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2019-20 FOREIGN AFFAIRS AND TRADE BUDGET

The 2019-20 Budget continues the Morrison Government's commitment to advancing Australia's national interests by protecting our security and prosperity and providing more opportunities for Australian exporters in an increasingly contested and competitive world.

The Morrison Government is deepening its engagement with partners and allies across the Indo-Pacific region, including through our signature Pacific Step-Up which is taking our relationship with our Pacific neighbours to new levels.

We also continue to pursue our trade and investment agenda that opens new markets for Australian exporters across a wide range of industries, helping to build a stronger economy and create more Australian jobs.

The Government will invest an additional \$60 million in the Export Market Development Grants Scheme (EMDG) over the next three years, bringing the total annual spend to \$157.9 million, to assist current and aspiring small to medium-sized exporters to utilise free trade agreements and seek new offshore opportunities for their goods and services. Last year, more than 3,500 SMEs accessed the EMDG scheme, with those businesses employing more than 66,000 Australians and generating exports worth \$3.8 billion.

This builds on the Government's strong record of maximising global opportunities for Australian businesses. Over the past five years, total trade covered by free trade agreements has increased from 26 per cent to around 70 per cent, driving our trade balance to a record surplus.

The Budget also provides \$50 million over three years for a National Tourism Icons Program for vital tourism infrastructure and upgrades, and we are also maintaining record funding to Tourism Australia to continue to promote Australia overseas, helping to drive tourism growth, particularly in regional areas.

The Morrison Government will invest an estimated \$4 billion in Official Development Assistance (ODA) in 2019-20, with our aid to the Pacific at a record high level of \$1.4 billion.

In 2019-20, the Government will make available a record \$450 million in humanitarian assistance, ensuring Australia can respond rapidly to humanitarian crises including in the Indo-Pacific and help address the needs of over 68.5 million refugees and displaced people.

The Government is implementing the new initiatives announced in late 2018 to step up its engagement with the Pacific, demonstrating our commitment to a stable, inclusive and prosperous region and to building stronger relationships with Pacific leaders, institutions and people.

The \$2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFP) will be operational by 1 July 2019 and will deliver quality infrastructure to our Pacific partners, while leveraging private sector investment and avoiding unsustainable debt burdens.

In addition, we are increasing the ability of Efic to help finance infrastructure projects in the Pacific by granting it a new overseas infrastructure financing power and increasing its callable capital from \$200 million to \$1.2 billion. The Department of Foreign Affairs and Trade (DFAT) will receive an additional \$12.7 million to manage the AIFFP.

The Morrison Government will deepen educational links with the Pacific by providing new scholarships for Pacific students to study in Australia in secondary schools and to increase scholarships for vocational education and training.

The Office of the Pacific, now established in DFAT, is playing a key role in coordinating and enhancing Australia's efforts and ensuring our development assistance is delivering on shared priorities.

Building on the success of the Seasonal Worker Programme, we have also uncapped the Pacific Labour Scheme and expanded it to more Pacific island countries to enable more workers to fill shortages in rural and regional Australia. This is in addition to our Government's expansion of the Work and Holiday program to help support our farmers and boost regional tourism and rural communities.

As our Southeast Asian neighbours transition from developing economies, the Morrison Government is increasingly focused on building economic resilience, alongside poverty alleviation. We are investing \$121 million to provide technical advice to ASEAN governments on how to best manage infrastructure development including avoiding debt traps. This will in turn drive demand for Australian exports and facilitate cheaper goods for Australian consumers.

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