

VOTE *Foreign Affairs and Trade*

Foreign Affairs and Trade

Overview

Appropriations sought for Vote Foreign Affairs and Trade in 2006/07 total \$299.355 million. This is intended to be applied as follows:

- \$245.334 million (81.9% of the Vote) on purchasing services in the spheres of foreign affairs and trade from the Ministry of Foreign Affairs and Trade.
- \$10.964 million (3.7% of the Vote) on purchasing Antarctic research and support from the New Zealand Antarctic Institute.
- \$3.313 million (1.1% of the Vote) on promotion of Asian skills and relationships from the Asia New Zealand Foundation.
- \$800,000 (0.3% of the Vote) on a Pacific Cooperation Foundation to promote mutual understanding and constructive linkages between New Zealanders and the other countries and people of the Pacific.
- \$36.445 million (12.2% of the Vote) on subscriptions to international organisations.
- \$899,000 (0.3% of the Vote) on payments in accordance with the Diplomatic Privileges and Immunities Act 1968.
- \$100,000 (0.0% of the Vote) on payments made on behalf of other governments and international organisations.
- \$1.500 million (0.5% of the Vote) capital contribution to the New Zealand Antarctic Institute (NZAI) for the upgrade or replacement of the Scott Base buildings and services infrastructure.

The Ministry expects to collect \$100,000 of Crown revenue in 2006/07, which is for recovery of payments made on behalf of the Government of Tokelau.

Details of how the appropriations are to be applied appear in Parts B1, C and E of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

| | |
|-------|---|
| AFTA | ASEAN Free Trade Association |
| APEC | Asia Pacific Economic Cooperation |
| ARF | ASEAN Regional Forum |
| ASEAN | Association of Southeast Asian Nations |
| CEP | Closer Economic Partnerships |
| CER | Closer Economic Relations |
| EAS | East Asia Summit |
| ETA | Economic Transformation Agenda |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FTA | Free Trade Agreement |
| IO | Intermediate Outcomes |
| IS | Identity Services |
| MED | Ministry of Economic Development |
| MOD | Ministry of Defence |
| NZAI | New Zealand Antarctic Institute |
| NZAID | New Zealand Agency for International Development |
| NZDF | New Zealand Defence Force |
| NZODA | New Zealand Official Development Assistance |
| NZTE | New Zealand Trade and Enterprise |
| OECD | Organisation for Economic Cooperation and Development |
| PACER | Pacific Agreement on Closer Economic Relations |
| PCF | Pacific Cooperation Foundation |
| PICs | Pacific Island Countries |
| PNG | Papua New Guinea |
| PSF | Pacific Security Fund |
| UN | United Nations |
| WMD | Weapons of Mass Destruction |
| WTO | World Trade Organisation |

Footnotes

| | |
|--------|--|
| Note 1 | Expenses incurred pursuant to section 11 of the Foreign Affairs Act 1988. |
| Note 2 | Expenses incurred pursuant to section 21 of the Diplomatic Privileges and Immunities Act 1968. |
| Note 3 | Expenses incurred pursuant to section 71 of the Public Finance Act 1989. |

Note 4 Environmental Organisations include the Commission on Sustainable Development, the Global Environment Facility, the International Whaling Commission, the United Nations Environment Programme (UNEP) and the South Pacific Regional Environment Programme. In addition New Zealand works within the meetings of states parties to the following treaties: the UN Framework Convention on Climate Change and its Kyoto Protocol, the Montreal Protocol to the Vienna Convention, the Basel Convention, the Stockholm Convention, the Rotterdam Convention, the Convention on Biological Diversity and its Protocol on Biosafety, the Convention on the Conservation of Migratory Species and its Agreement on the Conservation of Albatrosses and Petrels, the Ramsar Convention, and the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).

Note 5 Disarmament Organisations include the Conference on Disarmament, the Comprehensive Nuclear Test Ban Treaty Preparatory Commission and its Provisional Technical Secretariat, the International Atomic Energy Agency, the Organisation for the Prohibition of Chemical Weapons, the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Wassenaar Arrangement. In addition, New Zealand works within the meetings of states parties to the following treaties: the Treaty on the Non Proliferation of Nuclear Weapons, the Biological Weapons Convention, the Convention on Chemical Weapons, the Convention on Certain Conventional Weapons, the Ottawa Convention on Landmines and the UN Programme of Action on Small Arms and Light Weapons.

Minister Portfolio Table

34 Minister of Foreign Affairs

Foreign Affairs and Trade

VOTE MINISTER: Minister of Foreign Affairs

ADMINISTERING DEPARTMENT: Ministry of Foreign Affairs and Trade

The Minister of Foreign Affairs is the Responsible Minister for the Ministry of Foreign Affairs and Trade

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

MFAT Outcomes and Related Government Outcomes

Government Outcomes

Vote Foreign Affairs and Trade contributes to the achievement of key Government goals through the pursuit of activities which will strengthen national identity, transform the economy for the benefit of all, protect and enhance the environment and promote inclusive solutions in the national interest. The Ministry's main outcome is that New Zealand's voice is heard abroad and our security and prosperity interests are advanced and protected. The appropriations in Vote Foreign Affairs and Trade will secure advice and services for the management of the Government's business with foreign countries and their governments, and with international organisations.

Related Votes

The delivery of New Zealand's ODA programme is managed through a semi-autonomous body - the New Zealand Agency for International Development (NZAID), which is part of the Ministry and came into existence on 1 July 2002. Refer to *Vote Official Development Assistance* for further information on NZAID's 2006/07 Estimates of Appropriation and work programme.

MFAT Intermediate Outcomes

In pursuit of the Government's goals the Ministry will direct effort in 2006/07 to a number of Intermediate Outcomes. Success in achieving these Outcomes will be demonstrated by progress on and completion of action points within associated areas of concentration and intervention. The five Intermediate Outcomes are:

- I - Reduced risks to New Zealand from global and regional insecurity.
- II - New Zealand's international connections support transformation of the New Zealand economy through growth in trade and through improved flows of investment, skills and technology.
- III - A rules-based international system that supports our security and prosperity goals and promotes our values.
- IV - Eliminating poverty through development partnerships.
- V - Protection of the rights of New Zealanders abroad.

The Ministry's Intermediate Outcomes are achieved through the Departmental Output Expenses as follows:

| Departmental Output Expenses | IO I | IO II | IO III | IO IV | IO V |
|--|------|-------|--------|-------|------|
| Administration of Diplomatic Privileges and Immunities (<i>outcomes achieved indirectly</i>) | X | X | X | X | X |
| Consular Services | | | | | X |
| Pacific Security Fund | X | | | | |
| Policy Advice and Representation - International Institutions | X | X | X | X | |
| Policy Advice and Representation - Other Countries | X | X | X | X | |
| Promotional Activities - Other Countries | | X | | | |
| Services for Other New Zealand Agencies Overseas (<i>outcomes achieved indirectly</i>) | X | X | X | | X |

Links between Departmental Output Expenses and Government Outcomes

Output Expense Administration of Diplomatic Privileges and Immunities achieves these principal outcomes:

- effective administration of Diplomatic Privileges and Immunities
- discharge of international obligations.

Output Expense Consular Services achieves these principal outcomes:

- appropriate support and assistance provided to New Zealanders overseas.

Outcomes will be achieved through the completion of key Action Points within associated Areas of Concentration for 2006/07 as described under the Output Expenses in Part C1.

Output Expense Pacific Security Fund achieves these principal outcomes:

- enhancement of regional security through a fund to meet the cost of advice, training and technical support for Pacific Island countries which serves to address the external threats posed to Pacific Island countries and risks to New Zealand's national interests.

Outcomes will be achieved through completion of key Action Points within associated Areas of Concentration for 2006/07 as described under the Output Expenses in Part C1.

Output Expense Policy Advice and Representation - International Institutions achieves these principal outcomes:

- protection and advancement of New Zealand's interests through a range of multilateral mechanisms
- enhanced New Zealand standing in the international community
- pursuit of New Zealand's environment, human rights and disarmament goals
- discharge of international obligations.

Outcomes will be achieved through the completion of key Action Points within associated Areas of Concentration for 2006/07 as described under the Output Expenses in Part C1.

Output Expense Policy Advice and Representation - Other Countries achieves these principal outcomes:

- protection and advancement of New Zealand's interests through a range of active bilateral and regional relationships
- enhanced regional security, and maintenance of New Zealand's regional position
- satisfaction of constitutional and international obligations
- opportunities secured for the New Zealand economy
- trade access for New Zealand goods and services maintained and increased.

Outcomes will be achieved through the completion of key Action Points within associated Areas of Concentration for 2006/07 as described under the Output Expenses in Part C1.

Output Expense Promotional Activities - Other Countries achieves these principal outcomes:

- protection and advancement of New Zealand's interests through a range of active bilateral and regional relationships.

Outcomes will be achieved through completion of key Action Points within associated Areas of Concentration for 2006/07 as described under the Output Expenses in Part C1.

Output Expense Services for other New Zealand Agencies Overseas achieves these principal outcomes:

- effective delivery of agency services through New Zealand's representation overseas.

| Non-Departmental Output Expenses | Principal Related Outcomes |
|---|---|
| <p>New Zealand Antarctic Institute (NZAI)</p> <p>Antarctic Research and Support</p> | Enhanced New Zealand Antarctic scientific research and strategic programme of national Antarctic activities. |
| <p>Pacific Cooperation Foundation</p> <p>Pacific Cooperation Foundation of New Zealand</p> | Mutual understanding and constructive linkages between New Zealanders and Pacific peoples. |
| <p>Asia New Zealand Foundation</p> <p>Promotion of Asian Skills and Relationships</p> | Improved knowledge among New Zealanders about Asian countries and the development of the necessary skills required by New Zealanders in their dealings with Asia. |

Part A2 - Trends in Vote

The table of Departmental and Non-Departmental flows shows the impact of two Vote restructures, in 2002/03 when New Zealand Official Development Assistance (NZODA) appropriations were transferred to Vote Official Development Assistance and in 2003/04 when TradeNZ appropriations were transferred to Vote Economic, Industry and Regional Development. It also reflects the impact of periodic property revaluations; non-recurring activities such as the Pacific Islands Forum meeting hosted by New Zealand in 2003/04; one-off capital contributions and lower Crown revenue and receipts. The underlying trend, however, is an overall increase in the amount appropriated for outputs and other expenses mainly reflecting higher property values, capability funding, tax on overseas terms and conditions of service and approved new initiatives.

Output Trends: 2001/02 to 2006/07

The key changes from 2001/02 are as follows:

- **Fiscally Neutral Changes:** the main changes since 2001/02 include: foreign exchange rate movements (-\$26.561 million), rate of capital charge lowered from 10.0% to 7.5% (-\$2.864 million), movement in property values (one-off decrease of \$28.340 million in 2001/02 and ongoing lower capital charge and depreciation of \$211,000 p.a.), tax on overseas terms and conditions (\$34.000 million) and transfer of chanceries and residences back to the Ministry from the Treasury in 2005/06 (\$9.398 million).
- **Funding Increases:** total \$52.715 million mainly for additional resources following the Ministry's Capability Review (\$20.373 million), a new post in Warsaw (\$2.875 million), a new post in Cairo (\$2.818 million), additional resources for WTO Negotiations and Bilateral Closer Economic Partnerships/Free Trade Agreements (\$7.440 million), implementing security enhancements to ensure staff and their families and property are safe, secure and protected (\$5.789 million), and the establishment of a Pacific Security Fund (\$2.667 million).
- **Funding Transfers:** appropriations in 2002/03 by \$16.545 million due to the transfer of NZODA appropriations to Vote Official Development Assistance in 2002/03 (-\$16.545 million) and Trade New Zealand appropriations to Vote Economic, Industry and Regional Development in 2003/04 (-\$72.974 million).

Other Expenses Trends: 2001/02 to 2006/07

Other expenses have decreased by \$221.153 million since 2001/02. The key changes have been:

- NZODA appropriations of \$215.656 million were transferred to Vote Official Development Assistance in 2002/03.
- The cost of subscriptions to international organisations has increased by \$2.236 million, from \$34.209 million in 2001/02 to \$36.445 million in 2006/07. This increase mainly reflects higher assessed contributions to UN peacekeeping activities, partially offset by exchange rate movements.

Capital Expenditure Trends: 2001/02 to 2006/07

- In 2001/02 TradeNZ received \$4.462 million for an E-commerce for Exporters strategy.
- In 2002/03 the New Zealand Antarctic Institute received \$0.321 million for the Latitudinal Gradient Project, \$3.937 million in 2003/04 for the construction of a new heated field store at Scott Base and \$1.500 million in 2006/07 to maintain Scott Base buildings and services infrastructure.
- In 2004/05 the Ministry received \$2.660 million for the establishment of a new post in Warsaw, Poland.
- In 2005 the Ministry received \$2.834 million for the establishment of a new post in Cairo, Egypt, \$2.751 million for capital expenditure in chanceries and residences previously rented from Treasury, \$2.379 million to fit out new larger chanceries in Los Angeles and Shanghai, \$1.993 million to design and implement a global Emergency Response and Consular Management Information System and \$10.023 million to implement the capital recommendations of security assessments of New Zealand Government owned and leased properties offshore driven by security and safety needs.
- Refer Part E3 for details of the capital expenditure the Ministry and NZAI will receive in 2006/07.

Crown Revenue and Receipts Trends: 2001/02 to 2006/07

The decrease in Crown revenue and receipts reflects a reduction in the number and value of payments Tokelau is asking the Ministry to process on its behalf.

Analysis by Appropriation Type: 2006/07 and 2005/06 Compared

Departmental output expenses

Annual appropriations are expected to increase by \$39.556 million (19.6%) in 2006/07 relative to 2005/06. The increase is mainly attributable to tax on overseas terms and conditions of service following Inland Revenue Department's assessment of these (\$25.500 million), higher accommodation costs due to the transfer of ownership of chanceries and residences previously rented from Treasury (\$7.769 million), WTO Negotiations and Bilateral Closer Economic Partnerships/Free Trade Agreements (\$4.085 million), and additional resources for the Ministry's Capability Funding Review (\$2.559 million).

Non-departmental output expenses

Annual appropriations are expected to increase by \$2.582 million (17.1%) in 2006/07 relative to 2005/06. New Zealand Antarctic Institute funding has increased by \$1.602 million for Antarctic operations and support. Asia New Zealand Foundation's funding has increased by \$980,000 following additional funding received in 2006/07 to fund an action programme on relations with Asia.

Non-departmental other expenses

The annual appropriation is expected to decrease by \$0.709 million (1.9%) in 2006/07 relative to 2005/06 reflecting one-off assistance in 2005/06 to the United States of \$2 million for relief operations following Hurricane Katrina partially offset by an increase of \$754,000 to meet New Zealand's share of the fourth replenishment of the Global Environment Facility.

New Policy Initiatives by Appropriation

| Initiative | Appropriation as shown in Part B | \$000 increase/(decrease) | | | | |
|---|--|---------------------------|---------|---------|---------|---------|
| | | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Asia NZ: Seriously Asia Year Three | Non-Departmental Output Expense - Promotion of Asian Skills and Relationships | - | 1,425 | - | - | - |
| Asia Security and Governance Fund | Departmental Output Expense - Policy Advice and Representation: International Institutions | - | 500 | 700 | 700 | 700 |
| Climate Change: Increase in Capacity | Departmental Output Expense - Policy Advice and Representation: International Institutions | - | 378 | 378 | 378 | 378 |
| Diplomatic Tools and Tradecraft | Departmental Output Expense - Policy Advice and Representation: Other Countries | - | 1,324 | 1,324 | 1,324 | 1,324 |
| Disarmament: NZ National Data Centre | Departmental Output Expense - Policy Advice and Representation: International Institutions | - | 150 | 150 | 150 | 150 |
| Global Environment Fund | Other Expense to be Incurred by the Crown - Subscriptions to International Organisations | - | 754 | 1,005 | 1,215 | 1,215 |
| Latin America Strategy Fund | Departmental Output Expense - Policy Advice and Representation: Other Countries | - | 250 | 250 | 250 | 250 |
| NZAI: Antarctic Aircraft and Helicopter Operations | Non-Departmental Output Expense - Antarctic Research and Support | - | 762 | 762 | 762 | 762 |
| NZAI: Capital Expenditure Programme Antarctic Operations | Non-Departmental Output Expense - Antarctic Research and Support | - | 100 | 300 | 400 | 400 |
| | Capital Expenditure to Other Persons or Organisations - New Zealand Antarctic Institute | - | 1,500 | 2,400 | 800 | 300 |
| NZAI: International Influence and Leadership | Non-Departmental Output Expense - Antarctic Research and Support | - | 50 | 50 | 50 | 50 |
| NZAI: Logistical Support for ITASE Project | Non-Departmental Output Expense - Antarctic Research and Support | - | 275 | 250 | 325 | 500 |
| Pacific Cooperation Foundation: Funding to Maintain Current Output Levels | Non-Departmental Output Expense - Pacific Cooperation Foundation | - | 800 | - | - | - |
| Remuneration: Flow on Cost to Overseas Allowances | Departmental Output Expense - Administration of Diplomatic Privileges and Immunities | 16 | 21 | 27 | 27 | 27 |
| | Departmental Output Expense - Consular Services | 62 | 84 | 108 | 108 | 108 |
| | Departmental Output Expense - Pacific Security Fund | 2 | 2 | 3 | 3 | 3 |
| | Departmental Output Expense - Policy Advice and Representation: International Institutions | 345 | 464 | 596 | 596 | 596 |

| Initiative | Appropriation as shown in Part B | \$000 increase/(decrease) | | | | |
|--|--|---------------------------|---------------|---------------|---------------|---------------|
| | | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| | Departmental Output Expense - Policy Advice and Representation: Other Countries | 1,101 | 1,485 | 1,903 | 1,903 | 1,903 |
| | Departmental Output Expense - Promotional Activities: Other Countries | 2 | 3 | 4 | 4 | 4 |
| Remuneration: Market Movement | Departmental Output Expense - Administration of Diplomatic Privileges and Immunities | - | 17 | 36 | 36 | 36 |
| | Departmental Output Expense - Consular Services | - | 68 | 142 | 142 | 142 |
| | Departmental Output Expense - Pacific Security Fund | - | 2 | 4 | 4 | 4 |
| | Departmental Output Expense - Policy Advice and Representation: International Institutions | - | 375 | 785 | 785 | 785 |
| | Departmental Output Expense - Policy Advice and Representation: Other Countries | - | 1,201 | 2,510 | 2,510 | 2,510 |
| | Departmental Output Expense - Promotional Activities: Other Countries | - | 2 | 5 | 5 | 5 |
| Security: Information Systems and Physical | Departmental Output Expense - Policy Advice and Representation: Other Countries | - | 1,415 | 3,786 | 4,331 | 4,331 |
| | Impact on Net Asset Schedule | - | 7,000 | 14,550 | - | - |
| Seriously Asia Follow Up | Departmental Output Expense - Policy Advice and Representation: Other Countries | (56) | - | - | - | - |
| | Non-Departmental Output Expense - Promotion of Asian Skills and Relationships | 56 | - | - | - | - |
| Tax on Overseas Conditions of Service | Departmental Output Expense - Administration of Diplomatic Privileges and Immunities | 4 | 14 | 15 | 16 | 16 |
| | Departmental Output Expense - Consular Services | 309 | 1,235 | 1,297 | 1,362 | 1,430 |
| | Departmental Output Expense - Policy Advice and Representation: International Institutions | 1,180 | 4,701 | 4,936 | 5,182 | 5,442 |
| | Departmental Output Expense - Policy Advice and Representation: Other Countries | 7,007 | 28,050 | 29,452 | 30,925 | 32,471 |
| Total Initiatives | | 10,028 | 54,407 | 67,728 | 54,293 | 55,842 |

Part B - Statement of Appropriations

Summary of Financial Activity

| | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | | 2006/07 Appropriations to be Used | | | | 2007/08 | 2008/09 | 2009/10 | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|---|----------------|--------------------------------------|----------------|----------------|--------------------|--------------------|--------------------|
| | Actual \$000 | Actual \$000 | Actual \$000 | Actual \$000 | Budget \$000 | Estimated Actual \$000 | By the Department Administering the Vote | | For Non-Departmental Transactions | | Total \$000 | Estimated \$000 | Estimated \$000 | Estimated \$000 |
| | | | | | | | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | | | | |
| Appropriations | | | | | | | | | | | | | | |
| Output Expenses | 238,599 | 257,519 | 191,827 | 192,695 | 214,989 | 213,989 | 245,241 | 93 | 15,077 | - | 260,411 | 262,928 | 263,341 | 264,552 |
| Benefits and Other Unrequited Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - | - |
| Borrowing Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - | - |
| Other Expenses | 247,010 | 28,681 | 26,940 | 32,758 | 38,153 | 38,153 | - | - | 36,445 | 999 | 37,444 | 37,575 | 37,513 | 37,427 |
| Capital Expenditure | 4,462 | 321 | 3,937 | - | - | - | N/A | N/A | 1,500 | - | 1,500 | 2,400 | 800 | 300 |
| Intelligence and Security Department Expenses and Capital Expenditure | - | - | - | - | - | - | - | - | N/A | N/A | - | - | - | - |
| Total Appropriations | 490,071 | 286,521 | 222,704 | 225,453 | 253,142 | 252,142 | 245,241 | 93 | 53,022 | 999 | 299,355 | 302,903 | 301,654 | 302,279 |
| Crown Revenue and Receipts | | | | | | | | | | | | | | |
| Tax Revenue | - | - | - | - | - | - | N/A | N/A | N/A | N/A | - | - | - | - |
| Non-Tax Revenue | 260 | 229 | 251 | 194 | 411 | 411 | N/A | N/A | N/A | N/A | 100 | 100 | 100 | 100 |
| Capital Receipts | - | - | - | - | - | - | N/A | N/A | N/A | N/A | - | - | - | - |
| Total Crown Revenue and Receipts | 260 | 229 | 251 | 194 | 411 | 411 | N/A | N/A | N/A | N/A | 100 | 100 | 100 | 100 |

Part B1 - Details of Appropriations

| Appropriations | 2005/06 | | | | 2006/07 | | Scope of 2006/07 Appropriations |
|---|--------------|-------------|------------------|-------------|--------------|-------------|--|
| | Budget | | Estimated Actual | | Vote | | |
| | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | |
| Departmental Output Expenses (General) | | | | | | | |
| Administration of Diplomatic Privileges and Immunities (M34) | 791 | - | 791 | - | 826 | | - The purchase of administration of the Diplomatic Privileges and Immunities Act 1968 and the Consular Privileges and Immunities Act 1971. Reason for Change: The change reflects this output expense's share of appropriation movements set out in Part A2, that are allocated across output expenses. |
| Consular Services (M34) | 6,743 | - | 6,743 | - | 7,955 | | - The purchase of consular policy advice, consular services for New Zealanders abroad and notarial services. Reason for Change: The change reflects this output expense's share of appropriation movements set out in Part A2, that are allocated across output expenses. |
| Pacific Security Fund (M34) | 2,709 | - | 2,709 | - | 2,711 | | - The purchase of activities and equipment to enhance Pacific Islands security that mutually reinforce New Zealand's security interests. Reason for Change: The change reflects minor overhead cost allocation adjustments. |
| Policy Advice and Representation - International Institutions (M34) | 35,411 | - | 35,411 | - | 39,716 | | - The purchase of policy advice and representation activities related to the management of New Zealand's membership of, and foreign and trade interests in, international institutions. Reason for Change: The change reflects this output expense's share of appropriation movements set out in Part A2, that are allocated across output expenses. |
| Policy Advice and Representation - Other Countries (M34) | 144,154 | 98 | 143,154 | 98 | 182,019 | 93 | The purchase of policy advice and representation activities directed towards the management of New Zealand's foreign and trade relations with other countries, bilaterally and in regional organisations (see Note 1). Reason for Change: The change reflects this output expense's share of appropriation movements set out in Part A2, that are allocated across output expenses. |
| Promotional Activities - Other Countries (M34) | 786 | - | 786 | - | 789 | | - The purchase of promoting New Zealand to other countries as an attractive market for trade and investment. Reason for Change: The change reflects minor overhead cost allocation movements. |
| Services for Other New Zealand Agencies Overseas (M34) | 11,739 | - | 11,739 | - | 11,225 | | - The purchase of accommodation and support services by other New Zealand agencies. Reason for Change: The change in 2006/07 largely reflects foreign exchange and overseas inflation movements. |
| Total Departmental Output Expenses (General) | 202,333 | 98 | 201,333 | 98 | 245,241 | 93 | |

| Appropriations | 2005/06 | | | | 2006/07 | | Scope of 2006/07 Appropriations |
|---|--------------|-------------|------------------|-------------|---------------|-------------|--|
| | Budget | | Estimated Actual | | Vote | | |
| | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | |
| Non-Departmental Output Expenses | | | | | | | |
| Antarctic Research and Support (M34) | 9,425 | - | 9,425 | - | 10,964 | - | - Provision of management and logistic support for New Zealand activities in the Antarctic. The provider is the New Zealand Antarctic Institute. Reason for Change: The change in 2006/07 largely reflects additional funding for Antarctic aircraft and helicopter operations and additional fuel costs. |
| Pacific Cooperation Foundation (M34) | 800 | - | 800 | - | 800 | - | - The promotion of mutual understanding and constructive linkages between New Zealanders and the other countries and people of the Pacific. The provider is the Pacific Cooperation Foundation of New Zealand. |
| Promotion of Asian Skills and Relationships (M34) | 2,333 | - | 2,333 | - | 3,313 | - | - The promotion of New Zealanders' skills in improving relations with Asian countries. The provider is the Asia New Zealand Foundation. Reason for Change: The change in 2006/07 reflects additional funding for an action programme on relations with Asia. |
| Total Non-Departmental Output Expenses | 12,558 | - | 12,558 | - | 15,077 | - | |
| Other Expenses to be Incurred by the Crown | | | | | | | |
| Disbursements Made, Exemptions from Taxation, etc (M34) | - | 899 | - | 899 | - | 899 | - Refund of New Zealand local body rates for offices and residential premises of overseas diplomatic missions and consular posts (see Note 2). |
| Emergency and Disaster Relief (M34) | 2,000 | - | 2,000 | - | - | - | - Assistance to the United States of America for relief operations following Hurricane Katrina. |
| Payments on Behalf of Other Governments and International Organisations (M34) | - | 100 | - | 100 | - | 100 | - Payment facility for purchases made on behalf of Tokelau (see Note 3). |
| Subscriptions to International Organisations (M34) | 35,154 | - | 35,154 | - | 36,445 | - | - Subscriptions to such organisations as the UN, the Commonwealth Secretariat, the WTO and the OECD. |
| Total Other Expenses to be Incurred by the Crown | 37,154 | 999 | 37,154 | 999 | 36,445 | 999 | |
| Capital Expenditure | | | | | | | |
| New Zealand Antarctic Institute (M34) | - | - | - | - | 1,500 | - | - To enable NZAI to maintain the Scott Base buildings and services infrastructure. |
| Total Capital Expenditure | - | - | - | - | 1,500 | - | |
| Total Appropriations | 252,045 | 1,097 | 251,045 | 1,097 | 298,263 | 1,092 | |

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Administration of Diplomatic Privileges and Immunities

This output involves administration of the Diplomatic Privileges and Immunities Act 1968 and the Consular Privileges and Immunities Act 1971, which give effect to the 1961 Vienna Convention on Diplomatic Relations and the 1963 Vienna Convention on Consular Relations.

Definition

Services in this output include:

- administration of privileges and immunities for members of diplomatic and consular corps, including immigration entry requirements, importation and duty free entitlements and issue of appropriate documentation
- arrangements for the accreditation and reception of Heads of Mission to New Zealand, including documents and appointments
- provision of advice to the Minister, diplomatic missions, government agencies and other parties regarding application of diplomatic and consular privileges and immunities in New Zealand, and
- provision of host government services to diplomatic and consular corps, including liaison over diplomatic security and the issue of official lists and notices.

During 2006/07 the services delivered will contribute indirectly to the Ministry's Intermediate Outcomes I, II, III, IV and V.

Consular Services

This output involves consular policy advice and the provision of consular services for New Zealanders abroad.

Definition

Consular services provided in this output class cover:

- maintenance of acceptable policy settings for consular services
- assistance to New Zealand citizens - advice, advances in emergencies, arrests/imprisonment, medical cases, repatriation, missing persons, death overseas, child abduction, lost property and emergency travel documents
- overseas voting facilities in consultation with the Chief Electoral Office
- notarial services - affidavits, affirmations, statutory declarations, authentication of documents and provision of documents to facilitate travel
- travel safety advice, and
- contingency/emergency planning.

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|---|--|---|
| IO V: Protection of the rights of New Zealanders Abroad | Strengthen Consular Management and Operational Capability Build Emergency Response Capability | <ul style="list-style-type: none"> complete the implementation of phase 1 of the IT systems which meet the Ministry's consular requirements further strengthen emergency response capability complete the review of the crisis management system, and implement improvements continue preparation and improve timeliness and relevance of advice on travel risk broaden consular outreach activity, including dissemination of information material contribute to whole-of-government planning and preparedness for possible pandemic |

Pacific Security Fund

This output involves an interagency fund, coordinated by the Ministry of Foreign Affairs and Trade, which is drawn on by Government departments and agencies to advance or protect New Zealand's security interests by reducing risks from threats arising in or operating through Pacific Island countries.

Definition

This output involves:

- cooperation and coordination between New Zealand agencies that addresses external threats posed to Pacific countries, risks to New Zealand national interests and New Zealand's response
- evaluation and prioritisation of funding proposals within a comprehensive, multi-agency framework, involving close consultation with relevant agencies that address the following priorities: security standards at Pacific Island country borders; security systems to counter threats from transnational criminals, the security of natural resources and other areas that provide reasonable assurance that New Zealand citizens can safely travel/visit and work in the region and that New Zealand is protected from security risks in PICS or operating through PICs. These initiatives would not generally fit within NZAID's policy framework or priorities, or be funded from agency baselines
- engagement by New Zealand agencies in one-off, pilot or contingency activities and the provision of equipment that contributes to the delivery of advice, training and technical support to Pacific Island countries on matters affecting security.

During 2006/07 this output will include activities contributing to the following Intermediate Outcome, area of concentration and action points:

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|--|---|
| IO I: Reduced Risks to New Zealand from Global and Regional Insecurity | Redefine the level and nature of New Zealand's engagement in the Pacific to respond to growing instability | <ul style="list-style-type: none"> implement the Pacific Security Strategy to assist Pacific Island countries develop and sustain more capable institutions for public order and national security and help them meet international counter-terrorism compliance standards in such areas as finance, maritime services and aviation security |

Policy Advice and Representation - International Institutions

This output involves policy advice and representation activities directed towards the management of New Zealand's membership of, and foreign affairs and trade interests in, international institutions. This includes major areas of multilateral cooperation to which the Government has decided to give special attention, such as international trade in goods and services, disarmament and international environment issues.

The organisations include:

- the United Nations and its associated institutions
- the World Trade Organisation
- the Commonwealth and its associated institutions
- the OECD
- Antarctic organisations
- Environmental Organisations (see Note 4)
- Disarmament Organisations (see Note 5).

Definition

Policy advice and representation involves:

- maintenance of an appropriate pattern of representation at international institutions
- ensuring New Zealand's interests in international institutions are managed in accordance with their scope and functions and the rights and obligations of membership
- advocacy and representation of the Government's positions and views and projection of our national identity, and the negotiation of agreements, in the Ministry's capacity as the internationally accepted formal channel of communication with the institutions themselves, and with other governments with interests in the same institutions
- organisation of visits, meetings and liaison with relevant interests
- provision of informed and comprehensive advice to the Government based on thorough research and analysis
- provision of advice to Ministers on proposals from other departments
- close liaison with other Government agencies and the maintenance of a strong network of relationships with relevant departments
- outreach and communication with key groups in New Zealand.

During 2006/07 this output will include policy advice and representation activities directed to the following Intermediate Outcomes, areas of concentration and action points:

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|---|--|
| IO 1: Reduced Risks to New Zealand from Global and Regional Insecurity | Consider future New Zealand contribution to the prevention and resolution of conflict | <ul style="list-style-type: none"> • support New Zealand's UN and other regionally-mandated peacekeeping deployments and evaluate capabilities for a regionally focused role for New Zealand in conflict resolution |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|---|---|
| <p>IO II: New Zealand's international connections support transformation of the New Zealand economy through growth in trade, and through improved flows of investment, skills and technology</p> | <p>Secure maximum benefit for New Zealand from the WTO Doha Development Round</p> | <ul style="list-style-type: none"> • pursue a successful Doha Development Round including the elimination of agricultural export subsidies, improved market access for a range of agricultural and non-agricultural products as well as key services exports by securing positions of Ministerial and official influence |
| | <p>Use WTO rules and dispute procedures to protect New Zealand rights and interests</p> | <ul style="list-style-type: none"> • seek settlement in New Zealand's favour of market access disputes where countries breach their WTO obligations • participate as a third party in other countries' dispute procedures of systemic interest |
| | <p>Progress WTO accession negotiations to secure and improve bilateral access</p> | <ul style="list-style-type: none"> • support increased membership of the WTO and, in that context, negotiate enhanced access to priority markets in new member countries: Algeria, Samoa, Iran and, possibly, Iraq. |
| <p>IO III: A rules-based international system that supports our security and prosperity goals and promotes our values</p> | <p>Support an effective and rules-based multilateral system</p> | <ul style="list-style-type: none"> • work to implement and achieve the key initiatives and goals agreed at the 2005 UN World Summit including the Peacebuilding Commission, the Human Rights Council, and Security Council, management and development reform • seek strengthened international and legal norms relating to the maintenance of peace and security including the possibility of an enhanced role for the United Nations Security Council through further development of the concept of responsibility to protect • support the consolidation and effective functioning of the International Criminal Court and adherence to humanitarian law • consider and promote significant New Zealand candidatures for election to international bodies |
| | <p>Support the treaty-based disarmament and arms control system and promote internationally agreed responses to new threats from the proliferation of weapons of mass destruction (WMD)</p> | <ul style="list-style-type: none"> • continue to promote international adherence to, verification of and compliance with WMD disarmament and non-proliferation treaties and activities • engage constructively in complementary initiatives to prevent WMD proliferation such as the Proliferation Security Initiative and G8 Programme • continue to promote progress towards nuclear disarmament, in particular through implementation of the Nuclear Non-Proliferation Treaty • strengthen controls on dual-use items and services that may contribute to WMD proliferation if exported from New Zealand, in conformity with our international commitments • press for progress on conventional weapons controls, in particular landmines and cluster munitions |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|----------------------|---|--|
| | Support peace building and peacekeeping | <ul style="list-style-type: none"> • work with other government agencies to retain and develop appropriate New Zealand military and law enforcement capabilities for peace support operations |
| | Respond to new global issues | <ul style="list-style-type: none"> • work with other agencies to ensure effective implementation of new frameworks to combat trans-national organised crime, people-smuggling and illegal migration, corruption, bribery and money-laundering • work within the Asia-Pacific region to reduce the incidence of avian influenza and contribute to planning for a possible influenza pandemic in the Pacific |
| | Consolidate New Zealand's sovereign rights over the extended continental shelf | <ul style="list-style-type: none"> • consolidate New Zealand's sovereign rights over the extended continental shelf through submission of the claim to the UN |
| | Manage New Zealand's engagement in the international environment agenda, including the negotiation of relevant agreements and standards | <ul style="list-style-type: none"> • in pursuing resource diplomacy, protect and promote trade, economic, environmental and social interests in a mutually supportive way, including in negotiations on biosafety, biodiversity, energy and forestry • seek strong governance arrangements for the sustainable management of fisheries resources and the protection of the marine environment and the biodiversity of the high seas, in particular through promoting the establishment of a South Pacific Regional Fisheries Management Organisation • work with like minded countries to reinvigorate and advance international cooperation for the conservation of whales • encourage further action on climate change that draws in all major emitters, including the United States and key developing countries, for the period beyond 2012 while protecting and advancing New Zealand's national and international interests • promote improved multilateral and regional arrangements governing the safety of and liability for the transportation of radioactive materials |
| | Strengthen the Antarctic Treaty System | <ul style="list-style-type: none"> • strengthen the Antarctic Treaty System, and key relationships therein, to uphold the good order and environmental protection of the Antarctic Treaty Area and, in so doing, preserve New Zealand's security and sovereignty interests |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|----------------------|---|--|
| | Demonstrate New Zealand's values and commitment to international human rights standards | <ul style="list-style-type: none"> reinforce New Zealand's reputation as taking a firm and principled approach on international human rights violations ensure New Zealand is complying with its international legal obligations under the UN Charter and core human rights treaties continue to uphold and elaborate human rights norms and standards, with a focus on indigenous rights and the rights of disabled people, consistent with New Zealand values and interests |
| | Support the Commonwealth's comparative advantage | <ul style="list-style-type: none"> build on outcomes from the Commonwealth Heads of Government meeting in Malta that promote the continued relevance of the Commonwealth as a unique international grouping and enables it to deliver outcomes in areas of comparative advantage |

Policy Advice and Representation - Other Countries

This output involves policy advice and representation activities directed towards the management of New Zealand's foreign affairs and trade relations with other countries, focused on individual country relationships and through regional organisations of significance to New Zealand.

Definition

Policy advice and representation involves:

- maintenance of an appropriate pattern of representation abroad
- maintenance of a strong network of relationships with key governments and regional bodies
- advocacy and representation of the Government's positions and views and projection of our national identity
- negotiation of agreements, in the Ministry's capacity as the internationally accepted formal channel of communication with other governments
- organisation of visits and meetings, and liaising and consulting with relevant interests
- provision of informed and comprehensive advice and recommendations to the Government on external issues and events, based on thorough research and analysis
- provision of advice to Ministers on proposals from other departments which affect New Zealand's foreign and trade policy interests
- close liaison with other Government agencies and the maintenance of a strong network of relationships with relevant departments
- outreach and communication with key groups in New Zealand.

During 2006/07 this output will include policy advice and representation activities directed to the following Intermediate Outcomes, areas of concentration and action points:

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|---|--|
| IO I: Reduced Risks to New Zealand from Global and Regional Insecurity | Enhance cooperation with Australia, including to promote security and stability in the Asia-Pacific Region | <ul style="list-style-type: none"> • deepen bilateral relations with Australia at both federal and state levels of government and with other key decision-makers in that country • manage intensified regional cooperation on problems affecting the security and stability of the Asia-Pacific region, such as terrorism, illegal migrants, economic fragility and government instability in Pacific states, in ways that improve desired outcomes • in cooperation with MOD/NZDF, further develop the Australia/New Zealand defence relationship to support security cooperation initiatives • seek reciprocal recognition and understanding of our respective interests, looking to cooperate and collaborate where we can in multilateral and other international contexts, including the East Asia Summit (EAS) |
| | United States: build on shared values and goals to support global stability and advance New Zealand's interests | <ul style="list-style-type: none"> • cooperate effectively with the United States in efforts to counter terrorism (eg, in Operation Enduring Freedom) and to promote Asia-Pacific stability (eg, in Asia Pacific Economic Cooperation (APEC) and ASEAN Regional Forum (ARF)) • encourage and support United States approaches and policies that enhance international security • reinforce existing consultation and cooperation on international and regional issues through ministerial exchanges in bilateral or multilateral settings and through intensified, broad-ranging contacts in areas of bilateral cooperation where there are shared values and interest |
| | Redefine the level and nature of New Zealand's engagement in the Pacific to respond to growing instability | <ul style="list-style-type: none"> • promote Pacific stability and development, ensuring the effective implementation of the first phase of the Pacific Plan and the delivery of early benefits to the region • implement the Pacific Security Strategy to assist Pacific Island countries develop and sustain more capable institutions for public order and national security and help them meet international counter-terrorism compliance standards in such areas as finance, maritime services and aviation security • pursue, with Australia, a targeted and consistent engagement strategy with the countries of Melanesia • deepen our bilateral relationships and ensure a continued New Zealand focus on assisting with governance and/or development viability issues in those island countries with which New Zealand shares close community or constitutional links • safeguard and pursue New Zealand and Pacific Island country economic and development interests through engaging Pacific Island countries and the EU towards a collaborative approach to the Pacific Agreement on Closer Economic Relations (PACER) and the onset of EU-ACP Economic Partnership Agreement negotiations • enhance dialogue with the European Union, Japan and China on their engagement in the Pacific and maintain appropriate levels of engagement with other external partners, ensuring appropriate recognition of the influence and contribution of external partners in evolving regional institutions |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|----------------------|---|--|
| | Accelerate the tempo of diplomatic engagement with key Asian partners | <ul style="list-style-type: none"> • strengthen the relationship with Japan, building on the June 2005 Prime Ministerial visit and success of the Aichi Expo to enhance political/security cooperation and manage specific points of friction • strengthen the relationship with China by sustaining political relations at a level and intensity appropriate to its growing regional weight and necessary to underpin our security as well as economic/trade interests including in the negotiation of a Free Trade Agreement • pursue a new framework for relations with the Republic of Korea • sustain mature relationships and reinvigorate links with key ASEAN governments as well as with ASEAN, as a regional entity, including through active participation in the East Asia Summit (EAS) and building engagement with key EAS partners • pursue closer bilateral links with key ASEAN members in targeted political, economic and security areas • broaden engagement with India, building on the Prime Minister's visit in 2004, engaging other government agencies and the private sector • work with other stakeholders to continue implementation of Seriously Asia strategy |
| | Strengthen New Zealand's engagement with Europe | <ul style="list-style-type: none"> • increase engagement with the EC and other EU institutions, enhance links with key bilateral partners (in particular UK, France and Germany) and develop appropriate relationships with new and prospective members of the EU • develop new links in areas of mutual benefit such as science and technology, education and environmental management • consolidate relationship with the Russian Federation reflecting its political and economic weight |
| | Support stabilisation, reconstruction and reconciliation efforts in the Middle East consistent with New Zealand security interests and values | <ul style="list-style-type: none"> • assess the opportunities for New Zealand engagement in the new Iraq and Afghanistan, and in support of the Middle East Peace Process, including policy and resource implications • build up the relationship with Egypt through the new Embassy in Cairo and assess the related opportunities for wider regional engagement |
| | Contribute to the global campaign against terrorism | <ul style="list-style-type: none"> • strengthen international capabilities to combat terrorism, especially in the Pacific and Asia • intensify new avenues of cooperation to counter terrorism (inter-faith dialogue, links with appropriate regional institutions) • help Pacific Island countries comply with relevant money laundering and people smuggling treaties • ensure that New Zealand's interests as a trader and tourist destination are not disproportionately adversely affected by security decisions in technical and other organisations dealing with counter-terrorism initiatives |
| | Consider future New Zealand contribution to the prevention and resolution of conflict | <ul style="list-style-type: none"> • support New Zealand's UN and other regionally-mandated peacekeeping deployments and evaluate capabilities for a regionally focused role for New Zealand in conflict resolution |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|---|--|
| <p>IO II: New Zealand's international connections support transformation of the New Zealand economy through growth in trade, and through improved flows of investment, skills and technology</p> | <p>Intensify processes to create open regional trading arrangements</p> | <ul style="list-style-type: none"> • support multilateral and bilateral trade and economic priorities working through APEC and evolving regional architecture |
| | <p>Enhancing trade and economic relationships with major economic partners, including through the negotiation of CEPs and FTAs</p> <p>Protecting and improving existing trade and economic frameworks</p> | <p>Australia</p> <ul style="list-style-type: none"> • advance proposals for a comprehensive single economic market while pursuing cooperation under CER • work to resolve outstanding economic issues including investment negotiations under CER and apples access <p>United States</p> <ul style="list-style-type: none"> • maintain efforts to secure a commitment from the United States to enter into a bilateral FTA and, in parallel, continue to broaden the economic and trade relationship - science, technology, education <p>North Asia</p> <ul style="list-style-type: none"> • sustain and bring towards a conclusion negotiations for an FTA with China, while preparing the ground for maximum "harvest" for New Zealand businesses • build on the success of the Aichi Expo and use high level visits and targeted economic cooperation to advance New Zealand's interests in Japan • position New Zealand to enhance the trade and economic relationships with both Japan and the Republic of Korea <p>European Union</p> <ul style="list-style-type: none"> • secure continuing EU support for New Zealand economic interests through high-level dialogue with the EU Commission and with major EU member states • progress negotiations with the EU on a bilateral wine agreement • protect and enhance access for New Zealand goods and services to European markets • strengthen our engagement with Central Europe through the operations of the Embassy in Warsaw. |

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|----------------------|---|--|
| | <p>Enhancing trade and economic relationships with emerging markets, including through the negotiation of CEPs and FTAs</p> <p>Protecting and improving on existing trade and economic frameworks</p> | <p>South and Southeast Asia</p> <ul style="list-style-type: none"> • promote implementation of our FTA with Thailand • alongside Australia, complete negotiations and implement an FTA with the countries of ASEAN • complete negotiations and implement an FTA with Malaysia <p>Latin America</p> <ul style="list-style-type: none"> • implement and promote economic advantage from the Trans-Pacific Strategic Economic Partnership CEP with Chile, Singapore and Brunei (Pacific Four - P4) • strengthen bilateral trade and economic relationship with Mexico through Joint Experts Group process • maintain momentum in promoting New Zealand's broad economic and trade interests in Argentina, Brazil, Chile, Mexico, Peru and Uruguay <p>Middle East and Africa</p> <ul style="list-style-type: none"> • broaden engagement with Middle East and African economies in areas of mutual benefit - trade and services, including education and tourism • assess opportunities for advancing trade liberalisation and closer trade and economic ties, with particular reference to the Gulf States, Egypt and South Africa <p>Russian Federation</p> <ul style="list-style-type: none"> • consolidate trade and economic links with the Russian Federation |
| | Contribute to the Government's Economic Transformation Agenda | <ul style="list-style-type: none"> • develop export focus initiatives to be pursued during 2007 Export Year as part of a whole-of-government approach involving NZTE and MED as well as other government agencies • work through bilateral channels and in international fora (including the OECD) with other agencies to facilitate the flow of capital, ideas, people, knowledge/RS&T to New Zealand |
| | Open doors for New Zealanders overseas | <ul style="list-style-type: none"> • leverage trade and economic opportunities off FTAs as they are negotiated, in collaboration with other agencies and business, focusing especially on China "harvest" |

Promotional Activities - Other Countries

This output involves services promoting New Zealand to other countries as an attractive market for trade and investment.

Definition

This output involves:

- in close co-operation with other departments and agencies, assisting in the development, review and implementation of the government's policies for economic transformation, including through leading the Government's external economic policies
- working closely with the Ministry of Economic Development (MED) and New Zealand Trade and Enterprise (NZTE) in the successful implementation of NZTE's onshore/offshore operation

- developing a similarly supportive role in relation to the Ministry of Research, Science and Technology (MORST) and Ministry of Education, in respect of new offshore positions currently in the process of being established, or to be established over the next few years, and
- undertaking promotional and other activities in support of the Government's Economic Transformation Agenda (ETA) at relevant overseas posts as part of posts' mainstream activities, including development of networks, participation in trade, investment, science/technology and education activities and public speaking engagements.

During 2006/07 this output will include promotional activities contributing to the following Intermediate Outcomes, areas of concentration and action points:

| Intermediate Outcome | 2006/07 Areas of Concentration | Action Points |
|--|---|---|
| IO II: New Zealand's international connections support transformation of the New Zealand economy through growth in trade and through improved flows of investment, skills and technology | Contribute to the Government's Economic Transformation Agenda | <ul style="list-style-type: none"> • develop export focus initiatives to be pursued during 2007 Export Year as part of a whole-of-government approach involving NZTE and MED as well as other government agencies • work through bilateral channels and in international fora (including the OECD) with other agencies to facilitate the flow of capital, ideas, people, knowledge/ RS&T to New Zealand |
| | Open doors for New Zealanders overseas | <ul style="list-style-type: none"> • leverage trade and economic opportunities off FTAs as they are negotiated, in collaboration with other agencies and business, focusing especially on China "harvest" |

Services for Other New Zealand Agencies Overseas

This output involves the purchase of a range of services by other New Zealand agencies with overseas interests.

Definition

Services are provided to the following departments working overseas in the Ministry's diplomatic and consular posts:

- Immigration New Zealand: Department of Labour
- Identity Services: Department of Internal Affairs
- New Zealand Trade and Enterprise
- New Zealand Defence Force
- New Zealand Food Safety Authority: Ministry of Agriculture and Forestry
- New Zealand Police
- New Zealand Customs Service
- Ministry of Research, Science and Technology
- New Zealand Tourism Board
- The Treasury

- Ministry of Education
- Ministry of Economic Development
- Chief Electoral Office: Department of Justice.

Services may include accommodation management, receipting and banking facilities and diplomatic facilitation.

During 2006/07 the services delivered will contribute indirectly to the Ministry's Intermediate Outcomes I, II, III and V.

Part C2 - Non-Departmental Output Expenses

Antarctic Research and Support

Under this output the Minister purchases advice on, and the development, management and execution of New Zealand activities in respect of Antarctica and the Southern Ocean, in particular the Ross Dependency. The outputs purchased will include:

- ensuring an effective New Zealand presence in the Ross Dependency through the safe, effective operation of Scott Base, and an effective and flexible logistic support capability, which is appropriately resourced to support New Zealand objectives in Antarctica, including supporting initiatives in science, education, public awareness and environmental stewardship
- planning, coordination, facilitation and logistic support for an international quality science programme based on a long-term strategic plan for New Zealand science in Antarctica, the Southern Ocean and the Ross Dependency
- environmental stewardship for New Zealand activities in the Ross Dependency, including State of the Environment reporting and management and monitoring of environmental impacts and associated logistical support
- public awareness and education on Antarctica and the Southern Ocean, including publications and events aimed at public awareness, encouragement of education in schools, and logistic support for associated visits to Antarctica
- proactively seeking to ensure that private sector activity in Antarctica is fully consistent with Government objectives in the region
- international representation in respect of scientific and other programme-level New Zealand activities in Antarctica and the Southern Ocean
- encouraging analysis, debate and scholarship related to Antarctic and Southern Ocean issues
- providing input into the development of New Zealand Antarctic policy.

Performance Measures

- Outputs will be delivered in accordance with the priorities and policy directions established by the Government.
- Outputs will be delivered by agreed target dates and as specified in the Purchase Agreement between the Minister and the NZAI.
- At least 80% of affected parties will rate as very good or better the consultation processes and final standard of NZAI's policy advice, planning and support services, rules and procedures, publications and international representation.

Appropriate outputs will be assessed against the following quantitative benchmarks:

| Performance Measures | Performance Standards | |
|---|-----------------------|---------------------|
| | 2005/06 | 2006/07 |
| Number of person-days in the Antarctic supported for science activities | at least 6,500 days | at least 6,500 days |
| Number of person-days in the Antarctic supported for non-science activities | at least 1,000 days | at least 1,000 days |

Cost

This output will be provided within the appropriated sum of \$10.964 million (exclusive of GST).

| | 2005/06 \$000 | 2006/07 \$000 |
|-----------------------------|------------------|------------------|
| Total output class expenses | 9,425 | 10,964 |
| Total output class revenues | - | - |

Provider

New Zealand Antarctic Institute.

Pacific Cooperation Foundation

Under this output the Minister purchases, from the Pacific Cooperation Foundation (PCF), the delivery of activities that increase mutual understanding and constructive linkages between New Zealanders and Pacific Peoples.

This comprises outputs focused on:

- media, cultural and public affairs programmes to advance New Zealanders' understanding about the Pacific region, its countries and peoples
- cooperative projects which benefit New Zealand and Pacific Island businesses
- contributions of Pacific Island communities to New Zealand's identity as a Pacific nation
- academic excellence in Pacific issues
- providing a forum of exchange of views and information on Pacific/New Zealand issues.

Performance Measures

An agreed quantity of activities and events - sponsorships, seminars, conferences, exchanges, exhibitions, papers, submissions and reports - will be delivered by the Pacific Cooperation Foundation as negotiated with the Minister. The quality of the Foundation's outputs will be demonstrated by the following:

- Extensive and improved coverage of Pacific issues received from the media.
- New Zealanders increasingly looking to the Pacific Cooperation Foundation as a source of informed comment.

- Positive feedback received from public and industry constituencies and an increased interest in Pacific issues.
- New Zealand businesses supporting the Pacific Cooperation Foundation through sponsorship.
- Assistance to educators, academics and students in the fields of Pacific studies, resulting in evidence of value gained from Foundation support.
- Teacher exchanges, student exchanges and other twinning arrangements result in extended linkages and new initiatives being developed between New Zealand and Pacific Island communities.

The timeliness of the Foundation's activities will be demonstrated by adherence to the timetable as set out in the operational plan. Applications for grants and awards will be acknowledged within a one-month period. Applicants will be advised of the outcome of their request within one month and payments will be processed within the terms and conditions specified in the particular award. Activities will be spread throughout the year and timed to ensure they do not clash with other major Pacific events.

Cost

This output will be provided within the appropriated sum of \$800,000 (exclusive of GST).

| | 2005/06 \$000 | 2006/07 \$000 |
|-----------------------------|------------------|------------------|
| Total output class expenses | 800 | 800 |
| Total output class revenues | - | - |

Provider

Pacific Cooperation Foundation of New Zealand.

Promotion of Asian Skills and Relationships

Under this output the Minister purchases, from the Asia New Zealand Foundation, the promotion of increased knowledge by New Zealanders about Asian countries and the development of skills required by New Zealanders in their dealings with Asia.

This output is focused on the following strategies:

- Partner - develop active partnerships to deliver initiatives of mutual benefit.
- Inform - initiate and provide well-informed input into policy and public thinking on Asia-related issues.
- Experience - promote interaction and enable personal experience and learning of Asian countries and peoples.
- Connect - connect people through networks on Asia-related issues.
- Deliver - ensure Asia New Zealand Foundation has the capability and capacity to meet its mission.

Achieving this output involves the administration of: grants, fellowships and exchanges; research and promotional activities; projects fostering the development of networks between New Zealand institutions, organisations and individuals and their counterparts in Asia; and various other projects and activities. These activities will contribute to progressing the agenda identified by the Seriously Asia project.

During the 2006/07 financial year, a review of Asia New Zealand Foundation will be undertaken by the Ministry of Foreign Affairs and Trade and Treasury, with a report back to Cabinet by December 2006.

Performance Measures

Outputs will be assessed against quantitative and qualitative benchmarks including:

- The number of projects delivered.
- The number of people having the opportunity to have a personal or learning experience of Asian countries and peoples.
- Value added to New Zealand-Asia links and understanding.
- Increased media coverage of Asian issues in New Zealand media.
- Strengthen Asian skills and capacity in the education sector.
- Increased knowledge, understanding and appreciation of Asia among New Zealanders.
- Evidence New Zealand business community is assisted in developing its awareness of Asian business environment and with strengthened ability to function effectively in Asia.
- Contribution to wider debate on policy issues affecting New Zealand-Asia relationships.

The timeliness of the Foundation's activities will be demonstrated by adherence to the timetable as set out in the strategic plan approved by the Board of Trustees. Applications for grants and awards will be acknowledged within a one-month period, and payments will be processed within the terms and conditions specified in the particular grant.

Cost

This output will be provided within the appropriated sum of \$3.313 million (exclusive of GST).

| | 2005/06 \$000 | 2006/07 \$000 |
|-----------------------------|------------------|------------------|
| Total output class expenses | 2,333 | 3,313 |
| Total output class revenues | - | - |

Provider

Asia New Zealand Foundation.

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

| Details of Net Asset Schedule for Ministry of Foreign Affairs and Trade | Estimated Actual 2005/06 \$000 | Projected 2006/07 \$000 | Explanation of Projected Movements in 2006/07 |
|---|--------------------------------|-------------------------|--|
| Opening Balance | 124,607 | 325,779 | |
| Capital Injections | 134,809 | 11,429 | \$3.429 million (Dili), \$7.000 million (Security: Information Systems and Physical) and \$1.000 million (Capital expenditure at properties previously rented from the Treasury) |
| Capital Withdrawals | - | - | |
| Surplus to be Retained (Deficit Incurred) | - | - | |
| Other Movements | 66,363 | - | |
| Closing Balance | 325,779 | 337,208 | |

Part E2 - Statement of Estimated and Forecast Net Worth of Entities Owned

| | Balance Date | Estimated Net Worth 2006 \$million | Forecast Net Worth 2007 \$million |
|---------------------------------|--------------|------------------------------------|-----------------------------------|
| Crown Entities: | | | |
| New Zealand Antarctic Institute | 30 June | 17.200 | 18.800 |

Part E3 - Explanation of Appropriations for Capital Expenditure

Appropriations for capital expenditure in 2006/07 total \$11.429 million. This is intended to be applied as follows:

- \$3.429 million capital expenditure to upgrade the New Zealand Consulate-General in Dili to an Embassy.
- \$7.000 million capital expenditure to construct chanceries in Ankara, Honiara and Suva and establish a lower classified Local Area Network (LAN) alongside the Ministry's current single Confidential LAN.
- \$1.000 million capital expenditure to implement the capital plan in chanceries and residences previously held on the Treasury Crown Balance Sheet.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

| | 2005/06 | | 2006/07 | Description of 2006/07 Crown Revenue |
|---|-------------------|------------------------------|-----------------|---|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 | |
| Non-Tax Revenue | | | | |
| Crown Recoveries | 100 | 100 | 100 | These are principally recoveries for purchases made on behalf of Tokelau. |
| Pacific Forum Line Dividend | 311 | 311 | - | Dividend received from shareholding in Pacific Forum (Shipping) Line. |
| Total Non-Tax Revenue | 411 | 411 | 100 | |
| Total Crown Revenue and Receipts | 411 | 411 | 100 | |