



BUDGET★
PORTFOLIO BUDGET STATEMENTS 2009-10
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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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 2009-10 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 black ink, appearing to read 'Stephen Smith'.

Stephen Smith
Minister for Foreign Affairs

A handwritten signature in black ink, appearing to read 'Simon Crean'.

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nfp	not for publication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 2009-10 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 2009-10 (or Appropriation Bill [Parliamentary Departments] No. 1 2009-10 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 three Parliamentary Secretaries with responsibilities for Trade, Pacific Island Affairs 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 2009-10, the portfolio will seek to advance the national interest by enhancing Australia's relations multilaterally and bilaterally, heightening Australia's influence on global and regional developments and furthering national stability and prosperity.

The portfolio will work to reduce trade barriers and expand Australia's markets through the World Trade Organization (WTO) Doha Round of trade negotiations and through free trade agreements (FTAs) which complement and are supportive of the multilateral trading system. The portfolio will support efforts to improve the international competitiveness of the Australian economy and Australian exporters.

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

The portfolio 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. The portfolio will service and engage the diplomatic and consular corps in Australia.

Through Austrade, the portfolio will advance Australian trade and investment interests through the delivery of integrated services and strategies to business, industry and governments, allowing them to establish and grow their export and international business outcomes, including through the TradeStart and Corporate Partnership initiatives.

Portfolio Overview

Working with state and territory governments, Austrade will facilitate and secure productive foreign direct investment that enhances national prosperity. Through its Global Opportunities program it will provide export and investment facilitation to help expand the international competitiveness of industry clusters. Austrade will also administer the Export Market Development Grants scheme.

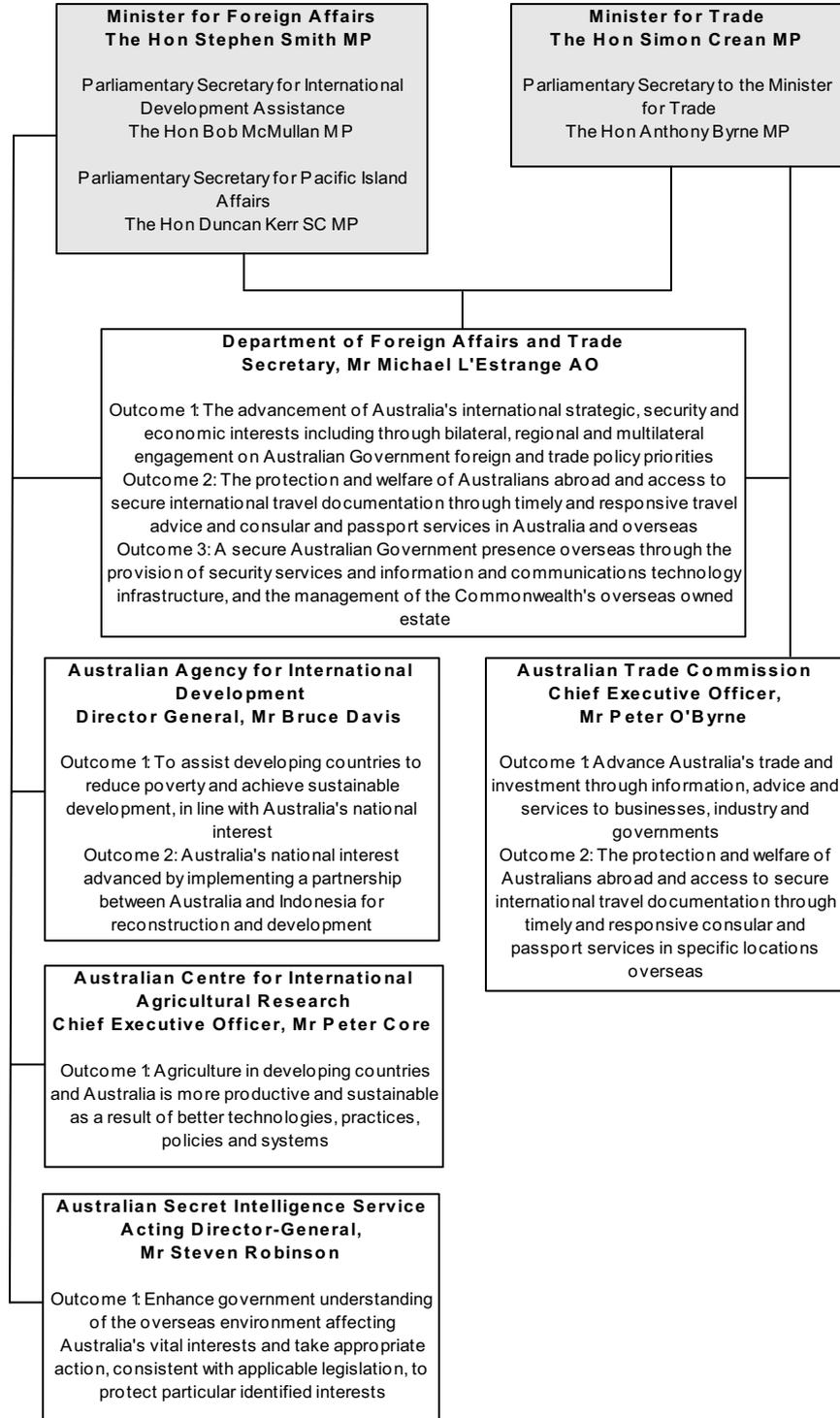
Through AusAID, the aid program helps developing countries reduce poverty and achieve sustainable development, in line with Australia's national interest. In 2009-10, the aid program will prioritise efforts to respond to the impacts of the global economic crisis on Australia's development partners and continue to advance the Millennium Development Goals (MDGs). Expanded assistance will be provided to support delivery of basic health and education services, improve food security, strengthen growth and employment through infrastructure and promote more effective governance.

ACIAR will contribute to poverty reduction in the Asia-Pacific region and Southern and Eastern Africa through research projects that support 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 global agricultural productivity through an 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 provide financial facilities for exporters of all sizes, including loans, guarantees, medium-term credit insurance and political risk insurance bonds. 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 resources provided to the portfolio in the 2009-10 budget year, by agency.

Table 1: Portfolio resources 2009-10

	Appropriation			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
Department of Foreign Affairs and Trade					
Administered appropriations	400,646	75,000	650		476,296
Departmental appropriations	928,154	99,258	-	48,859	1,076,271
Total:	1,328,800	174,258	650	48,859	1,552,567
Australian Trade Commission					
Administered appropriations	200,400				200,400
Departmental appropriations	200,521	13,223		26,000	239,744
Total:	400,921	13,223	-	26,000	440,144
AusAID					
Administered appropriations	2,837,268	6,252		4,538	2,848,058
Departmental appropriations	133,153	1,608		231	134,992
Total:	2,970,421	7,860	-	4,769	2,983,050
Australian Centre for International Agricultural Research					
Administered appropriations	53,831				53,831
Departmental appropriations	9,808				9,808
Total:	63,639	-	-	-	63,639
Australian Secret Intelligence Service					
Administered appropriations					-
Departmental appropriations	202,404	12,816		32,461	247,681
Total:	202,404	12,816	-	32,461	247,681
Resources available within Portfolio:					5,287,081

AGENCY RESOURCES AND PLANNED PERFORMANCE

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