

Performance Information for Appropriations

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 1.1 - Overview of the Vote

The Minister of Foreign Affairs is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of over \$352 million on purchasing services in the spheres of foreign affairs and trade from the Ministry of Foreign Affairs and Trade
- a total of over \$15 million on purchasing Antarctic research and support from the New Zealand Antarctic Institute
- a total of \$4 million to the Asia New Zealand Foundation for the promotion of Asian skills and relationships
- a total of over \$1 million to the Pacific Cooperation Foundation for the promotion of mutual understanding and constructive linkages between New Zealanders and other countries and people of the Pacific
- a total of over \$56 million on subscriptions to international organisations
- a total of over \$1 million on payments in accordance with the Diplomatic Privileges and Immunities Act 1968
- a total of over \$71 million on departmental capital expenditure

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Vote Foreign Affairs and Trade provides the Government with policy advice, advocacy, representation and other services directed at managing, advancing and protecting New Zealand's foreign affairs and trade interests in its relations with other countries and groups of countries and in its membership of international institutions. The Vote contributes in key ways to the achievement of the Government's driving goal to grow the economy in order to deliver greater prosperity, security and opportunities to all New Zealanders.

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Advance New Zealand's trade and economic interests, through implementation of NZ Inc inter-agency strategies covering China, India, Australia, United States, ASEAN, European Union and the Middle East	A more competitive and internationally-focused economy.	Policy Advice and Representation - Other Countries. Policy Advice and Representation - International Institutions Promotional Activities: Other Countries
Maintaining New Zealand's trade, economic, political and security relationships with our traditional partners	A more competitive and internationally-focused economy.	Policy Advice and Representation - Other Countries. Policy Advice and Representation - International Institutions Promotional Activities: Other Countries
Building enduring and influential relationships with other key emerging economies	A more competitive and internationally-focused economy.	Policy Advice and Representation - International Institutions Promotional Activities: Other Countries
Build on existing relationships to promote our political, trade, economic interests in the wider Asia-Pacific region	A more competitive and internationally-focused economy.	Policy Advice and Representation - Other Countries. Policy Advice and Representation - International Institutions Promotional Activities: Other Countries

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	276,691	318,594	337,846	326,749	358,136	346,886	352,995	20,680	373,675	360,025	349,250	349,250
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	42,703	50,795	53,006	59,945	56,894	47,894	-	57,151	57,151	56,983	56,648	56,606
Capital Expenditure	26,563	32,463	18,099	20,322	30,938	22,869	71,114	-	71,114	71,370	52,858	18,966
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	345,957	401,852	408,951	407,016	445,968	417,649	424,109	77,831	501,940	488,378	458,756	424,822
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	1,488	174	71	23	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	1,488	174	71	23	-	-	N/A	-	-	-	-	-

New Policy Initiatives

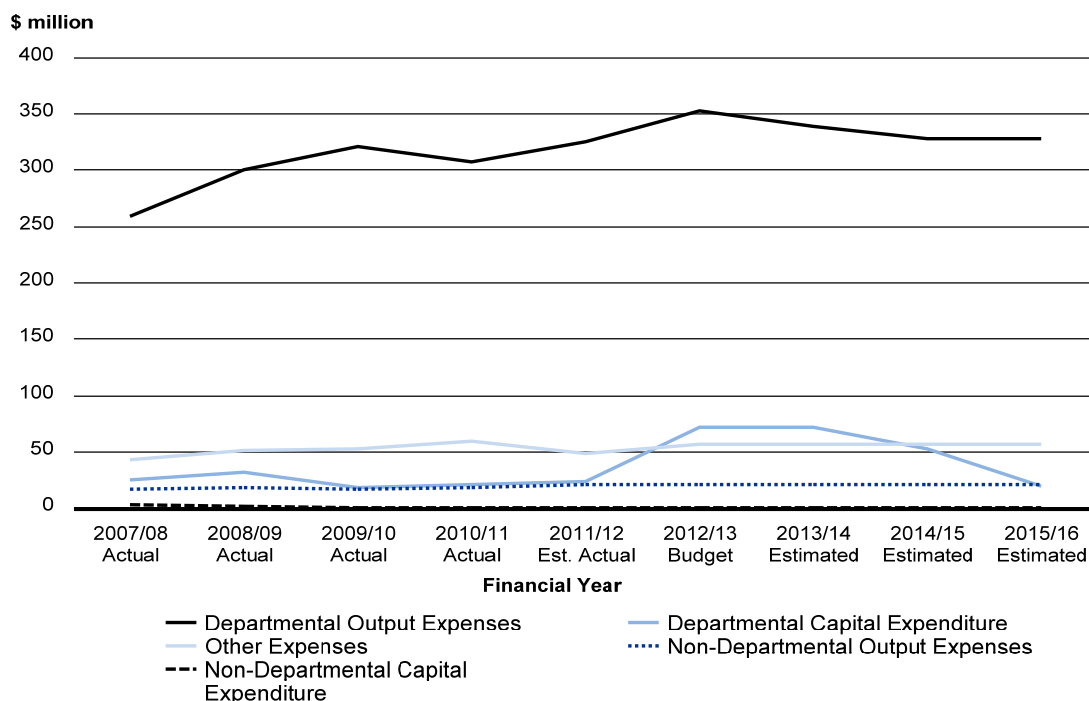
Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Organisational Change	Policy Advice and Representation - Other Countries (M34) Departmental Output Expenses	(4,100)	5,000	-	-	-
	Pacific Security Fund (M34) Departmental Output Expenses	(900)	-	-	-	-
NZ Inc Initiatives for International Marketing and Promotion	Policy Advice and Representation - Other Countries (M34) Departmental Output Expenses	-	8,750	-	-	-
	Rugby World Cup: Guest of Government (M34) Departmental Output Expense	(7,500)	-	-	-	-
	Hosting of Pacific Islands Forum Meeting (M34) Departmental Output Expense	(1,250)	-	-	-	-
Efficiency Dividend	Policy Advice and Representation - Other Countries (M34) Departmental Output Expenses	-	2,125	(4,339)	(12,066)	(12,066)
	Policy Advice and Representation - International Institution (M34) Departmental Output Expenses	-	687	(1,344)	(3,738)	(3,738)
	Consular Services (M34) Departmental Output Expenses	-	188	(367)	(1,021)	(1,021)
Total Initiatives		(13,750)	16,750	(6,050)	(16,825)	(16,825)

Analysis of Significant Trends

Total Vote: All Appropriations

Trends in comparative actual and estimated total expenses and capital expenditure are shown in Figure 1 below, including budgeted and estimated actuals for the preceding year.

Figure 1 - Vote trends in actual expenses and capital expenditure by appropriation type



Source: Ministry of Foreign Affairs and Trade

Departmental Output Expenses

The key changes from 2007/08 to 2012/13 are as follows:

- On Going Funding Increases: total \$77.853 million for additional resources to deepen the Ministry's capability and capacity through additional staff, increases in support infrastructure and cost increases (\$72.115 million) mainly in 2008/09 and implementing security enhancements to ensure staff and their families and property are safe, secure and protected (\$576,000).
- On Going Funding decrease of \$21.080 million for a cost allocation transfer to Vote Official Development Assistance. One Off Funding increase in 2012/13 of \$5 million relating to an expense transfer to assist with implementing the Ministry's organisational transformation initiative.
- Fiscally Neutral Changes: the main changes since 2007/08 include: decrease in foreign exchange rate movements (\$11.888 million), capital charge rate changes (\$2.458 million), higher capital charge and depreciation following revaluation of properties (\$14.225 million), higher capital charge arising from retention of surplus on unrealised derivative gains and losses (\$141,000).

Non-Departmental Other Expenses

Non-departmental other expenses have increased by \$16.605 million from 2007/08 to 2012/13. The key change has been the cost of New Zealand's membership to international organisations by \$15.455 million, from \$40.546 million in 2007/08 to \$56.001 million in 2012/13. This increase mainly reflects higher assessed contributions to UN peacekeeping activities, partially offset by exchange rate movements.

Departmental Capital Expenditure

Capital contributions have been received as follows:

- In 2007/08 the Ministry received \$750,000 for Apia Chancery agency accommodation, a further \$3.169 million to upgrade the New Zealand Embassy in Dili, \$14.550 million second tranche 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 million for capital expenditure to implement the capital plan in chanceries and residences previously rented from Treasury.
- In 2009/10 the Ministry received \$39 million for increasing New Zealand's foreign policy footprint under the Ministry's "Step Change" package and \$1 million for capital expenditure to implement the capital plan in chanceries and residences previously rented from Treasury.
- In 2014/15 the Ministry will receive a final \$20 million for increasing New Zealand's foreign policy footprint under the Ministry's "Step Change" package.

Non-Departmental Capital Expenditure

The New Zealand Antarctic Institute received capital contributions of \$2.400 million in 2007/08, \$800,000 in 2008/09 and \$300,000 in 2009/10 to maintain the Scott Base buildings and services infrastructure.

Crown Revenue and Receipts Trends

In 2007/08 the Ministry received a refund of \$1.466 million for fringe benefit tax overpaid in a previous financial year.

Analysis by Appropriation Type: 2012/13 and 2011/12 Compared

Departmental Output Expenses

The appropriations are expected to decrease by \$15.789 million (4.68%) in 2012/13 relative to 2011/12. This movement mainly arises from:

- 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 (\$15.154 million)
- an increase in the capital charge rate (\$95,000)
- an increase by \$4.575 million resulting from higher capital charge and lower depreciation arising from the revaluation of the Ministry's property
- a decrease in foreign exchange and overseas inflation movements (\$4.045 million)
- an increase by \$3 million resulting from a transfer of departmental savings made in Vote Official Development Assistance, partially offset by an efficiency dividend
- one-off costs in 2011/12 for the hosting of the Pacific Islands Forum meeting (\$6.900 million)
- one-off costs in 2011/12 for the Rugby World Cup Guest of Government programme (\$14.955 million)
- one-off costs in 2011/12 for implementing the Ministry Organisational Transformation project (\$7 million)

- one-off costs in 2011/12 for ASEAN-Australia-New Zealand Free Trade Area (\$1.700 million)
- a decrease by \$134,000 in the level of services purchased by other departments and agencies
- an increase by \$809,000 from resources for WTO, CEPs/FTAs
- an increase by \$10,000 to establish and fund the New Zealand Productivity Commission
- one off costs (\$8.750 million) being carried forward for New Zealand Inc initiatives, major events and other priorities related to the new Government's objectives for international marketing and promotion, and
- a transfer to Vote Economic Development for the Rugby World Cup 2011 (\$6 million).

Non-Departmental Other Expenses

The appropriations are expected to increase by \$257,000 in 2012/13 relative to 2011/12. This movement arises from increased payments for Subscriptions to International Organisations.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: New Zealand's security and economic interests safeguarded through its security and economic relationships</p> <p>Impact: New Zealand develops and retains strong and resilient political relationships with Australia, the United States, China, Asia Pacific, the European Union and the Middle East</p> <p>Impact: New Zealand's relationships deliver a demonstrable increase in the economic and security benefits flowing into our region</p>	<p>Policy Advice and Representation - Other Countries</p> <p>Policy Advice and Representation - International Institutions</p> <p>Pacific Security Fund</p> <p>Promotional Activities - Other Countries</p>
<p>Outcome: Economic growth and international competitiveness advanced through New Zealand's international connections</p> <p>Impact: More New Zealand firms move into exporting</p> <p>Impact: New Zealand's trade and economic integration with Asia-Pacific increases</p> <p>Impact: New Zealand has a structured approach to engaging the international community</p> <p>Impact: Achieving influential relationships with key emerging economies</p>	<p>Policy Advice and Representation - Other Countries</p> <p>Policy Advice and Representation - International Institutions</p> <p>Promotional Activities - Other Countries</p>
<p>Outcome: New Zealand's interests secured through regional and multilateral engagement and effective international rules</p> <p>Impact: That the international rules-based system becomes more effective and accountable</p> <p>Impact: UN that is more responsive to New Zealand's interests</p> <p>Impact: Advance the respect for the rule of law</p> <p>Impact: Building comprehensive partnerships with the European Union and the Middle East</p>	<p>Policy Advice and Representation - Other Countries</p> <p>Policy Advice and Representation - International Institutions</p>
<p>Outcome: Sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world</p> <p>Impact: Improved sustainable economic development outcomes in the Pacific</p> <p>Impact: An increase in the number of strategic development partnerships involving others</p> <p>Impact: Strengthened governance in the Pacific</p>	<p>Policy Advice and Representation - Other Countries</p> <p>Policy Advice and Representation - International Institutions</p> <p>Promotional Activities - Other Countries</p> <p>Pacific Security Fund</p>
<p>Outcome: The rights of New Zealanders abroad protected</p> <p>Impact: A consular service that is flexible and agile, and that can respond to the needs of overseas New Zealanders in distress</p>	<p>Consular Services</p>

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,720	1,720	1,428
Revenue from Crown	1,720	1,720	1,428
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will decrease by \$292,000 to \$1.428 million for 2012/13. The movement arises from:

- an increase by \$6,000 from a funding package for response to foreign and trade policy changes
- an increase by \$1,000 as a result of decisions arising from the baseline review
- a decrease by \$315,000 from changes in cost allocations
- an increase by \$16,000 from a capability review to support organisational change and Government priorities.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
Foreign missions in Wellington	-	43	43
Foreign mission cross-accreditations from other capitals	-	78	80
Consulates accredited to New Zealand (headed by career Consuls/Consuls-General)	-	13 (in NZ) 9 (Non Resident)	16
Consulates accredited to NZ (headed by Honorary Consuls/Honorary Consuls-General)	-	87	90
Policy papers produced for Ministers or Cabinet under this output expense class	3.5	3.5	3.5
Quality			
All documentation prepared in compliance with the Diplomatic Privileges and Immunities Act 1968 and Consular Privileges and Immunities Act 1971 and the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations	100%	100%	100%
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER)	7.5	7.3	7.5

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timeliness			
All arrival and departure documentation for foreign diplomatic and consular staff resident in and accredited to New Zealand completed within 10 working days	95%	95%	95%
All programmes of calls requested by foreign Diplomatic and Consular missions processed within 10 working days	95%	95%	95%
All documentation for New Zealand and Foreign diplomatic and consular appointments processed within a timeframe of six weeks	95%	95%	95%
Ministerial Services			
Number of Ministerial letters prepared	900-1000	993	900-1000
Number of Parliamentary Question responses provided	160-330	200	160-330
Number of Official Information Act request (OIA) responses provided	150-200	195	150-200
Percentage of ministerial correspondence completed within 15 working days	90%	75%	90%
Percentage of ministerial correspondence accepted without amendments	95%	5%	95%
Percentage of OIA requests completed within 20 working days	70%	84%	70%
Percentage of OIA requests completed within 40 working days	95%	97%	95%

Conditions on Use of Appropriation

Reference	Conditions
Diplomatic Privileges and Immunities Act 1968 and Consular Privileges and Immunities Act 1971	These Acts gave effect to the 1961 Vienna Convention on Diplomatic Relations and the 1963 Vienna Convention on Consular Relations and set out New Zealand's rights and obligations under the Conventions.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Capability Review to Support Organisational Change and Government Priorities	2010/11	(30)	(14)	(8)	(8)	(8)
Baseline Savings	2008/09	(15)	(14)	(14)	(14)	(14)
Previous Government						
Funding Package for Response to Foreign and Trade Policy Changes	2008/09	46	52	52	52	52

Consular Services (M34)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	21,737	21,737	20,929
Revenue from Crown	21,387	21,387	20,579
Revenue from Other	350	350	350

Reasons for Change in Appropriation

This appropriation will decrease by \$808,000 to \$20.929 million for 2012/13. The movement arises from:

- an increase by \$891,000 from a funding package for response to foreign and trade policy changes
- a decrease by \$1.046 million as a result of decisions arising from the baseline review
- a decrease by \$273,000 from foreign exchange and overseas inflation
- an increase by \$9,000 from a review of NZ Inc's Offshore Network
- an increase by \$61,000 from a Capability Review to support organisational change and Government priorities
- an increase by \$8,000 for an increase in the capital charge rate
- an decrease by \$1.243 million from changes in cost allocations
- an increase of \$188,000 resulting from a transfer of departmental savings made in Vote Official Development Assistance, partially offset by an efficiency dividend
- an increase of \$597,000 resulting from higher capital charge and lower depreciation arising from revaluation of the Ministry's property.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
Number of overseas locations where consular services are provided	61	61	61
Distressed New Zealanders overseas who received consular services	2,000-2,200	2,450	2,500-2,700
General consular advice enquiries responded to	38,000-40,000	55,000	50,000-60,000
Notarial services provided	9,000-10,000	9,000-10,000	9,000-10,000
Consular emergencies responded to	3-6	1	3-6
Policy papers produced for Ministers or Cabinet under this output expense class	5-7	2	2-4
Quality			
Survey of recipients of consular services rate the Ministry's service performance for consular services in the top quartile of departments using the State Services Commission's Common Measurement Tool to measure their service performance	Service performance in top quartile	Service performance in top quartile	Service performance in top quartile
Percentage of respondents satisfied with quality of consular service (4 or above in a 5 point scale the State Services Commission's Common Measurement Tool)	70%	83%	70%
Lessons learned reviews conducted on all consular emergencies	100%	100%	100%
Lessons learned incorporated into procedures or otherwise actioned within six months	95%	100%	95%
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER)	7.5	7.2	7.5

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Dividend	2012/13	-	188	(367)	(1,021)	(1,021)
Capability Review to Support Organisational Change and Government Priorities	2010/11	(30)	31	32	32	32
Review of NZ Inc's Offshore Network	2009/10	(385)	(376)	(349)	(349)	(349)
Baseline Savings	2008/09	(1,061)	(2,107)	(2,107)	(2,107)	(2,107)
Previous Government						
Funding Package for Response to Foreign and Trade Policy Changes	2007/08	6,036	6,927	6,927	6,927	6,927

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,143	2,143	2,757
Revenue from Crown	2,143	2,143	2,757
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will increase by \$614,000 to \$2.757 million in 2012/13. The movement arises from:

- an increase of \$178,000 from a funding package for response to foreign and trade policy changes
- an increase of \$4,000 from a Capability Review to support organisational change and Government priorities
- a decrease by \$192,000 as a result of decisions arising from the baseline review
- a decrease by \$276,000 from changes in cost allocations
- an increase of \$900,000 resulting from an expense transfer from 2011/12 to assist with cost pressures arising from the organisational change initiative.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
All programmes and project bids are assessed as consistent with Government objectives for the Pacific Security Fund, and this is confirmed by periodic audit.	100%	100%	100%
Funds are accessed, disbursed and monitored in accordance with the management process established by the Pacific Security Coordinating Committee.	100%	100%	100%
Independent assessments of at least two projects over \$100,000 finds that they were successful in achieving the majority of their objectives.	Independent assessment of projects finds that they were successful in achieving the majority of their objectives	An independent review will be conducted in the second half of 2012 when the targeted project has progressed to a point that it is ready for review	Independent assessment finds that the project is successful in achieving the majority of its objectives

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Annual review of fund finds that projects are well implemented, and are making a contribution to achieving the objectives of the fund.	Annual review of fund finds that projects are well-run, and are making a contribution to achieving the objectives of the fund	Achieved. PSF projects continue to be well-run, and are making a contribution to achieving the objectives of the fund	Annual review of fund finds that projects are well-run, and are making a contribution to achieving the objectives of the fund

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Organisational Change	2011/12	(900)	-	-	-	-
Capability Review to Support Organisational Change and Government Priorities	2010/11	(8)	(4)	(2)	(2)	(2)
Baseline Savings	2008/09	14	(178)	(178)	(178)	(178)
Previous Government						
Funding Package for Response to Foreign and Trade Policy Changes	2008/09	747	925	925	925	925

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	73,729	73,729	74,120
Revenue from Crown	73,729	73,729	74,120
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will increase by \$391,000 to \$74.120 million for 2012/13. This movement arises from:

- an increase by \$3.094 million from a funding package for response to foreign trade and policy changes
- a decrease by \$2.807 million as a result of decisions arising from the baseline review
- a decrease by \$666,000 from foreign exchange and overseas inflation movements

- an increase by \$15,000 for an increase in the capital charge rate
- a decrease by \$607,000 from changes in cost allocations
- an increase by \$189,000 from a Capability Review to support organisational change and Government priorities
- an increase by \$486,000 resulting from higher capital charge and lower depreciation arising from revaluation of the Ministry's property
- an increase by \$687,000 resulting from a transfer of departmental savings made in Vote Official Development Assistance, partially offset by an efficiency dividend.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
Active treaty negotiations led by the Ministry under this output expense class	8-10	5	8-10
Negotiating sessions requiring formal credentials	12-15	15	12-15
Policy papers produced for Ministers or Cabinet under this output expense class	200-250	See Note 1	20-250
Quality			
Percentage of peers rating the quality of the Ministry's negotiation of international agreements as 4 or better on a scale of 1-5 against the Ministry's quality standard for negotiation	80%	76%	80%
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER)	7.5	7.5	7.5
Percentage of survey respondents providing positive feedback on the quality of New Zealand's diplomacy	80%	Will not be measured due to Ministry's Change Programme	70%

Note 1 - Total included in the policy papers total for Policy Advice and Representation - Other Countries (M34)

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Organisational Change	2012/13	-	687	(1,344)	(3,738)	(3,738)
Capability Review to Support Organisational Change and Government Priorities	2010/11	(335)	(146)	(112)	(112)	(112)
Review of NZ Inc's Offshore Network	2009/10	(37)	(37)	(21)	(21)	(21)
Baseline Savings	2008/09	(4,510)	(7,317)	(7,317)	(7,317)	(7,317)

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Previous Government						
Funding Package for Responses to Foreign Trade and Policy Changes	2007/08	18,742	21,836	21,836	21,836	21,836

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	216,042	204,792	239,315
Revenue from Crown	215,727	215,727	239,000
Revenue from Other	315	315	315

Reasons for Change in Appropriation

This appropriation will increase by \$23.273 million to \$239.315 million for 2012/13. This movement arises from:

- an increase by \$15.547 million from a funding package for response to foreign and trade policy changes
- a decrease by \$531,000 as a result of decisions arising from the baseline review
- an increase by \$2.379 million from changes in cost allocations
- a decrease by \$270,000 from a Capability Review to support organisational change and Government priorities
- a decrease by \$10,000 to establish and fund the NZ Productivity Commission
- an increase by \$1.700 million for ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) commitments
- a decrease by \$9,000 for a review of NZ Inc's Offshore Network
- a decrease by \$7.900 million for the Ministry's Organisational Change improvement project
- an increase by \$809,000 from resources for WTO, CEPs/FTAs
- a decrease by \$2.881 million from foreign exchange and overseas inflation movements

- an increase by \$72,000 for an increase in the capital charge rate
- an increase of \$3.492 million resulting from higher capital charge and lower depreciation arising from revaluation of the Ministry's property
- an increase by \$2.125 million resulting from a transfer of departmental savings made in Vote Official Development Assistance, partially offset by an efficiency dividend, and
- an increase by \$8.750 million related to a carry forward for New Zealand Inc initiatives for international marketing and promotional activities.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
Active formal negotiations led by the Ministry under this output expense class	15-20	21	15-20
Inwards visits supported by the Ministry under this output expense class	150-170	23	150-170
Outwards visits by New Zealand Ministers supported by the Ministry under this output expense class	15-20	6	15-20
Policy papers produced for Ministers or Cabinet under this output expense class	400-700	744(see Note 1)	800
Quality			
Percentage of peers rating the quality of the Ministry's negotiation of international agreements as 4 or better on a scale of 1-5 against the Ministry's quality standard for negotiation	80%	76%	80%
Percentage of visits rated as 4 or better on a scale of 1-5 by internal review against the Ministry's visits quality standard for visits management	80%	80%	80%
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER)	7.5	7.2	7.5
Percentage of survey respondents providing positive feedback on the quality of New Zealand's diplomacy	80%	Will not be measured due to the Ministry's Change Programme	70%

Note 1 - Includes policy papers for Policy Advice and Representation - International Institutions (M34)

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Dividends	2012/13	-	2,125	(4,339)	(12,066)	(12,066)
New Zealand Inc Initiatives for International Marketing and Promotional Activities	2012/13	-	8,750	-	-	-
Organisational Change	2011/12	(4,900)	5,000			

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
One-off saving to fund RWC Guest of Government and organisational transformation	2011/12	(20,000)	(10,000)	-	-	-
NZ Productivity Commission	2010/11	(140)	(150)	(150)	(150)	(150)
Capability Review to Support Organisational Change and Government Priorities	2010/11	403	133	90	90	90
Review of NZ Inc's Offshore Network	2009/10	422	413	370	370	370
Baseline Savings	2008/09	(26,239)	(36,770)	(36,770)	(36,770)	(36,770)
Previous Government						
Funding Package for Response to Foreign Trade and Policy Changes	2007/08	96,086	113,633	113,633	113,633	113,633
Dili: Upgrading to Embassy Status	2007/08	1,963	1,963	1,963	1,963	1,963
Physical Security & Agency Accommodation	2007/08	(110)	(110)	(110)	(110)	(110)

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20	20	20
Revenue from Crown	20	20	20
Revenue from Other	-	-	-

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
New Zealand Government Superannuation Scheme for locally recruited staff in the United States of America is financially viable.	Fully funded	Fully funded	Fully funded

Conditions on Use of Appropriation

Reference	Conditions
Section 11 of the Foreign Affairs Act 1988.	Limited to schemes approved by the Minister of Finance.

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	225	225	300
Revenue from Crown	225	225	300
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will increase by \$75,000 to \$300,000 for 2012/13. The movement arises from:

- an increase by \$19,000 from a funding package for responses to foreign and trade policy changes
- a decrease by \$10,000 as a result of decisions arising from the baseline review
- an increase by \$66,000 from changes in cost allocations.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
All activities are in conformity with Government objectives and criteria for the fund	100%	100%	100%
Annual review of fund finds that projects are well implemented, and are making a contribution to achieving the objectives of the fund	100%	100%	100%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Baseline Savings	2008/09	(35)	(45)	(45)	(45)	(45)
Previous Government						
Funding Package for Response to Foreign Trade and Policy Changes	2008/09	76	95	95	95	95

Services for Other New Zealand Agencies Overseas (M34)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,485	14,485	14,126
Revenue from Crown	-	-	-
Revenue from Other	14,485	14,485	14,126

Reasons for Change in Appropriation

This appropriation will decrease by \$359,000 to \$14.126 million for 2012/13. This movement arises from:

- a decrease by \$225,000 from foreign exchange and overseas inflation movements
- a decrease by \$134,000 in the level of services purchased by other departments and agencies.

Output Performance Measures and Standards

The budget standards for the new indicators in the table below will be developed after the base performance has been established in 2011/12. The budget standard will be updated in the 2012/13 Supplementary Estimates.

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of seconded staff from other government agencies collocated in Ministry posts offshore	94	96	92
Number of locations providing services on behalf of other government agencies	47	48	47
Percentage of respondents rating the Ministry's service performance as 4 or better on a scale of 1-5	80%	65%	80%

Conditions on Use of Appropriation

Reference	Conditions
Agency Agreements	Agency agreements set out the services to be provided and any other conditions on their provision as agreed with the agency concerned.

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome: Enhanced New Zealand Antarctic scientific research and strategic programme of national Antarctic activities.	Antarctic Research and Support.
Outcome: Mutual understanding and constructive linkages between New Zealanders and Pacific peoples.	Pacific Cooperation Foundation.
Outcome: Improved knowledge among New Zealanders about Asian countries and the development of the necessary skills required by New Zealanders in their dealings with Asia.	Promotion of Asian Skills and Relationships.

Antarctic Research and Support (M34)

Scope of Appropriation

Provision of management and logistic support for New Zealand activities in the Antarctic. The provider is the New Zealand Antarctic Institute.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,530	15,530	15,280

Reasons for Change in Appropriation

This appropriation will decrease by \$250,000 to \$15.280 million in 2012/13 arising from an expense transfer for the International Trans-Antarctic Scientific experiment.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Health, Safety and Environment - Incidents assessed with an impact of "moderate" (medical treatment required, or offsite spill contained and outside assistance) or more	No more than two incidents assessed with "moderate" or more severity	Two incidents assessed as being of "moderate" or more severity	Incidents assessed with "moderate" or more severity decrease over time
Logistics Support Effectiveness - Antarctic programme participants' rating of how well their logistics objectives were achieved against the agreed plan	85%	90%	85%

Conditions on Use of Appropriation

Reference	Conditions
Output Agreement between the Minister and NZAI	Outputs delivered by agreed target dates and as specified in the Output Agreement between the Minister and NZAI

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Previous Government						
NZAI: Implementing Wind Energy Technology at Scott Base	2008/09	320	320	320	320	320
Maintaining Antarctic Logistics Support Capability	2007/08	1,600	1,600	1,600	1,600	1,600

Pacific Cooperation Foundation (M34)

Scope of Appropriation

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,400	1,400	1,400

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Promoting economic sustainability in the Pacific			
<ul style="list-style-type: none"> Market research including baseline consumer research on quality perceptions of Pacific products 	Increase awareness of Pacific products and perceptions to 23%	Achieved. Survey results taken from the Pacific Showcase	Increase awareness of Pacific products and perceptions to 23%
<ul style="list-style-type: none"> Stakeholder engagement and scoping 	Secure a regional partnership to provide technical assistance. Establish a referral system with three other organisations who offer business and market support programmes	Achieved. MOU with the Secretariat of the Pacific Community and partnership with Pacific Island Private Sector Organisation developed	Secure a regional partnership to provide technical assistance. Establish a referral system with three other organisations who offer business and market support programmes
<ul style="list-style-type: none"> Developing a quality assurance model for the Pacific brand 	Standards are evaluated and improved in the three sectors	Partially achieved but on track for delivery	Standards are evaluated and improved in the three sectors
<ul style="list-style-type: none"> Impact on businesses licensed to True Pacific 	New measure: Increase sales for True Pacific licensed business of, on average 20%	Partially achieved but on track for delivery	New measure: Increase sales for True Pacific licensed business of, on average 20%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Fostering understanding of the Pacific and Network Coordination</p> <ul style="list-style-type: none"> Increased engagement with the Pacific including through business and other linkages and supporting communities and institutions in the region 	<p>Develop a cross sectorial network involving businesses, business and trade organisations; and leaders who work in the Pacific Programmes include: a minimum of four events held across the Forum and RWC; and a minimum of 5 business events held throughout the year. Foster linkages between 15 organisations/communities/people that increase engagement in the region. An on-line survey will gauge PCF's effectiveness by measuring the increase in stakeholders' activities and engagement in the Pacific. Target is 72%</p>	<p>Partially achieved but on track for delivery</p>	<p>Develop a cross sectorial network involving businesses, business and trade organisations; and leaders who work in the Pacific Programmes include: a minimum of four events held across the Forum and RWC; and a minimum of 5 business events held throughout the year. Foster linkages between 15 organisations/communities/people that increase engagement in the region. An on-line survey will gauge PCF's effectiveness by measuring the increase in stakeholders' activities and engagement in the Pacific. Target is 72%</p>
<p>Promoting the best of the Pacific</p> <p>Delivering the 'True Pacific' programme as a regional quality mark to:</p> <ul style="list-style-type: none"> Promoting business connections for SMEs in market where they have a competitive advantage Working with licensed businesses to develop sustained success in international markets 	<p>New Measure</p> <p>New Measure</p>		<p>\$1.50 value for every \$1 of programme promotional spend</p> <p>New business model developed with sustainability in governance</p> <p>10% growth in sales for SMEs assisted</p> <p>Survey of consumers indicate 50% of respondents are aware of high quality Pacific origin products</p> <p>2 strategic business partners secured within the supply chain</p> <p>5 organisations confirmed as referring agencies</p> <p>Support for the programme grows, demonstrated by a 20% increase in licensed businesses</p>
<p>Connecting people and organisations</p> <ul style="list-style-type: none"> Providing a neutral platform for Pacific businesses and bilateral trade councils, trade commissions to connect and explore opportunities. Network development linking businesses in New Zealand with businesses in the region 	<p>New Measure</p> <p>New Measure</p>		<p>4 cross sectorial events coordinated by PCF</p> <p>Random survey of participants demonstrates 10% increased activity resulting from connections</p>
<p>Changing perceptions</p> <ul style="list-style-type: none"> Hosting public events and developing connections to promote sectors of resilience in the Pacific including: successful business, high performing sectors and culture High visibility opportunities identified Securing partnerships to host any public events. Public events successfully utilised to promote Pacific businesses 	<p>New Measure</p> <p>New Measure</p> <p>New Measure</p>		<p>Public survey undertaken, with positive change in perception of 65% surveyed</p> <p>Public survey undertaken, with positive change in perception of 65% surveyed</p> <p>Public survey undertaken, with positive change in perception of 65% surveyed</p>

Conditions on Use of Appropriation

Reference	Conditions
2009/10 Purchase Agreement	Outputs delivered by agreed target dates and as specified in the Purchase Agreement between the Minister and Pacific Cooperation Foundation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Agreed by Previous Government						
Increase in Baseline Funding	2008/09	1,400	1,400	1,400	1,400	1,400

Promotion of Asian Skills and Relationships (M34)*Scope of Appropriation*

This appropriation is limited to the provision of services that build and sustain New Zealanders' knowledge and understanding of and relationships with Asia.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,000	4,000	4,000

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Level of Asia literacy and engagement with Asia by Foundation constituents (Surveying)	77%	>77%	Increase on scale
Level of New Zealand public awareness of the importance of Asia to New Zealand (Social Research)	77%	83%	Increase on scale
Greater capability for New Zealand business and Track II sector to engage with Asia (supporting New Zealand's trade interests in Asia)	New Measure		Increased opportunities for business and Track II
Government priorities in Asia supported through Foundation programmes (Stakeholder satisfaction with consultation processes and alignment of programmes in support of Government priorities on scale of 1 = not satisfactory to 5 = very satisfactory)	Average of results 3 or higher	4	4

Conditions on Use of Appropriation

Reference	Conditions
Output Agreement between the Minister and Asia New Zealand Foundation.	Outputs delivered by agreed target dates and as specified in the Output Agreement between the Minister and Asia New Zealand Foundation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Increase in Baseline Funding	2009/10	2,453	2,453	2,453	2,453	2,453

Summary of Service Providers for Non-Departmental Outputs

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Crown entities					
New Zealand Antarctic Institute	15,530	15,530	15,280	Provider's annual report	on-going
Other entities controlled by the Crown					
Asia New Zealand Foundation	4,000	4,000	4,000	Provider's statement of service performance	on-going
Pacific Cooperation Foundation	1,400	1,400	1,400	Provider's statement of service performance	on-going

The above table summarises funding to be allocated through Vote Foreign Affairs and Trade to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: New Zealand's interests secured through regional and multilateral engagement and effective international rules</p> <p>Impact: Meet New Zealand's obligations to contribute to the funding of international organisations and therefore encourage others to meet their similar obligations.</p> <p>Impact: To comply with New Zealand's legal obligations under the 1961 Vienna Convention on Diplomatic Relations and the 1963 Vienna Convention on Consular Relations and therefore encourage others to meet their obligations to New Zealand.</p>	<p>Subscriptions to International Organisations.</p> <p>Disbursements Made and Exemptions from Taxation.</p>

Disbursements Made and Exemptions from Taxation PLA (M34)

Scope of Appropriation

Refund of New Zealand local body rates for offices and residential premises of overseas diplomatic missions and consular posts pursuant to section 21 of the Diplomatic Privileges and Immunities Act 1968.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,150	1,150	1,150

Conditions on Use of Appropriation

Reference	Conditions
Diplomatic Privileges and Immunities Act 1968	Approval of Minister of Finance and Minister of Foreign Affairs.

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	55,744	46,744	56,001
Comprising:			
• Asia Pacific Economic Cooperation Business Advisory Council	17	15	15
• Asia Pacific Economic Cooperation Pacific Economic Cooperation Council	63	63	62
• Asia Pacific Economic Cooperation Secretariat	206	209	203
• Asia Europe Foundation	95	95	102
• Biological Weapons Convention	6	6	3
• Chemical Weapons Convention	336	294	316
• Climate Change in Developing Countries	1,900	1,900	1,900
• Commonwealth Foundation	176	176	165
• Commonwealth Secretariat	862	862	890
• Conservation of Antarctic Marine Living Resources	163	168	159
• Comprehensive Test Ban Treaty	477	433	452
• Conservation of Southern Hemisphere Albatross	28	28	28
• Convention to Combat Desertification	24	34	25
• Convention on Cluster Munitions	4	4	4
• Export Control for Arms & Ammunition	12	10	9
• Global Environment Facility	2480	2,480	2,143
• Inhumane Weapons Convention	7	7	5
• International Atomic Energy Agency	1,601	1,504	1,512
• International Criminal Court	880	707	794
• International Humanitarian Fact Finding Mission	2	2	2
• International Renewable Energy	-	33	-
• International Seabed Authority	30	31	31
• International Whaling Commission	64	59	59
• Law of the Sea Conference	68	68	64
• NZ/US Education Foundation	573	573	573

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
• Organisation for Economic Cooperation and Development	2,332	2,841	2,497
• Organisation of International Vinters	13	12	12
• Ottawa Mine Ban Convention	1	2	1
• Permanent Court of Arbitration	11	11	10
• Secretariat for the Antarctic Treaty	77	75	77
• South Pacific Regional Environment Programme Noumea Convention	5	5	-
• Treaty on the Non-Proliferation of Nuclear Weapons	10	4	10
• World Trade Organisation	735	624	764
• United Nations Subscription	32,348	25,368	33,377
• United Nations Peacekeeping Operations	10,138	8,041	9,737

Reasons for Change in Appropriation

This appropriation will increase by \$257,000 to \$56.001 million for 2012/13. This movement arises from 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.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Disbursements Made, Exemptions from Taxation, etc	Not required
Subscriptions to International Organisations	Not required

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective: To maintain and upgrade capability through replacement and development of property, furniture & fittings, equipment, vehicles, computer hardware and software.	Ministry of Foreign Affairs and Trade - 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	40	40	7,500
Property, Plant and Equipment	19,256	18,444	60,614
Intangibles	11,642	4,385	3,000
Other	-	-	-
Total Appropriation	30,938	22,869	71,114

Reasons for Change in Appropriation

This appropriation will increase by \$40.176 million to \$71.114 million for 2012/13. Capital spending has been re-phased to future years due to delays in starting, progressing and completing various capital projects planned for 2011/12.