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       Simon Crean
Minister for Foreign Affairs       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nfp      not for publication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 $m    $ million
$b $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
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.
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

**Minister for Foreign Affairs**
The Hon. Stephen Smith MP
Parliamentary Secretary for International Development Assistance
The Hon. Bob McMullan MP

**Minister for Trade**
The Hon. Simon Crean MP
Parliamentary Secretary to the Minister for Trade
The Hon. Anthony Byrne MP

**Department of Foreign Affairs and Trade**
Secretary, Mr Dennis Richardson
Outcome 1: The advancement of Australia’s international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities.
Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas.
Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth’s overseas owned estate.

**Australian Agency for International Development**
Acting Director General, Mr Peter Baxter
Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia’s national interest.
Outcome 2: Australia’s national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development.

**Australian Centre for International Agricultural Research**
Chief Executive Officer, Dr Nicholas Austin
Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.

**Australian Secret Intelligence Service**
Director-General, Mr Nick Warner
Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia’s interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.

**Australian Trade Commission**
Chief Executive Officer, Mr Peter Grey
Outcome 1: Advance Australia’s trade and investment interests through information, advice and services to businesses, industry and governments.
Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.
Portfolio Overview

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

<table>
<thead>
<tr>
<th>Agency</th>
<th>Appropriation</th>
<th>Receipts</th>
<th>Total</th>
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<tr>
<td></td>
<td>Bill No. 1</td>
<td>Bill No. 2</td>
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<tr>
<td></td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
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<tr>
<td>Department of Foreign Affairs and Trade</td>
<td></td>
<td></td>
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<tr>
<td>Administered appropriations</td>
<td>295.0</td>
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<td>Departmental appropriations</td>
<td>948.0</td>
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<td>Total:</td>
<td>1,243.0</td>
<td>71.9</td>
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<tr>
<td>Australian Trade Commission</td>
<td>150.4</td>
<td>-</td>
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<tr>
<td>Departmental appropriations</td>
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<tr>
<td>Total:</td>
<td>348.7</td>
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<tr>
<td>AusAID</td>
<td>3,424.5</td>
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<td>Departmental appropriations</td>
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<td>Total:</td>
<td>3,643.7</td>
<td>331.1</td>
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<tr>
<td>Australian Centre for International Agricultural Research</td>
<td>61.0</td>
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<td>Departmental appropriations</td>
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<tr>
<td>Total:</td>
<td>70.9</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Australian Secret Intelligence Service</td>
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</tr>
<tr>
<td>Administered appropriations</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Departmental appropriations</td>
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<tr>
<td>Total:</td>
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<td>Portfolio total</td>
<td>5,509.7</td>
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</table>

Less amounts transferred within portfolio

Resources available within portfolio: 6,167.0
# AGENCY RESOURCES AND PLANNED PERFORMANCE

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<tr>
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<th>Page</th>
</tr>
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<td>Australian Agency for International Development (AusAID)</td>
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<td>Australian Centre for International Agricultural Research (ACIAR)</td>
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