

Vote Foreign Affairs and Trade

APPROPRIATION MINISTER(S): Minister of Foreign Affairs (M34)

APPROPRIATION ADMINISTRATOR: Ministry of Foreign Affairs and Trade

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

Summary of the Vote

Overview

The Minister of Foreign Affairs is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of over \$337 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 \$48 million on subscriptions to international organisations
- a total of nearly \$2 million on payments in accordance with the Diplomatic Privileges and Immunities Act 1968, and
- a total of over \$53 million on departmental capital expenditure.

Details of these appropriations are set out in Parts 2-4.

Estimates of Appropriations

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Administration of Diplomatic Privileges and Immunities (M34) 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.	2,000	2,000	2,000
Consular Services (M34) The purchase of consular policy advice, consular services for New Zealanders abroad and notarial services.	19,607	19,607	19,767
Pacific Security Fund (M34) The purchase of activities and equipment to enhance Pacific Islands security that mutually reinforce New Zealand's security interests.	1,700	1,700	2,759
Policy Advice and Representation - International Institutions (M34) 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.	66,945	66,945	68,543
Policy Advice and Representation - Other Countries (M34) 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.	223,448	203,448	223,031
Policy Advice and Representation - Other Countries PLA (M34) 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.	20	20	20
Promotional Activities - Other Countries (M34) The purchase of promoting New Zealand to other countries as an attractive market for trade and investment.	300	300	300
Services for Other New Zealand Agencies Overseas (M34) The purchase of accommodation and support services by other New Zealand agencies.	7,662	7,662	7,811
Small Island Developing States Conference: Support to Samoa (M34) This appropriation is limited to support to Samoa to host the third United Nations Conference on Small Island Developing States (SIDS) in Apia in August/September 2014.	1,000	1,000	13,000
Total Departmental Output Expenses	322,682	302,682	337,231
Departmental Capital Expenditure			
Ministry of Foreign Affairs and Trade - Capital Expenditure PLA (M34) 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.	36,492	36,492	53,278
Total Departmental Capital Expenditure	36,492	36,492	53,278

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses			
Antarctic Research and Support (M34) Provision of management and logistic support for New Zealand activities in the Antarctic. The provider is the New Zealand Antarctic Institute.	15,280	15,280	15,280
Pacific Cooperation Foundation (M34) 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.	1,400	1,400	1,400
Promotion of Asian Skills and Relationships (M34) This appropriation is limited to the provision of services that build and sustain New Zealanders' knowledge and understanding of and relationships with Asia.	4,000	4,000	4,000
Total Non-Departmental Output Expenses	20,680	20,680	20,680
Non-Departmental Other Expenses			
Disbursements Made and Exemptions from Taxation PLA (M34) 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.	1,700	1,700	1,600
Subscriptions to International Organisations (M34) 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.	48,483	43,483	48,148
Total Non-Departmental Other Expenses	50,183	45,183	49,748
Non-Departmental Capital Expenditure			
New Zealand Antarctic Institute (M34) To enable NZAI to maintain the Scott Base buildings and services infrastructure.	3,561	3,561	-
Total Non-Departmental Capital Expenditure	3,561	3,561	-
Total Annual and Permanent Appropriations	433,598	408,598	460,937

Capital Injection Authorisations

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Ministry of Foreign Affairs and Trade - Capital Injection (M34)	-	-	20,000

Supporting Information

Part 1 - Vote as a Whole

This part provides trend information for the vote.

1.2 - Trends in the Vote

Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	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	337,846	326,749	327,945	310,207	345,362	325,362	337,231	20,680	357,911	345,666	345,666	342,999
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	53,006	59,945	43,937	41,018	50,183	45,183	-	49,748	49,748	49,706	49,497	49,497
Capital Expenditure	18,099	20,322	17,227	9,109	40,053	40,053	53,278	-	53,278	76,525	63,537	58,834
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	408,951	407,016	389,109	360,334	435,598	410,598	390,509	70,428	460,937	471,897	458,700	451,330
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	71	23	155	238	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	71	23	155	238	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

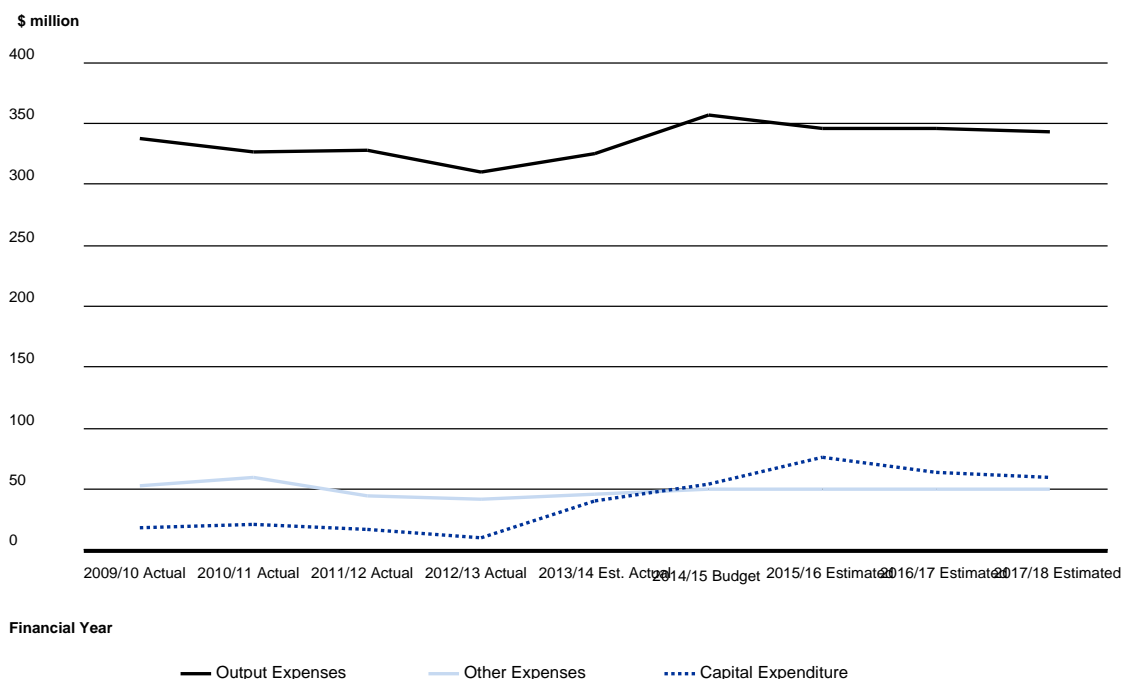
There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - 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 2009/10 to 2014/15 are as follows:

- funding increases of \$18.863 million mainly from the "Step Change" package approved in 2008, most of which was reduced in Budget 2009
- funding decrease of \$16.825 million for an efficiency dividend, with an additional \$7 million reduction reflected in Vote Official Development Assistance
- transfer of \$24.058 million to Vote Official Development Assistance to reflect reinstatement of full allocation of fixed costs following reintegration of NZAID back into the Ministry, and
- Fiscally Neutral Changes totalling \$10.313 million: the main changes since 2009/10 include: decrease of \$17.348 million for movements in foreign exchange rate and overseas inflation over and above the rate of New Zealand inflation, increase of \$2.468 million in capital charge rate changes, higher capital charge and depreciation of \$4.394 million following upward revaluation of overseas properties, and higher capital charge of \$173,000 arising from retention of surplus on unrealised derivative gains and losses.

Non-Departmental Expenses

Non-departmental other expenses have decreased by \$3.258 million from 2009/10 to 2014/15. The key change has been the cost of New Zealand's membership to international organisations has reduced by \$3.140 million, from \$51.288 million in 2009/10 to \$48.148 million in 2014/15. This decrease mainly reflects the high New Zealand dollar lowering the cost of assessed contributions to the United Nations for the annual membership and peacekeeping activities in New Zealand dollar terms.

Departmental Capital Expenditure

Additional capital funding of \$98 million was approved in 2008 for the Ministry's "Step Change" package, of which \$39 million was cut in Budget 2009.

Non-Departmental Capital Expenditure

The New Zealand Antarctic Institute received capital contributions of \$300,000 in 2009/10 and \$3.561 million in 2013/14 to maintain the Scott Base buildings and services infrastructure.

*Analysis by Appropriation Type: 2014/15 and 2013/14 Compared***Departmental Output Expenses**

The appropriations are expected to increase by \$14.549 million (4.51%) in 2014/15 relative to 2013/14.

The key changes can be categorised as follows:

- Funding Savings: Final \$10.775 million instalment of the 6% Efficiency Dividend which along with reductions in previous years brings the total reduction in funding received by the Ministry of Foreign Affairs and Trade to \$23.825 million. On top of this the Ministry returned \$40 million of funding in 2013/14 made up of \$31.273 million of underspend from 2012/13 and \$8.727 million of underspend in 2013/14.
- Funding Carried Forward from 2013/14: \$9 million has been carried forward to support Samoa host the United Nations Small Island Developing States meeting; \$1 million for ASEAN NZ Inc. initiatives; \$1 million for Dubai Expo planning; \$1.667 million for Russia-Belarus Kazakhstan FTA funding for agricultural cooperation and \$2 million for World War 1 Commemorations in 2015/16 and 2016/17.
- Funding Transferred to Other Agencies: \$5 million transferred to NZTE for a Saudi Arabia Food security Partnership, \$1 million to NZTE for a Saudi Agribusiness hub research programme; \$1 million to NZTE for a Government-to-Government Commercialisation Office; \$3.561 million to Antarctica New Zealand as a capital contribution towards Scott Base improvements; and \$1.300 million to the International Development Group within Vote ODA for Pacific Energy Initiatives.

Non-Departmental Expenses

The appropriations are expected to decrease by \$435,000 in 2014/15 relative to 2013/14. This movement arises from a decrease of \$335,000 for Subscriptions to International Organisations mostly arising from the strengthening of the New Zealand dollar; and a decrease of \$100,000 for refunds of property rates to consulates and missions in New Zealand.

Part 2 - Details of Departmental Appropriations

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.

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	2,000	2,000
Revenue from the Crown	2,000	2,000	2,000
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support the fulfilment of New Zealand's obligations under the Diplomatic Privileges and Immunities Act 1968, the Consular Privileges and Immunities Act 1971.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Foreign Consular posts resident in and accredited to New Zealand (headed by career Consuls/Consuls-General)	19	20	20
Foreign Consular posts accredited to New Zealand (headed by Honorary Consuls/Honorary Consuls-General)	96	96	96
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%
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%
Ministerial Services (see Note 1)			
Number of Ministerial letters prepared	900-1,000	700-800	700-800
Number of Parliamentary Question responses provided	160-330	160-330	160-330
Number of Official Information Act request (OIA) responses provided	150-200	150-200	150-200
Percentage of Ministerial correspondence completed within 15 working days	90%	90%	90%

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of Ministerial correspondence and OIA requests completed without return due to predictable errors (see Note 2)	Baseline to be set in 2013/14	90%	90%
Minister's rating on the quality of Ministerial services on a scale of 1-10	7 or above	7 or above	7 or above
Percentage of OIA requests completed within statutory time standards (see Note 3)	Revised measure	73%	80%
Average number of days to complete an OIA request (see Note 4)	New measure	34 days	30 days

Note 1 - The information on Ministerial services provided here is not disaggregated by output expense class. This performance information is not therefore repeated in each output expense class. Ministerial services can be provided under any of the Ministry's output expense classes. The quantity measures are demand driven. Quantity estimates are based on analysis of year to date information, and available trend data. Trends for Ministerial correspondence and Official Information Act requests are relatively stable. Parliamentary questions, however, fluctuate significantly from year to year. This results in the very large range provided.

Note 2 - Predictable errors refer to spelling or grammar errors.

Note 3 - Statutory time limits are set out in Sections 15 (1) and 15A of the Official Information Act 1982.

Note 4 - Working days are defined in Section 2 (1) of the Official Information Act 1982.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Capability Review to Support Organisational Change and Government Priorities	2010/11	(8)	(8)	(8)	(8)	(8)

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.

Consular Services (M34)

Scope of Appropriation

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

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	19,607	19,607	19,767
Revenue from the Crown	19,257	19,257	19,417
Revenue from Others	350	350	350

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support New Zealanders in distress abroad and to ensure that their rights are protected.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Number of overseas locations where consular services are provided	63	65	65
Distressed New Zealanders overseas who received consular services (demand driven)	2,500-2,700	2,500-2,700	2,500-2,700
General consular advice enquiries responded to (demand driven)	50,000-60,000	50,000-60,000	50,000-60,000
Notarial services provided (demand driven)	9,000-10,000	9,000-10,000	9,000-10,000
Consular emergencies responded to	3-6	3-6	3-6
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)	75%	80%	80%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Efficiency Dividend	2012/13	(367)	(1,021)	(1,021)	(1,021)	(1,021)
Capability Review to Support Organisational Change and Government Priorities	2010/11	32	32	32	32	32
Review of New Zealand Inc's Offshore Network	2009/10	(349)	(349)	(349)	(349)	(349)

Reasons for Change in Appropriation

This appropriation will increase by \$160,000 to \$19.767 million for 2014/15. The movement arises from this appropriation's allocated share of changes explained in the "Analysis by Appropriation Type: 2014/15 and 2013/14 Compared" section.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,700	1,700	2,759
Revenue from the Crown	1,700	1,700	2,759
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This contestable fund can be drawn on by New Zealand Government agencies and is intended to advance or protect New Zealand's security interests by reducing risks from threats arising in, or operating through, Pacific Island countries.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
All project bids and evaluations are assessed as consistent with Government objectives for the Pacific Security Fund, and this is confirmed by independent annual 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 one project over \$100,000 finds that they were successful in achieving the majority of their objectives	Independent assessments finds that the project is successful in achieving the majority of its objectives	Independent assessments finds that the project is successful in achieving the majority of its objectives	Independent assessments finds that the project is successful in achieving the majority of its objectives

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Capability Review to Support Organisational Change and Government Priorities	2010/11	(2)	(2)	(2)	(2)	(2)

Reasons for Change in Appropriation

This appropriation will revert to its baseline level of \$2.759 million in 2014/15 after a slow down in initiatives during 2013/14.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	66,945	66,945	68,543
Revenue from the Crown	66,945	66,945	68,543
Revenue from Others	-	-	-

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Americas	10,582	10,582	10,835
Asia	8,945	8,945	9,159
Australia	1,525	1,525	1,560
Europe	17,823	17,823	18,249
Middle East and Africa	2,050	2,050	2,099
New Zealand	25,310	25,310	25,914
Pacific	710	710	727

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support New Zealand's participation in international institutions in order to strengthen international rules and to influence outcomes that are favourable for New Zealand.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Active treaty negotiations led by the Ministry under this output expense class	8-10	5-8	5-8
Policy submissions produced for Ministers under this output expense class	200-250	300-400	300-400
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%	75%	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 (see Note 1)	Budget standard to be set in 2013/14 based on actual baseline	80%	80%

Note 1 - The quality of New Zealand's diplomacy includes an assessment of MFAT's effectiveness at representation and advocacy. This will be further defined through future research.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Efficiency Dividend	2012/13	(1,344)	(3,738)	(3,738)	(3,738)	(3,738)
Capability Review to Support Organisational Change and Government Priorities	2010/11	(112)	(112)	(112)	(112)	(112)
Review of New Zealand Inc's Offshore Network	2009/10	(21)	(21)	(21)	(21)	(21)

Reasons for Change in Appropriation

This appropriation will increase by \$1.598 million to \$68.543 million for 2014/15. This movement arises from this appropriation's allocated share of changes explained in the "Analysis by Appropriation Type: 2014/15 and 2013/14 Compared" section.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	223,448	203,448	223,031
Revenue from the Crown	223,133	223,133	222,716
Revenue from Others	315	315	315

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Americas	21,232	19,332	21,192
Asia	55,827	50,830	55,723
Australia	5,056	4,604	5,047
Europe	23,887	21,749	23,842
Middle East and Africa	15,650	14,249	15,621
New Zealand	88,684	80,746	88,519
Pacific	13,112	11,938	13,087

What is Intended to be Achieved with this Appropriation

This appropriation is intended to manage New Zealand's international connections in order to contribute to New Zealand's economic prosperity alongside political and security interests.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Active formal negotiations led by the Ministry under this output expense class	15-20	15-20	15-20
Inwards visits supported by the Ministry under this output expense class	100-120	30-60	30-60
Outwards visits by New Zealand Ministers supported by the Ministry under this output expense class	15-20	30-60	30-60
Policy submissions produced for Ministers under this output expense class	800	300-400	300-400
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%	75%	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	7.5	7.5
Percentage of survey respondents providing positive feedback on the quality of New Zealand's diplomacy (see Note 1)	Budget standard to be set in 2013/14 based on actual baseline	80%	80%

Note 1 - The quality of New Zealand's diplomacy includes an assessment of MFAT's effectiveness at representation and advocacy. This will be further defined through future research.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Efficiency Dividend	2012/13	(4,339)	(12,066)	(12,066)	(12,066)	(12,066)
NZ Productivity Commission	2010/11	(150)	(150)	(150)	(150)	(150)
Capability Review to Support Organisational Change and Government Priorities	2010/11	90	90	90	90	90
Review of New Zealand Inc's Offshore Network	2009/10	370	370	370	370	370

Reasons for Change in Appropriation

This appropriation will decrease by \$417,000 to \$225.531 million for 2014/15. This movement arises from this appropriation's allocated share of changes explained in the "Analysis by Appropriation Type: 2014/15 and 2013/14 Compared" section.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20	20	20
Revenue from the Crown	20	20	20
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to meet the Ministry's obligation, as set out in section 11 of the Foreign Affairs Act 1988, of superannuation for local staff employed by overseas posts.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
New Zealand Government Superannuation Scheme for locally recruited staff in the United States of America is financially viable	Fully funded	Fully funded	Fully funded

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	300	300	300
Revenue from the Crown	300	300	300
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to promote New Zealand to other countries as an attractive market for trade and investment.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
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%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,662	7,662	7,811
Revenue from the Crown	-	-	-
Revenue from Others	7,662	7,662	7,811

What is Intended to be Achieved with this Appropriation

This appropriation is support coordinated effort of NZ Inc agencies offshore.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of respondents rating the Ministry's service performance as 4 or better on a scale of 1-5	90%	70%	90%
Active engagement and management of NZ Inc agency services	New measure	New measure	At least four formal meetings held with each agency

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Reasons for Change in Appropriation

This appropriation will increase by \$149,000 to \$7.811 million for 2014/15. This movement arises from changes in the level of services being purchased agencies co-located with the Ministry overseas.

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.

Small Island Developing States Conference: Support to Samoa (M34)

Scope of Appropriation

This appropriation is limited to support to Samoa to host the third United Nations Conference on Small Island Developing States (SIDS) in Apia in August/September 2014.

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	13,000
Revenue from the Crown	1,000	1,000	9,000
Revenue from Others	-	-	4,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to reinforce New Zealand's regional and multilateral reputation as well as our interests in improving prosperity, governance and lives in small island developing states, particularly those in the Pacific.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
During the period of the Conference, cruise ship is at 80% occupancy with Conference delegates and those involved in supporting the Conference	80% occupancy	80% occupancy	80% occupancy
Post-meeting review confirms that the elements of New Zealand support to and engagement in the meeting were of a high standard	Post-conference review confirms that the elements of New Zealand support to the Government of Samoa and engagement in the conference were of a high standard	Post-conference review confirms that the elements of New Zealand support to the Government of Samoa and engagement in the conference were of a high standard	Post-meeting review confirms that the elements of New Zealand support to the Government of Samoa and engagement in the conference were of a high standard

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Reasons for Change in Appropriation

This appropriation increases by \$12 million to \$13 million for 2014/15. This movement arises from the majority of the expenditure being incurred in 2014/15 and forecasting changes due to potential increases in revenue received for accommodation bookings.

2.3 - Departmental Capital Expenditure and Capital Injections

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	5,000	5,000	2,000
Property, Plant and Equipment	25,311	25,311	44,250
Intangibles	6,181	6,181	7,028
Other	-	-	-
Total Appropriation	36,492	36,492	53,278

What is Intended to be Achieved with this Appropriation

This expenditure is intended to provide modern, secure and effective premises for accommodating NZ Inc's requirements offshore and modernising its IT systems.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Progress on delivery against the Ministry's Capital Asset Plan	New measure	New measure	On track

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Foreign Affairs and Trade in its Annual Report to be tabled in the House.

Reasons for Change in Appropriation

This appropriation increases by \$17 million to \$53 million for 2014/15. This movement arises from new Chancery/Residence buildings construction.

*Capital Injections and Movements in Departmental Net Assets***Ministry of Foreign Affairs and Trade**

Details of Net Asset Schedule	2013/14 Estimated Actual \$000	2014/15 Projected \$000	Explanation of Projected Movements in 2014/15
Opening Balance	568,855	568,855	
Capital Injections	-	20,000	Increasing New Zealand's foreign policy footprint
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	568,855	588,855	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,280	15,280	15,280

What is Intended to be Achieved with this Appropriation

This appropriation is intended to deliver safe and effective support for New Zealand's Antarctic related activities and interests.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Health, Safety and Environment - Incidents assessed with "moderate" or higher severity (ie medical treatment required, or offsite spill contained and outside assistance)	Nil	Nil	Nil
Logistics Support Effectiveness - Antarctic programme participants' rating of how well their logistics objectives were achieved against the agreed plan	95%	95%	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the New Zealand Antarctic Institute in its Annual Report to be tabled in the House.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
New Zealand Antarctic Institute	15,280	15,280	15,280	Provider's Annual Report	Ongoing

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.

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,400	1,400	1,400

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support and deliver outputs to promote outcomes in particular on a pan-regional basis in three strategic priority areas: promoting economic sustainability and business growth in the Pacific; connecting people and organisations in the Pacific and New Zealand, and; enhancing New Zealand's identity as a Pacific nation.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Promoting Economic Sustainability in the Pacific			
Targeted support activities to grow Pacific businesses are developed and pilot activities are implemented	New measure	New measure	At least 2 pilot activities are developed and implemented
PCF develops a successful strategy for the sustainable transition of the True Pacific food safety and quality assurance programme to another appropriate organisation for further development. PCF's relationship with its network of True Pacific businesses is maintained with continued scope to provide targeted support where possible	New measure	New measure	Businesses in True Pacific Network maintain or increase sales; True Pacific maintains web presence for online sales; True Pacific transition strategy is developed and implemented to funder satisfaction
PCF delivers high value public events in the region with a focus on Pacific private sector development. A key opportunity will be supporting the Private Sector Forum at the UN Conference on Small Island Development States (SIDS) in Samoa in September 2014, and organising a Pacific Showcase event	New measure	New measure	Met; PCF provides support for the Private Sector Forum at UN SIDS and organises a Pacific Showcase event in Samoa

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Connecting People and Organisations in the Pacific			
PCF engages actively and forms strategic partnerships with other like-minded New Zealand and Pacific stakeholders in the private and public sectors to achieve shared aims	New measure	New measure	Met; 2 networking events are held
PCF creates and leverages opportunities for network development, with an emphasis on supporting growth for Pacific businesses through linking businesses in New Zealand with those in the region	New measure	New measure	Met
Enhancing New Zealand's identity as a Pacific nation and fostering understanding of Pacific			
PCF develops a programme of support for people-to-people linkages between New Zealand and the Pacific. Pilot activities are developed and implemented	New measure	New measure	At least 2 pilot activities are developed and implemented
High value opportunities for event hosting and other public engagements in New Zealand and in the Pacific are identified and pursued. High-visibility public events are utilised to promote Pacific businesses and products. Partnerships with stakeholders are secured to host successful public events	New measure	New measure	Met; 1 public event is held

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Pacific Cooperation Foundation in its Statement of Service Performance to be tabled in the House.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Pacific Cooperation Foundation	1,400	1,400	1,400	Provider's Statement of Service Performance	Ongoing

Conditions on Use of Appropriation

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

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,000	4,000	4,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve knowledge among New Zealanders about Asian countries and develop the necessary skills required by New Zealanders in their dealings with Asia.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Level of New Zealand public awareness of the importance of Asia to New Zealand (social research)	77%	>77%	Increase on scale
Informing the public: <ul style="list-style-type: none"> Public forums National speakers' bureau 	New measure	New measure	2 public forums; 2 presentations per month
Targeting opinion leaders: <ul style="list-style-type: none"> Leadership Network membership engagement project 	New measure	New measure	Membership engagement annual census - 75% response; Gap analysis completed for membership campaign; Competency framework completed for Leadership Network; Agreements established with two international partner organisations
Targeting opinion leaders: <ul style="list-style-type: none"> Track II dialogues programme expanded 	New measure	New measure	Indonesia dialogue planned; Build up India dialogue with counterpart organisations
Enabling schools: <ul style="list-style-type: none"> Asia New Zealand Foundation school network further developed 	New measure	New measure	Increased school numbers in network by 20% on 2013/14 baseline

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Asia New Zealand Foundation in its Statement of Service Performance to be tabled in the House.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Asia New Zealand	4,000	4,000	4,000	Provider's Statement of Service Performance	Ongoing

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Increase in Baseline Funding	2010/11	2,453	2,453	2,453	2,453	2,453

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.

3.4 - Non-Departmental Other Expenses

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,700	1,700	1,600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support the fulfilment of New Zealand's obligations pursuant to section 21 of the Diplomatic Privileges and Immunities Act 1968.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The diplomatic and consular corps post or accredited to New Zealand are satisfied with the level of service provided in reimbursing New Zealand local body rates for offices and residential premises	New measure	New measure	Payments made in full and on time

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Foreign Affairs and appended to the Annual Report of the Ministry of Foreign Affairs and Trade in its Annual Report to be presented to the House.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Ministry of Foreign Affairs and Trade	1,700	1,700	1,600	Provider's Annual Report	Ongoing

Reasons for Change in Appropriation

This appropriation will decrease by \$100,000 to \$1.600 million for 2013/14. This movement arises from lower costs of reimbursing New Zealand local body rates for offices and residential premises of diplomatic missions and consular posts in New Zealand.

Conditions on Use of Appropriation

Reference	Conditions
Diplomatic Privileges and Immunities Act 1968	Approval of the 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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	48,483	43,483	48,148

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Asia Pacific Economic Cooperation Business Advisory Council	14	14	15
Asia Pacific Economic Cooperation Pacific Economic Cooperation Council	61	61	60
Asia Pacific Economic Cooperation Secretariat	220	220	220
Asia Europe Foundation	100	100	102
Biological Weapons Convention	5	5	5
Chemical Weapons Convention	275	275	283
Commonwealth Foundation	180	180	183
Commonwealth Secretariat	870	870	887
Conservation of Antarctic Marine Living Resources	164	164	154
Comprehensive Test Ban Treaty	404	404	409
Conservation of Southern Hemisphere Albatross	23	23	24
Convention to Combat Desertification	30	30	23
Convention on Cluster Munitions	4	4	4
Convention on International Exhibitions	13	13	13
Export Control for Arms & Ammunition	10	10	11
Global Environment Facility	2,480	2,480	4,000
Inhumane Weapons Convention	5	5	5
International Atomic Energy Agency	1,397	1,397	1,416
International Criminal Court	798	798	801
International Humanitarian Fact Finding Mission	1	1	1
International Organisation of Vine and Wine	11	11	11
International Seabed Authority	30	30	30
International Whaling Commission	46	46	45
Law of the Sea Conference	61	61	60
NZ/US Education Foundation	578	578	578
Organisation for Economic Cooperation and Development	2,566	2,566	2,757
Ottawa Mine Ban Convention	2	2	2
Permanent Court of Arbitration	9	9	9
Secretariat for the Antarctic Treaty	73	73	77
South Pacific Regional Environment Programme Noumea Convention	5	5	-
Treaty on the Non-Proliferation of Nuclear Weapons	5	5	5
World Trade Organisation	588	588	599
United Nations Subscription	7,769	7,769	8,005
United Nations Peacekeeping Operations	29,686	29,686	27,354

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund the 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.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Ministry's payments to international organisations are timely and within budget	New measure	New measure	Payment made in full and on time

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Foreign Affairs and appended to the Annual Report of the Ministry of Foreign Affairs and Trade in its Annual Report to be presented to the House.

Reasons for Change in Appropriation

This appropriation will decrease by \$335,000 to \$48.148 million for 2014/15. This movement arises from lower payments to the United Nations for its regular budget assessment and for United Nations peacekeeping missions mandated by the Security Council.