

Information Supporting the Supplementary Estimates

Vote Foreign Affairs and Trade

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Foreign Affairs (M34)

ADMINISTERING DEPARTMENT: Ministry of Foreign Affairs and Trade

MINISTER RESPONSIBLE FOR MINISTRY OF FOREIGN AFFAIRS AND TRADE: Minister of Foreign Affairs

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	325,319	(5,794)	-	(5,794)	319,525
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	46,986	-	4,937	4,937	51,923
Capital Expenditure	69,433	(27,149)	-	(27,149)	42,284
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	441,738	(32,943)	4,937	(28,006)	413,732
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	100	N/A	-	-	100
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	100	N/A	-	-	100

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Administration of Diplomatic Privileges and Immunities (M34)

Scope of Appropriation

This appropriation is limited to the administration of diplomatic and consular privileges and immunities under the Diplomatic Privileges and Immunities Act 1968 and the Consular Privileges and Immunities Act 1971.

Reasons for Change in Appropriation

This appropriation will decrease by \$58,000 to \$503,000 for 2008/09. The decrease arises from a net transfer between the seven departmental output expenses to reflect a \$53,000 change in priorities during the year and \$5,000 baseline savings from a line by line expenditure review.

Consular Services (M34)

Scope of Appropriation

The purchase of consular policy advice, consular services for New Zealanders abroad and notarial services.

Reasons for Change in Appropriation

This appropriation will increase by \$103,000 to \$12.577 million for 2008/09. The movement arises from:

- a foreign exchange and overseas inflation (increase of \$254,000)
- baseline savings from a line by line expenditure review (decrease of \$376,000)
- a net transfer between the seven departmental output expenses to reflect a change in priorities during the year (increase of \$160,000), and
- capital charge and depreciation following a triennial property revaluation (increase of \$65,000).

Pacific Security Fund (M34)

Scope of Appropriation

The purchase of activities and equipment to enhance Pacific Islands security that mutually reinforce New Zealand's security interests.

Reasons for Change in Appropriation

This appropriation will decrease by \$54,000 to \$3.170 million for 2008/09. The decrease arises from a net transfer of \$26,000 between the seven departmental output expenses to reflect a change in priorities during the year and baseline savings of \$28,000 from a line by line expenditure review.

Policy Advice and Representation - International Institutions (M34)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$1.706 million to \$49.177 million for 2008/09. The movement arises from:

- foreign exchange and overseas inflation movements (increase of \$50,000)
- baseline savings from a line by line expenditure review (decrease of \$1.927 million)
- net transfer between the seven departmental output classes to reflect a change in priorities during the year (increase of \$49,000), and
- capital charge and depreciation following a triennial property revaluation (increase of \$122,000).

Policy Advice and Representation - Other Countries (M34)

Scope of Appropriation

This appropriation is limited to the purchase of policy advice and representation directed to the management of New Zealand's foreign trade relations with other countries, bilaterally and in regional organisations, including using New Zealand's international connections to facilitate the flow of trade, investment, skills, and technology and improving the competitiveness of New Zealand business.

Reasons for Change in Appropriation

This appropriation will decrease by \$4.323 million to \$221.910 million for 2008/09. The movement arises from:

- foreign exchange and overseas inflation movements (increase of \$3.152 million)
- emergency funding for Victorian bushfire relief (decrease of \$500,000)
- baseline savings from a line by line expenditure review (decrease of \$7.145 million)
- capital charge and depreciation following a triennial property revaluation (increase of \$1.556 million)
- capital charge arising from retention of surplus for unrealised derivative gains (increase of \$376,000)
- allocations from the NZODA Government Agencies Fund administered by NZAID (decrease of \$64,000)
- transfer of inter-agency funding for international travel, co-operation and capacity building and promotion and outreach associated with resources for WTO and FTA/CEP negotiations (decrease of \$2.097 million)
- in principle expense transfers from 2007/08 to 2008/09 for Wood Processing Strategy (increase of \$401,000), and
- net transfer between seven departmental output classes to reflect a change in priorities during the year (decrease of \$2,000).

Policy Advice and Representation - Other Countries PLA (M34)

Scope of Appropriation

This appropriation is limited to meeting the costs, as set out in section 11 of the Foreign Affairs Act 1988, of superannuation for local staff employed by overseas posts to help with the management of New Zealand's foreign and trade relations with other countries.

Reasons for Change in Appropriation

This appropriation will decrease by \$79,000 to \$39,000 for 2008/09. The movement arises from a net transfer between the seven departmental output expenses to reflect a change in priorities during the year.

Promotional Activities - Other Countries (M34)

Scope of Appropriation

The purchase of promoting New Zealand to other countries as an attractive market for trade and investment.

Reasons for Change in Appropriation

This appropriation will decrease by \$68,000 to \$780,000 for 2008/09. The increase arises from a net transfer between the seven departmental output expenses to reflect a change in priorities during the year (decrease of \$49,000) and baseline savings from a line by line expenditure review (decrease of \$19,000).

Services for Other New Zealand Agencies Overseas (M34)

Scope of Appropriation

The purchase of accommodation and support services by other New Zealand agencies.

Reasons for Change in Appropriation

This appropriation will increase by \$391,000 to \$13.549 million for 2008/09. The movement arises from:

- foreign exchange and overseas inflation movements (increase of \$213,000), and
- increase in the level of services purchased by other departments and agencies (increase of \$178,000).

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Disbursements Made, Exemptions from Taxation, etc PLA (M34)

Scope of Appropriation

Refund of New Zealand local body rates for offices and residential premises of overseas diplomatic missions and consular posts.

Reasons for Change in Appropriation

This appropriation will increase by \$150,000 to \$1.150 million for 2008/09. The increase arises from a revised forecast of disbursements made for rates by embassies and consulates based in New Zealand.

Subscriptions to International Organisations (M34)

Scope of Appropriation

This appropriation is limited to non-discretionary payments required as formal obligations arising from New Zealand's membership of international organisations, and as a signatory to international treaties and conventions.

Reasons for Change in Appropriation

This appropriation will increase by \$4.287 million to \$50.173 million for 2008/09. The movement arises from increases in the level of assessed contributions to the United Nations mainly in peacekeeping and operations and increases in the level of assessments to other international organisations.

Victoria Bushfire Relief (M34)

Scope of Appropriation

This appropriation is limited to assistance to the victims of the February 2009 bushfires in Victoria, Australia.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	500	500

Reasons for Change in Appropriation

This is a new appropriation of \$500,000 for 2008/09 to provide emergency funding for the Victorian bushfire relief.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Foreign Affairs and Trade - Capital Expenditure PLA (M34)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Foreign Affairs and Trade, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	1,000	1,000
Property, Plant and Equipment	60,180	(32,601)	27,579
Intangibles	8,453	4,452	12,905
Other	-	-	-
Total Appropriation	68,633	(27,149)	41,484

Reasons for Change in Appropriation

Net amount of \$27.149 million capital spending has been carried forward to future years due to delays in starting, progressing and completing of various capital projects.