

# **VOTE** *Foreign Affairs and Trade*

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# *Foreign Affairs and Trade*

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## Overview

Appropriations sought for Vote Foreign Affairs and Trade in 2007/08 total \$338.749 million. This is intended to be applied as follows:

- \$277.914 million (82.0% of the Vote) on purchasing services in the spheres of foreign affairs and trade from the Ministry of Foreign Affairs and Trade.
- \$12.298 million (3.6% of the Vote) on purchasing Antarctic research and support from the New Zealand Antarctic Institute.
- \$3.692 million (1.1% of the Vote) to the Asia New Zealand Foundation for the promotion of Asian skills and relationships.
- \$900,000 (0.3% of the Vote) to the Pacific Cooperation Foundation for the promotion of mutual understanding and constructive linkages between New Zealanders and the other countries and people of the Pacific.
- \$40.546 million (12.0% 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, specifically the Government of Tokelau.
- \$2.400 million (0.7% 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 2007/08, 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

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# *Foreign Affairs and Trade*

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 in particular *economic transformation, national identity and building a sustainable future*. It does so through the development of policies and the pursuit of activities which will enhance international security, transform the economy for the benefit of all, and promote global cooperation and inclusive sustainable solutions that reflect New Zealand's interests, values and national identity. 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 (NZ Aid), which is part of the Ministry and came into existence on 1 July 2002. Refer to *Vote Official Development Assistance* for further information on NZ Aid's 2007/08 Estimates of Appropriation and work programme.

##### **MFAT intermediate outcomes**

In pursuit of the Government's goals the Ministry will direct effort in 2007/08 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 - New Zealand's security interests safeguarded
- II - New Zealand's international connections support transformation of the New Zealand economy and sustainable economic growth through increased trade and through improved flows of investment, skills and technology
- III - Transboundary solutions and effective international rules promoted
- IV - Poverty eliminated through development partnerships
- V - The rights of New Zealanders abroad protected.

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 this principal outcome:

- 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 2007/08 as described under the Output Expenses in Part C1.

Output Expense Pacific Security Fund achieves this principal outcome:

- 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 2007/08 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 goals for international trade in goods and services, counter-terrorism, disarmament and arms control, international environment and human rights
- discharge of international obligations.

Outcomes will be achieved through the completion of key Action Points within associated Areas of Concentration for 2007/08 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 2007/08 as described under the Output Expenses in Part C1.

Output Expense Promotional Activities - Other Countries achieves this principal outcome:

- protection and advancement of New Zealand's economic transformation and sustainability through a range of promotional and other activities in close cooperation with other government agencies.

Outcomes will be achieved through completion of key Action Points within associated Areas of Concentration for 2007/08 as described under the Output Expenses in Part C1.

Output Expense Services for other New Zealand Agencies Overseas achieves this principal outcome:

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

Non-Departmental Output Expenses	Principal Related Outcomes
<b>New Zealand Antarctic Institute (NZAI)</b> Antarctic Research and Support	Enhanced New Zealand Antarctic scientific research and strategic programme of national Antarctic activities.
<b>Pacific Cooperation Foundation</b> Pacific Cooperation Foundation of New Zealand	Mutual understanding and constructive linkages between New Zealanders and Pacific peoples.
<b>Asia New Zealand Foundation</b> Promotion of Asian Skills and Relationships	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 a Vote restructure in 2003/04 when TradeNZ appropriations was 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: 2002/03 to 2007/08*

The key changes from 2002/03 are as follows:

- **Fiscally Neutral Changes:** the main changes since 2002/03 include: foreign exchange rate movements (-\$15.155 million), rate of capital charge lowered from 10.0% to 7.5% (-\$2.235 million), ongoing lower capital charge and depreciation following revaluation of properties (-\$2.303 million), tax on overseas terms and conditions (\$37.517 million) and transfer of chanceries and residences back to the Ministry from the Treasury in 2005/06 (\$9.478 million).
- **Funding Increases:** total \$74.405 million mainly for additional resources following the Ministry's Capability Review (\$28.975 million), an increase in baseline resources to deepen the Ministry's capacity through additional staff, increases in support infrastructure and increases in contributions to various funds (\$14.922 million), a new post in Cairo (\$3.195 million), a new post in Dili (\$1.464 million), a new post in Warsaw (\$3.009 million), additional resources for WTO Negotiations and Bilateral Closer Economic Partnerships/Free Trade Agreements (\$7.563 million), implementing security enhancements to ensure staff and their families and property are safe, secure and protected (\$6.493 million), and the establishment of a Pacific Security Fund (\$2.667 million).
- **Funding Transfers:** Trade New Zealand appropriations to Vote Economic, Industry and Regional Development in 2003/04 (-\$72.974 million).

### *Other Expenses Trends: 2002/03 to 2007/08*

Other expenses have increased by \$7.792 million since 2002/03. The key changes have been:

- The cost of subscriptions to international organisations has increased by \$8.204 million, from \$32.342 million in 2002/03 to \$40.546 million in 2007/08. This increase mainly reflects higher assessed contributions to UN peacekeeping activities, partially offset by exchange rate movements.

### *Capital Expenditure Trends: 2002/03 to 2007/08*

- 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 2005/06 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.
- In 2006/07 the Ministry received \$3.429 million to upgrade the New Zealand Consulate-General in Dili to an Embassy, \$7.000 million for 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, and \$1.000 million for capital expenditure to implement the capital plan in chanceries and residences previously rented from Treasury.
- Refer Part E3 for details of the capital expenditure the Ministry and NZAI will receive in 2007/08.

### *Crown Revenue and Receipts Trends: 2002/03 to 2007/08*

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: 2007/08 and 2006/07 Compared*

#### **Departmental output expenses**

Annual appropriations are expected to increase by \$28.680 million (11.5%) in 2007/08 relative to 2006/07. The increase is mainly attributable to an increase in baseline resources to deepen the Ministry's capacity through additional staff, increases in support infrastructure and increases in contributions to various funds (\$14.922 million), higher overseas costs caused by the depreciation of the New Zealand dollar (\$4.501 million), additional resources for the Ministry's capability (\$3.567 million), WTO Negotiations and Bilateral Closer Economic Partnerships/Free Trade Agreements (\$2.886 million), additional tax on overseas terms and conditions of service (\$1.700 million) and additional resources to upgrade Dili to full Embassy status (\$1.464 million).

#### **Non-departmental output expenses**

Annual appropriations are expected to increase by \$2.004 million (13.5%) in 2007/08 relative to 2006/07. New Zealand Antarctic Institute funding has increased by \$1.334 million for maintaining Antarctic logistics support capability. Asia New Zealand Foundation's funding has increased by \$570,000 following additional funding received in 2007/08 to further fund an action programme on relations with Asia. Pacific Cooperation Foundation's funding has increased by \$100,000 following the completion of a Cabinet mandated review in 2006/07.

#### **Non-departmental other expenses**

The annual appropriation is expected to increase by \$1.797 million (4.6%) in 2007/08 relative to 2006/07 reflecting increased payments for Subscriptions to International Organisations due to increases in payments to the United Nations for its regular budget assessment and for UN peacekeeping missions mandated by the Security Council.

## New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Asia NZ: Increased Funding for Strategy Implementation	Non Departmental Output Expense - Promotion of Asian Skills and Relationships	-	1,804	-	-	-
Dili: Upgrade to Embassy Status	Departmental Output Expense - Policy Advice and Representation: Other Countries	-	1,464	1,929	1,946	1,963
	Impact on Net Asset Schedule	-	3,169	-	-	-
NZAI: Maintaining Antarctic Logistics Support Capability	Non Departmental Output Expense - Antarctic Research and Support	-	1,100	1,600	1,600	1,600
Pacific Cooperation Foundation: Increase in Baseline Funding	Non Departmental Output Expense - Pacific Cooperation Foundation	-	900	-	-	-
Physical Security & Agency Accommodation	Departmental Output Expense - Policy Advice and Representation: Other Countries	-	(110)	(166)	(110)	(110)
	Impact on Net Asset Schedule	-	(1,550)	-	-	-
Response to Foreign and Trade Policy Changes	Departmental Output Expense - Consular Services	-	604	1,223	1,223	1,223
	Departmental Output Expense - Policy Advice and Representation: International Institutions	-	2,579	5,220	5,220	5,220
	Departmental Output Expense - Policy Advice and Representation: Other Countries	-	11,739	23,557	23,557	23,557
<b>Total Initiatives</b>		-	<b>21,699</b>	<b>33,363</b>	<b>33,436</b>	<b>33,453</b>

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used				2008/09	2009/10	2010/11	
	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				
<b>Appropriations</b>														
Output Expenses	257,519	191,827	192,695	212,935	264,120	263,418	277,802	112	16,890	-	294,804	307,202	308,486	308,453
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	28,681	26,940	32,758	37,040	39,748	39,748	-	-	40,546	999	41,545	41,355	41,323	41,393
Capital Expenditure	321	3,937	-	-	1,500	1,500	N/A	N/A	2,400	-	2,400	800	300	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>286,521</b>	<b>222,704</b>	<b>225,453</b>	<b>249,975</b>	<b>305,368</b>	<b>304,666</b>	<b>277,802</b>	<b>112</b>	<b>59,836</b>	<b>999</b>	<b>338,749</b>	<b>349,357</b>	<b>350,109</b>	<b>349,846</b>
<b>Crown Revenue and Receipts</b>														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	229	251	194	373	411	411	N/A	N/A	N/A	N/A	100	100	100	100
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total Crown Revenue and Receipts</b>	<b>229</b>	<b>251</b>	<b>194</b>	<b>373</b>	<b>411</b>	<b>411</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Part B1 - Details of Appropriations

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Administration of Diplomatic Privileges and Immunities (M34)	463	-	463	-	490	-	The purchase of administration of the Diplomatic Privileges and Immunities Act 1968 and the Consular Privileges and Immunities Act 1971.
Consular Services (M34)	9,548	-	9,548	-	10,513	-	The purchase of consular policy advice, consular services for New Zealanders abroad and notarial services.
Pacific Security Fund (M34)	2,799	-	2,799	-	2,802	-	The purchase of activities and equipment to enhance Pacific Islands security that mutually reinforce New Zealand's security interests.
Policy Advice and Representation - International Institutions (M34)	40,505	-	40,505	-	44,879	-	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.
Policy Advice and Representation - Other Countries (M34)	182,919	107	182,217	107	205,650	112	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).
Promotional Activities - Other Countries (M34)	594	-	594	-	598	-	The purchase of promoting New Zealand to other countries as an attractive market for trade and investment.
Services for Other New Zealand Agencies Overseas (M34)	12,299	-	12,299	-	12,870	-	The purchase of accommodation and support services by other New Zealand agencies.
<b>Total Departmental Output Expenses (General)</b>	249,127	107	248,425	107	277,802	112	
<b>Non-Departmental Output Expenses</b>							
Antarctic Research and Support (M34)	10,964	-	10,964	-	12,298	-	Provision of management and logistic support for New Zealand activities in the Antarctic. The provider is the New Zealand Antarctic Institute.
Pacific Cooperation Foundation (M34)	800	-	800	-	900	-	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)	3,122	-	3,122	-	3,692	-	The promotion of New Zealanders' skills in improving relations with Asian countries. The provider is the Asia New Zealand Foundation.
<b>Total Non-Departmental Output Expenses</b>	14,886	-	14,886	-	16,890	-	

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Other Expenses to be Incurred by the Crown</b>							
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).
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)	38,749	-	38,749	-	<b>40,546</b>	-	Subscriptions to such organisations as the UN, the Commonwealth Secretariat, the WTO and the OECD.
<b>Total Other Expenses to be Incurred by the Crown</b>	38,749	999	38,749	999	40,546	999	
<b>Capital Expenditure</b>							
New Zealand Antarctic Institute (M34)	1,500	-	1,500	-	<b>2,400</b>	-	To enable NZAI to maintain the Scott Base buildings and services infrastructure.
<b>Total Capital Expenditure</b>	1,500	-	1,500	-	2,400	-	
<b>Total Appropriations</b>	304,262	1,106	303,560	1,106	337,638	1,111	

## 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, rates refunds, 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 2007/08 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	2007/08 Areas of Concentration	Action Points
IO V: The rights of New Zealanders abroad protected	Strengthen consular management and operational capability Build emergency response capability	<ul style="list-style-type: none"> <li>continue to manage individual consular cases in a professional and efficient manner working towards a positive outcome for New Zealand citizens in difficulty overseas</li> <li>further strengthen our emergency response capability</li> <li>implement improvements to the crisis management system</li> <li>continue preparation and improve timeliness and relevance of advice on travel risk</li> <li>broaden consular outreach activity, including dissemination of information material</li> <li>contribute to whole-of-government planning and preparedness for a possible pandemic</li> </ul>

### *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 address 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 2007/08 this output will include activities contributing to the following Intermediate Outcome, area of concentration and action points:

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
IO I: New Zealand's security interests safeguarded	Engage with Pacific Island, regional and external partners to promote security, good governance, economic growth and sustainable development in the Pacific and to respond to growing instability	<ul style="list-style-type: none"> <li>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</li> </ul>

### *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, counter-terrorism, disarmament and arms control, international environment and human rights 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, 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 2007/08 this output will include policy advice and representation activities directed to the following Intermediate Outcomes, areas of concentration and action points:

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
IO I: New Zealand's security interests safeguarded	Support peace-building and peacekeeping Consider future New Zealand contribution to the prevention and resolution of conflict	<ul style="list-style-type: none"> <li>work with other government agencies to develop and (as Cabinet directs) deploy appropriate New Zealand military and law enforcement capabilities for peace support operations under UN, regional and other auspices</li> <li>evaluate capabilities for a regionally-focused role for New Zealand in conflict resolution</li> </ul>
IO II: New Zealand's international connections support transformation of the New Zealand economy and sustainable economic growth through increased trade, and through improved flows of investment, skills and technology	Secure maximum benefit for New Zealand from the WTO Doha Development Round	<ul style="list-style-type: none"> <li>pursue a successful outcome from the Doha negotiations including the elimination of agricultural export subsidies, improved market access (and conditions) for a range of agricultural and non-agricultural products as well as key services exports by securing positions of Ministerial and official influence</li> </ul>
	Use WTO rules and dispute procedures to protect New Zealand rights and interests	<ul style="list-style-type: none"> <li>seek settlement in New Zealand's favour of market access disputes where countries breach their WTO obligations</li> <li>participate as a third party in other countries' dispute procedures of systemic interest</li> </ul>
	Progress WTO accession negotiations to secure and improve bilateral access	<ul style="list-style-type: none"> <li>support increased membership of the WTO and, in that context, negotiate enhanced access to priority markets in new member states: Algeria, Russia, Samoa, Iran and, possibly, Iraq</li> </ul>
IO III: Transboundary solutions and effective international rules promoted	Support an effective multilateral system, based on the rule of law	<ul style="list-style-type: none"> <li>work to implement and achieve the key initiatives and goals agreed at the 2005 UN World Summit, including an effective Peacebuilding Commission and Human Rights Council, and Security Council, management and development reform</li> <li>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</li> <li>support the consolidation and effective functioning of the International Criminal Court and adherence to humanitarian law</li> <li>consider and promote significant New Zealand candidatures for election to international bodies</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	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)	<ul style="list-style-type: none"> <li>• continue to promote international adherence to, verification of and compliance with WMD disarmament and non-proliferation treaties and activities</li> <li>• engage constructively in complementary initiatives to prevent WMD proliferation such as the Proliferation Security Initiative and G8 Global Partnership</li> <li>• continue to hold the ground against erosion of the Nuclear Non-Proliferation Treaty and promote further progress towards nuclear disarmament</li> <li>• strengthen domestic controls on dual-use items and services that may contribute to WMD proliferation if exported from New Zealand, in conformity with our international commitments</li> <li>• press for progress on conventional weapons controls, in particular cluster munitions and an arms trade treaty</li> </ul>
	Respond to new global issues	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>
	Consolidate New Zealand's sovereign rights over the extended continental shelf	<ul style="list-style-type: none"> <li>• consolidate New Zealand's sovereign rights over the extended continental shelf through review of its claim by UN Commission on the Limits of the Continental Shelf</li> </ul>
	Manage New Zealand's engagement in the international environment agenda, including the negotiation of relevant agreements and standards	<ul style="list-style-type: none"> <li>• promote and protect New Zealand's interests in targeted international environmental negotiations, including on biodiversity, biosafety, energy, chemicals and forestry</li> <li>• 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</li> <li>• seek strong governance arrangements for the sustainable management of fisheries resources and the protection of the marine environment, in particular through developing and strengthening Regional Fisheries Management Organisations</li> <li>• work with like-minded countries to reinvigorate and advance international cooperation for the conservation of whales</li> <li>• promote improved multilateral and regional arrangements governing the safety of and liability for the transportation of radioactive materials</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	Strengthen the Antarctic Treaty System	<ul style="list-style-type: none"> <li>• contribute sound analysis and proposals to strengthen the Antarctic Treaty System, and enhance our key relationships among its members</li> <li>• participate effectively in efforts to uphold the good order and environmental protection of the Antarctic Treaty area, for example by deterring and detecting illegal fishing</li> </ul>
	Demonstrate New Zealand's values and commitment to international human rights standards	<ul style="list-style-type: none"> <li>• reinforce New Zealand's reputation as taking a firm and principled approach on international human rights violations</li> <li>• ensure New Zealand is complying with its international legal obligations under the UN Charter and core human rights treaties</li> <li>• continue to uphold and elaborate human rights norms and standards consistent with New Zealand values and interests</li> </ul>
	Support the Commonwealth's comparative advantage	<ul style="list-style-type: none"> <li>• work towards and build on outcomes from the Commonwealth Heads of Government meeting in Kampala that promote the continued relevance of the Commonwealth as a unique international grouping and enable it to deliver outcomes in areas of comparative advantage</li> </ul>

### *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 2007/08 this output will include policy advice and representation activities directed to the following Intermediate Outcomes, areas of concentration and action points:

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
IO I: New Zealand's security interests safeguarded	Strengthen the political and economic relationship with Australia, and enhance cooperation on shared foreign policy, transboundary and security interests, especially in the Asia-Pacific region	<ul style="list-style-type: none"> <li>• deepen bilateral relations with Australia at both federal and state levels of government and with other key decision-makers and constituencies in that country, including through the Australia New Zealand Leadership Forum</li> <li>• pursue and manage policy coherence and intensified regional cooperation on questions affecting the security and stability of the Asia-Pacific region, such as terrorism, illegal migrants, economic fragility and political instability in Pacific states, in ways that further desired outcomes</li> <li>• in cooperation with MOD/NZDF, further develop the Australia/New Zealand defence relationship to support security cooperation initiatives</li> <li>• 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)</li> </ul>
	United States: build on shared values and goals to support global stability and advance New Zealand's interests	<ul style="list-style-type: none"> <li>• 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))</li> <li>• encourage and support United States approaches and policies that enhance international security</li> <li>• 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</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	Engage with Pacific Island, regional and external partners to promote security, good governance, economic growth and sustainable development in the Pacific and to respond to growing instability	<ul style="list-style-type: none"> <li>• 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, especially in transport, trade development, energy, governance, security and the digital strategy</li> <li>• 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</li> <li>• pursue, with Australia, a targeted and consistent engagement strategy with the countries of Melanesia that promote objectives of good governance, economic growth, sustainable development and security</li> <li>• deepen our bilateral relationships and ensure a continued New Zealand focus on assisting with governance, economic growth, sustainable development and cultural viability in those island countries with which New Zealand shares close community or constitutional links</li> <li>• 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 European Union-African, Caribbean and Pacific (EU-ACP) Economic Partnership Agreement negotiations</li> <li>• enhance dialogue with Australia, the European Union, France, United States, 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</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	Accelerate the tempo of diplomatic engagement with key Asian partners	<ul style="list-style-type: none"> <li>• strengthen bilateral relations with Japan through the working group on trade and economic aspects, renewed political/security cooperation, and manage specific points of friction</li> <li>• strengthen the relationship with China by sustaining political relations at a level and intensity appropriate to its growing regional weight, and developing the connections necessary to underpin our security as well as economic/trade interests, including in the negotiation of a Free Trade Agreement</li> <li>• implement the new framework for relations with the Republic of Korea outlined in the Partnership for the 21st Century</li> <li>• extend cooperation with regional partners to promote security on the Korean peninsula</li> <li>• actively participate in the EAS, including implementation of the outcomes of the second East Asia Summit</li> <li>• sustain mature relationships, pursue closer bilateral links with key ASEAN members in targeted political, economic and security areas, and implement the Framework for Cooperation agreed with ASEAN in 2006</li> <li>• actively participate in APEC in relation to both its broad integration agenda as well as its newer “human security” agenda relating to climate change, counter-terrorism, health security and emergency preparedness and disaster management</li> <li>• expand our engagement with South Asia, including through high level visits and working closely with other government agencies and the private sector</li> <li>• work with other stakeholders to pursue a range of targeted initiatives (including the Action Asia conference) and with the re-mandated Asia-New Zealand Foundation to support wider Track 1 and 2 linkages with the region</li> </ul>
	Strengthen New Zealand's engagement with Europe	<ul style="list-style-type: none"> <li>• increase engagement with the European Commission and other EU institutions, including through conclusion of a revised New Zealand/EU Action Plan, and develop the relationship for the long term, building on affinities on a range of international issues and expanded economic links as both New Zealand and the EU pursue economic transformation agendas</li> <li>• enhance links with key bilateral partners (in particular the United Kingdom, France and Germany) and develop appropriate relationships with new members of the EU</li> <li>• strengthen links in areas of mutual benefit such as science and technology (through concluding a treaty-level agreement), education, mutual recognition of conformity assessment (through concluding a revised treaty-level agreement) and people-to-people links through instruments such as working holiday schemes</li> <li>• consolidate the relationship with the Russian Federation reflecting its political and economic weight</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	Support stabilisation, reconstruction and reconciliation efforts in the Middle East consistent with New Zealand security interests and values	<ul style="list-style-type: none"> <li>• assess the opportunities for New Zealand engagement in Afghanistan, and in support of the Middle East Peace Process, including policy and resource implications</li> <li>• build up the relationship with Egypt through the new Embassy in Cairo and assess the related opportunities for wider regional engagement</li> <li>• promote New Zealand's national identity and security interests through continued positive engagements in the Middle East and Africa, especially in the humanitarian and security fields</li> </ul>
	Contribute to global counter- terrorism	<ul style="list-style-type: none"> <li>• contribute to the global campaign against terrorism, including through strengthening state capacity in Southeast Asia and the Pacific</li> <li>• advocate and support inter-faith and inter-cultural dialogue and intensify avenues of cooperation to counter terrorism and radicalisation (eg, support to appropriate regional institutions, the Alliance of Civilisations initiative)</li> <li>• help Pacific Island countries comply with relevant money laundering and people smuggling treaties</li> </ul>
	Support peace-building and peacekeeping  Consider future New Zealand contribution to the prevention and resolution of conflict	<ul style="list-style-type: none"> <li>• work with other government agencies to develop and (as Cabinet directs) deploy appropriate New Zealand military and law enforcement capabilities for peace support operations under UN, regional and other auspices</li> <li>• evaluate capabilities for a regionally regionally-focused role for New Zealand in conflict resolution</li> </ul>
IO II: New Zealand's international connections support transformation of the New Zealand economy and sustainable economic growth through increased trade, and through improved flows of investment, skills and technology	Intensify processes to create open regional trading arrangements	<ul style="list-style-type: none"> <li>• support multilateral and bilateral trade and economic priorities working through APEC and evolving regional architecture</li> </ul>

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
	<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"> <li>• maintain bilateral momentum and advance proposals for a comprehensive single economic market</li> <li>• work to extend cooperation and progress outstanding economic issues including investment negotiations under CER, apples access, and completion of the Joint Therapeutics Product Agency (JTPA)</li> </ul> <p>United States</p> <ul style="list-style-type: none"> <li>• 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</li> </ul> <p>North Asia</p> <ul style="list-style-type: none"> <li>• sustain and bring to a conclusion by April 2008 negotiations for an FTA with China, while preparing the ground for maximum "harvest" for New Zealand businesses</li> <li>• use the work of the joint economic working group, high-level visits, and targeted economic cooperation to advance New Zealand's trade and economic interests in Japan</li> <li>• actively implement the commitments made in the Partnership for the 21st Century with the Republic of Korea to enhance trade and economic relations including completion of a joint study on the feasibility of a free trade agreement</li> <li>• work actively with ASEAN and other EAS members in support of the Track 2 study on a possible EAS-wide FTA (CEPEA)</li> <li>• contribute to the study commissioned by APEC leaders on ways and means to promote regional economic integration in the Asia-Pacific region, including a possible Free Trade Agreement as a long-term prospect</li> </ul> <p>European Union</p> <ul style="list-style-type: none"> <li>• secure continuing EU support for New Zealand economic interests through high-level dialogue with the EU Commission and with major EU member states on a broad range of issues, including education; development cooperation; civil aviation; global and regional security, counter-terrorism and human rights; the environment; and movement of people</li> <li>• progress negotiations with the EU on a bilateral wine agreement</li> <li>• protect and enhance access for New Zealand goods and services to European markets</li> </ul>

Intermediate Outcome	2007/08 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"> <li>• promote implementation of our FTA with Thailand</li> <li>• alongside Australia, complete negotiations and implement an FTA with the countries of ASEAN</li> <li>• work towards completion of negotiations and implement an FTA with Malaysia</li> <li>• make substantial progress towards an FTA with the GCC</li> <li>• investigate longer term prospects with other partners in the region, with India as a priority</li> </ul> <p>Latin America</p> <ul style="list-style-type: none"> <li>• implement and promote economic advantage from the Trans-Pacific Strategic Economic Partnership with Chile, Singapore and Brunei (Pacific Four - P4)</li> <li>• strengthen the bilateral trade and economic relationship with Mexico through advancement of the Joint Experts Group recommendations</li> <li>• maintain momentum in promoting New Zealand's broad economic and trade interests in the Southern Cone countries, with particular emphasis on Brazil</li> </ul> <p>Middle East and Africa</p> <ul style="list-style-type: none"> <li>• advance FTA negotiations and new enhanced education links with the Gulf Cooperation Council and member countries</li> <li>• broaden engagement with Middle East and African economies in areas of mutual benefit - trade and services, including education and tourism</li> <li>• assess opportunities for advancing trade liberalisation and closer trade and economic ties, with particular reference to South Africa and Egypt</li> </ul> <p>Russian Federation</p> <ul style="list-style-type: none"> <li>• consolidate trade and economic links with the Russian Federation</li> </ul>
	<p>Support and facilitate investment, skills and technology transfer</p> <p>Open doors for New Zealand business overseas</p>	<ul style="list-style-type: none"> <li>• during Export Year 2007 develop initiatives to improve long-term export performance as part of a whole-of-government approach involving NZTE and MED as well as other government agencies</li> <li>• work through bilateral channels and international fora (including the OECD) with other agencies to facilitate the flow of capital, ideas, people, knowledge/research, science and technology to New Zealand</li> <li>• leverage trade and economic opportunities off FTAs as they are negotiated, in collaboration with other agencies and business, focusing especially on planning for follow-up to the China-New Zealand negotiations should they prove successful.</li> </ul>

*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 and sustainability, 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 economic development strategies
- 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 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 2007/08 this output will include promotional activities contributing to the following Intermediate Outcomes, areas of concentration and action points:

Intermediate Outcome	2007/08 Areas of Concentration	Action Points
<p>IO II: New Zealand’s international connections support transformation of the New Zealand economy and sustainable economic growth through increased trade and through improved flows of investment, skills and technology</p>	<p>Support and facilitate investment, skills and technology transfer</p> <p>Open doors for New Zealand business overseas</p>	<ul style="list-style-type: none"> <li>• during Export Year 2007 develop initiatives to improve long-term export performance as part of a whole-of-government approach involving NZTE and MED as well as other government agencies</li> <li>• work through bilateral channels and international fora (including the OECD) with other agencies to facilitate the flow of capital, ideas, people, knowledge/research, science and technology to New Zealand</li> <li>• leverage trade and economic opportunities off FTAs as they are negotiated, in collaboration with other agencies and business, focusing especially on planning for follow-up to the China-New Zealand negotiations should they prove successful</li> </ul>

## *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
- Tourism New Zealand
- 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 2007/08 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	
	2006/07	2007/08
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 \$12.298 million (exclusive of GST).

	2006/07 \$000	2007/08 \$000
Total output class expenses	10,964	12,298
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.

PCF outputs and performance measures will be updated during finalisation of PCF's 2007/08 output agreement to reflect recommendations contained in the August/September 2006 Review of PCF that PCF sharpen its mission and strategic goals. This may change the performance measures and outputs listed in this document.

### **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 \$900,000 (exclusive of GST).

	2006/07 \$000	2007/08 \$000
Total output class expenses	800	900
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 (Asia:NZ), the promotion of increased understanding and knowledge of Asia, and the development of skills required by New Zealanders to successfully engage in the region.

This output is focused on the following objectives:

- Knowledge - increase New Zealanders' knowledge of Asia and its peoples.
- Commit - New Zealand fully commits to its Asian communities.
- Engage - New Zealand is successfully engaged with Asia.

Achieving this output involves advocating attitudinal change; identifying gaps in Asian knowledge; supporting research to promote and contribute to debate; the administration of: grants, fellowships and exchanges; activities to enable Asian communities to contribute and share their cultures with wider society; and projects fostering the development of networks between New Zealand institutions, organisations and individuals and their counterparts in Asia. These activities will contribute to progressing the agenda identified by the Seriously Asia project and recommendations in the *Preparing for a Future with Asia* report of the Asia Knowledge Working Group.

During the 2006/07 financial year, a review of Asia New Zealand Foundation was undertaken by the Ministry of Foreign Affairs and Trade and Treasury, with a report back to Cabinet by June 2007. The recommendations contained in this review may change the performance measures and outputs listed in this document.

**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
- strengthened Asian skills and capacity in the education sector

- increased knowledge, understanding and appreciation of Asia among New Zealanders
- evidence that the 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 \$3.692 million (exclusive of GST).

	2006/07 \$000	2007/08 \$000
Total output class expenses	3,122	3,692
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 2006/07 \$000	Projected 2007/08 \$000	Explanation of Projected Movements in 2007/08
Opening Balance	337,045	338,262	
Capital Injections	11,429	19,469	\$0.750 million (Apia agency accommodation), \$3.169 million (Dili), 14.550 million (Security: Information Systems and Physical), and \$1.000 million (Capital expenditure at properties previously rented from the Treasury)
Capital Withdrawals	-	(2,300)	\$2.300 million (Ankara)
Surplus to be Retained (Deficit Incurred)	(10,212)	3,272	
Other Movements	-	12,582	This non cash movement is to cover the forecast output deficit for the 2006/07 financial year (\$9.410 million) and 2007/08 financial year (\$3.172 million)
Closing Balance	338,262	371,285	

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

	Balance Date	Estimated Net Worth 2007 \$million	Forecast Net Worth 2008 \$million
<b>Crown Entities:</b>			
New Zealand Antarctic Institute	30 June	18.200	20.700

### Part E3 - Explanation of Appropriations for Capital Expenditure

Appropriations for capital expenditure in 2007/08 total \$17.169 million. This is intended to be applied as follows:

- \$3.169 million capital expenditure to upgrade the New Zealand Consulate-General in Dili to an Embassy.
- \$13.000 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

	2006/07		2007/08	Description of 2007/08 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
<b>Non-Tax Revenue</b>				
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.
<b>Total Non-Tax Revenue</b>	411	411	100	
<b>Total Crown Revenue and Receipts</b>	411	411	100	