-	-	9.9
Total:	70.9	-	-	17.3	88.2
Australian Secret Intelligence Service					
Administered appropriations	-	-	-	-	-
Departmental appropriations	203.4	0.4	-	36.0	239.8
Total:	203.4	0.4	-	36.0	239.8
Portfolio total	5,509.7	403.4	0.7	253.2	6,167.0
Less amounts transferred within portfolio					
					Resources available within portfolio: 6,167.0

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