

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

Overview of the Vote

The Minister of Foreign Affairs is responsible for appropriations in the Vote for the 2016/17 financial year covering the following:

- a total of nearly \$351 million on purchasing services in the spheres of foreign affairs and trade from the Ministry of Foreign Affairs and Trade
- a total of nearly \$88 million on capital expenditure
- a total of over \$57 million on subscriptions to international organisations
- a total of over \$18 million on purchasing support for Antarctic research 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 nearly \$2 million on payments in accordance with the Diplomatic Privileges and Immunities Act 1968
- 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, and
- a total of nearly \$1 million to the Pacific Cooperation Broadcasting Ltd for the provision of New Zealand-sourced television content and other media services and related technical support of countries in the Pacific.

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

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final 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.	18,286	18,286	18,581
Pacific Security Fund (M34) This appropriation is limited to the purchase of goods and services to support the security of Pacific Island countries.	2,759	2,759	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.	72,327	72,327	74,923
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 relations and trade 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.	228,745	212,121	244,812
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.	175	175	175
Services for Other New Zealand Agencies Overseas (M34) The purchase of accommodation and support services by other New Zealand agencies.	7,786	7,786	7,703
Total Departmental Output Expenses	332,098	315,474	350,973
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.	72,962	40,000	87,787
Total Departmental Capital Expenditure	72,962	40,000	87,787

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final 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.	15,510	15,510	18,315
Pacific Broadcasting Services (M34) This appropriation is limited to the provision of New Zealand-sourced television content and other media services and related technical support to countries in the Pacific.	921	921	941
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	21,831	21,831	24,656
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.	1,600	1,600	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.	56,755	53,755	57,233
Total Non-Departmental Other Expenses	58,355	55,355	58,833
Total Annual and Permanent Appropriations	485,246	432,660	522,249

Capital Injection Authorisations

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Ministry of Foreign Affairs and Trade - Capital Injection (M34)	-	-	6,708

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Share of costs for Budget 2015 whole-of-government initiatives	Policy Advice and Representation : Other Countries (M34) Departmental Output Expenses	(826)	(801)	(569)	(421)	(421)
Antarctica New Zealand - Increased funding for logistics support and related activity	Antarctic Research and Support (M34) Non-Departmental Output Expenses	-	3,035	4,179	4,635	4,896
China Capable Public Service	Policy Advice and Representation : Other Countries (M34) Departmental Output Expenses	-	2,400	-	-	-
Free Trade Agreement Implementation: Maximising the Benefits	Policy Advice and Representation : Other Countries (M34) Departmental Output Expenses	-	1,300	1,500	1,800	-
Establishment of a New Zealand Embassy in Bogota Colombia	Policy Advice and Representation : Other Countries (M34) Departmental Output Expenses Ministry of Foreign Affairs and Trade - Capital Injection Departmental Net Assets	-	-	-	3,626	3,719
		-	6,708	-	-	-
Total Initiatives		(826)	12,642	5,110	9,640	8,194

1.2 - Trends in the Vote

Summary of Financial Activity

	2011/12	2012/13	2013/14	2014/15	2015/16		2016/17			2017/18	2018/19	2019/20
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final 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	327,945	310,207	326,613	342,449	353,929	337,305	350,973	24,656	375,629	366,421	370,826	365,713
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	43,937	41,018	43,498	46,702	58,355	55,355	-	58,833	58,833	58,881	58,929	58,929
Capital Expenditure	17,227	9,109	16,492	52,974	72,962	40,000	87,787	-	87,787	68,841	47,995	26,322
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	389,109	360,334	386,603	442,125	485,246	432,660	438,760	83,489	522,249	494,143	477,750	450,964
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	155	238	7	4	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	155	238	7	4	-	-	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. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Appropriations in the Details of Appropriations and Capital Injections.

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

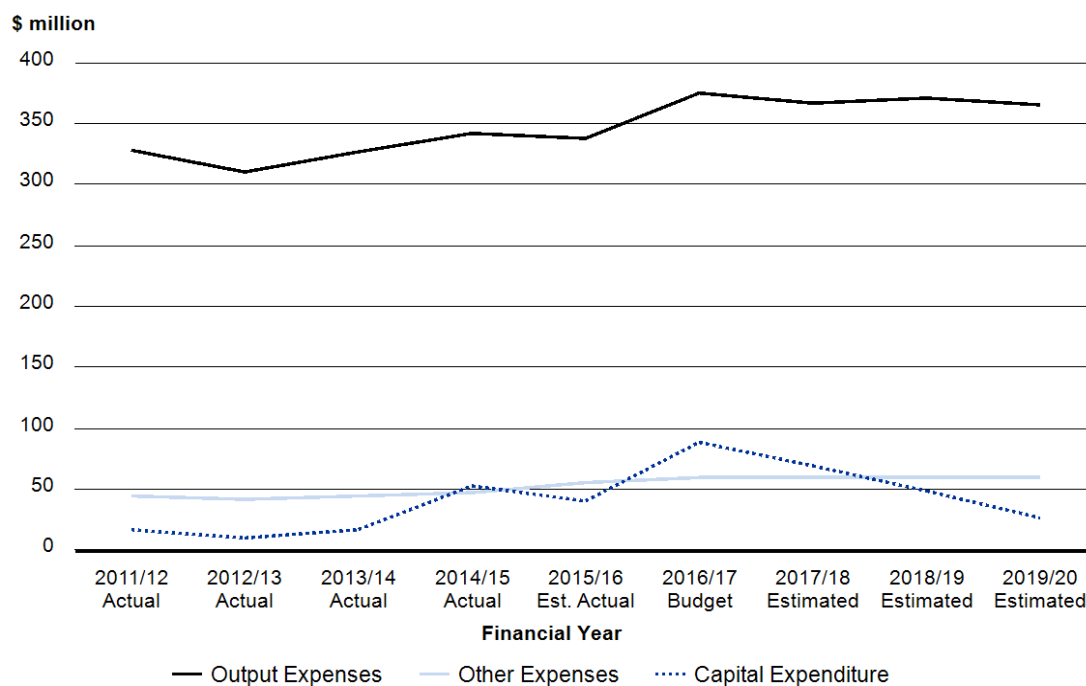
There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

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 2011/12 to 2016/17 are as follows:

- Funding increases of \$25.150 million mainly from the "Step Change" package approved in 2008, most of which was reduced in Budget 2009 for implementation from 2011/12.
- Funding decrease of \$16.825 million for a 6% efficiency dividend from 2012/13, with an additional \$7 million reduction reflected in Vote Official Development Assistance.
- Fiscally Neutral Changes increases totalling \$14.737 million over the years 2011/12 to 2016/17: the main changes since 2011/12 include: increase of \$9.369 million for movements in foreign exchange and overseas inflation over and above the rate of New Zealand inflation, increase of \$95,000 in capital charge rate changes, higher capital charge and depreciation of \$4.668 million following upward revaluation of overseas properties and higher capital charge of \$605,000 arising from retention of surplus on unrealised derivative gains.

- Savings Initiatives - Over the past seven years the Ministry has implemented a lower cost business model and completed an efficiency programme. This focus on costs has allowed the Ministry to manage cost pressures, increase outputs to support Government objectives and return, in addition to the 6% efficiency dividend, \$70 million of funding since 2011.

Non-Departmental Expenses

Non-departmental other expenses have increased by \$5.665 million from 2011/12 to 2016/17.

The key changes from 2011/12 to 2016/17 are as follows:

- A funding increase of \$2.785 million for logistics support to Antarctica New Zealand.
- An increase in funding of \$1.489 million for the cost of New Zealand's membership to international organisations.
- A transfer of funding from Vote Arts, Culture and Heritage of \$941,000 for Pacific Broadcasting Services.
- An increase of \$450,000 for refunding New Zealand local body rates for offices and residual premises of overseas diplomatic missions and consular posts.

Departmental Capital Expenditure

After a slow down period immediately after the Global Financial Crisis the Ministry's capital expenditure programme will ramp up as the Ministry implements its long term investment plan before reverting to a more business-as-usual tempo in the out years.

Analysis by Appropriation Type: 2016/17 and 2015/16 Compared

Departmental Output Expenses

The appropriations are expected to increase by \$18.875 million (5.68%) in 2016/17 relative to 2015/16. The key changes can be categorised as follows:

- An increase of \$6.291 million for movements in foreign exchange and overseas inflation over and above the rate of New Zealand inflation.
- An increase of \$3 million for an expense transfer from 2015/16 to 2016/17 for the Korea-New Zealand Free Trade Agreement.
- A movement of \$2.926 million for a net Retention of Underspends. An increase of \$2.400 million for a China Capable Public Service initiative.
- An increase of \$1.667 million for an expense transfer from 2013/14 to 2016/17 for the Russia-Belarus-Kazakhstan Free Trade Agreement.
- An increase of \$1.300 million for maximising the benefits of Free Trade Agreement Implementation.
- An increase of \$1 million for funding a China Centre.
- An increase of \$900,000 for Dubai Expo 2020 planning.
- An increase of \$500,000 for an expense transfer from 2015/16 to 2017/18 for the World War One Centenary Programme.

- An increase of \$500,000 for an expense transfer from 2015/16 to 2018/19 for the World War One Centenary Programme.
- A decrease of \$450,000 for one-off expenditure in 2015/16 for the New Zealand Institute of Pacific Excellence.
- A decrease of \$500,000 for a transfer to Vote Economic Development in 2016/17 only to fund NZ Story.
- A decrease of \$643,000 for a lower capital charge and higher depreciation arising from triennial revaluation.
- An increase of \$1.667 million for an expense transfer from 2013/14 to 2016/17 for the Russia-Belarus-Kazakhstan Free Trade Agreement.
- An increase of \$1.300 million for maximising the benefits of Free Trade Agreement Implementation.
- An increase of \$1 million for funding a China Centre.
- An increase of \$900,000 for Dubai Expo 2020 planning.
- An increase of \$500,000 for an expense transfer from 2015/16 to 2017/18 for the World War One Centenary Programme.
- An increase of \$500,000 for an expense transfer from 2015/16 to 2018/19 for the World War One Centenary Programme.
- A decrease of \$450,000 for one-off expenditure in 2015/16 for the New Zealand Institute of Pacific Excellence.
- A decrease of \$500,000 for a transfer to Vote Economic Development in 2016/17 only to fund NZ Story.
- A decrease of \$643,000 for a lower capital charge and higher depreciation arising from triennial revaluation.

Non-Departmental Expenses

The appropriations are expected to decrease by \$210,000 (1.00%) in 2016/17 relative to 2015/16. This movement mainly arises from a one off transfer to Antarctica New Zealand in 2015/16 for logistic support.

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

	2015/16		2016/17
	Final 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 achieve 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of foreign diplomatic missions and consular posts resident in New Zealand (including those led by Honorary Consuls or Honorary Consuls General)	163	168	168
Number of foreign diplomatic and consular staff (and their dependents) resident in New Zealand	1,202	1,337	1,337
Percentage of relevant formal New Zealand appointment 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%
Percentage of arrival and departure documentation for foreign diplomatic and consular staff resident in New Zealand completed within 10 working days	95%	98%	95%
Percentage of diplomatic corps respondents satisfied with quality of diplomatic protocol service (four or above on a five point scale)	80%	97%	85%
Ministerial Services			
Number of Ministerial letters prepared	800-1,000	1,000	1,000-1,200
Number of Parliamentary Question responses provided	200-250	200	200-250

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of Official Information Act request (OIA) responses provided	150-200	200-250	200-250
Percentage of Ministry OIA requests responded to within statutory timeframes (see Note 1)	90%	85%	90%
Percentage of Ministerial OIA request replies completed five days prior to the statutory time limit, unless otherwise agreed (see Note 1)	90%	80%	90%
Percentage of Ministerial correspondence completed within 15 working days	90%	70%	90%
Percentage of Ministerial OIA request responses that are factually accurate, meet any legislative requirements, and contain no avoidable errors, measured by rejection rates by the office of each Minister	95%	85%	95%
Average number of days to send final OIA request response to a requestor (for Ministry OIAs) (see Note 1)	20 days	25 days	20 days
Average Ministerial satisfaction score	4 or above on a 5 point scale	To be measured at year end	4 or above on a 5 point scale

Note 1 - Ministerial OIAs are requests of the Minister responsible for the Foreign Affairs and Trade portfolios. Ministry OIAs are requests of the Chief Executive of the Ministry of Foreign Affairs and Trade.

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
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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	18,286	18,286	18,581
Revenue from the Crown	17,771	17,771	18,066
Revenue from Others	515	515	515

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of assistance to New Zealanders in distress overseas, including in the event of a natural disaster or other large-scale emergency. We also seek to mitigate risks to New Zealanders by raising the awareness of New Zealanders travelling and living overseas.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of overseas locations where consular services are provided	65	66	66
Distressed New Zealanders overseas who received consular services (demand driven)	2,300-2,700	3,100	3,000-3,500
General consular advice enquiries responded to (demand driven)	50,000-60,000	50,000	50,000-55,000
Notarial services provided (demand driven)	10,000-12,000	12,500	10,000-13,000
Consular emergencies responded to	3-6	6	3-6
Percentage of respondents satisfied with quality of consular services (four or above on a five point scale)	85%	85%	85%

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

	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Policy Initiative						
Efficiency Dividend	2012/13	(1,021)	(1,021)	(1,021)	(1,021)	(1,021)

Pacific Security Fund (M34)*Scope of Appropriation*

This appropriation is limited to the purchase of goods and services to support the security of Pacific Island countries.

Expenses and Revenue

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,759	2,759	2,759
Revenue from the Crown	2,759	2,759	2,759
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the advancement or protection of 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	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	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.

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	72,327	72,327	74,923
Revenue from the Crown	72,327	72,327	74,923
Revenue from Others	-	-	-

Components of the Appropriation

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Americas	12,880	12,880	13,343
Asia	6,802	6,802	7,046
Australia	812	812	840
Europe	15,767	15,767	16,333

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Middle East and Africa	3,086	3,086	3,197
New Zealand	32,068	32,068	33,219
Pacific	912	912	945
Total	72,327	72,327	74,923

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Binding international treaties concluded by the Ministry under this output expense class (see Note 1)	12-15	22	10-13
Policy submissions produced for Ministers under this output expense class	300-500	300-500	300-500
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER)	7.5	7.5	7.5
MFAT is effective at influencing key relationships and safeguarding our interests	Met	Met	Met

Note 1 - Binding international treaties include multilateral, plurilateral and bilateral treaties. Concluded means signed or, if signature is not provided for in the treaty, acceded to, adopted, accepted or ratified.

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	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Efficiency Dividend	2012/13	(3,738)	(3,738)	(3,738)	(3,738)	(3,738)

Reasons for Change in Appropriation

This increase in this appropriation for 2016/17 is due to:

- an increase by \$2.492 million from foreign exchange and inflation
- an increase by \$1.604 million from expense transfers for the ASEAN-Australia-New Zealand Free Trade Agreement, Dubai Expo 2020, Korea-New Zealand Free Trade Agreement, provision for

agricultural cooperation when the Russia-Belarus-Kazakhstan Free Trade Agreement is concluded and World War One Centenary Programme, and

- a decrease by \$1.500 million for a fiscally neutral budget reprioritisation.

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 relations and trade 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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	228,745	212,121	244,812
Revenue from the Crown	228,595	228,595	244,662
Revenue from Others	150	150	150

Components of the Appropriation

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Americas	23,559	21,847	25,214
Asia	56,312	52,219	60,267
Australia	6,844	6,346	7,324
Europe	20,962	19,439	22,434
Middle East and Africa	17,054	15,815	18,253
New Zealand	91,278	84,645	97,690
Pacific	12,736	11,810	13,630
Total	228,745	212,121	244,812

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the management of 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Non-binding arrangements concluded by the Ministry under this output expense class (see Note 1)	35-45	32	35-45
Inwards visits supported by the Ministry under this output expense class	30-60	30-60	30-60
Outwards visits by New Zealand Ministers supported by the Ministry under this output expense class	40-70	50-70	50-70
Total number of days of outward visits by New Zealand Ministers supported by the Ministry under this output expense class	200-350	350-380	300-380
Policy submissions produced for Ministers under this output expense class	300-500	300-500	300-500
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%	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
MFAT is effective at influencing key relationships and safeguarding our interests	Met	Met	Met

Note 1 - Concluded means signed or, if signature is not provided for in the arrangement, acceded to, adopted, accepted or ratified.

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	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Establishment of a New Zealand Embassy in Bogota Colombia	2018/19	-	-	-	3,626	3,719
China Capable Public Service	2016/17	-	2,400	-	-	-
Free Trade Agreement Implementation: Maximising the Benefits	2016/17	-	1,300	1,500	1,800	-
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(826)	(801)	(569)	(421)	(421)
Efficiency Dividend	2012/13	(12,066)	(12,066)	(12,066)	(12,066)	(12,066)

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is mainly due to:

- an increase by \$5.478 million from expense transfers for the ASEAN-Australia-New Zealand Free Trade Agreement, China Centre, Dubai Expo 2020, Korea-New Zealand Free Trade Agreement, New Zealand Institute of Pacific Excellence, provision for agricultural cooperation when the Russia-Belarus-Kazakhstan Free Trade Agreement is concluded and World War One Centenary Programme
- an increase by \$3.351 million from foreign exchange and overseas inflation
- an increase by \$2.926 million from a net retention of underspends
- an increase by \$2.400 million for the China Capable Public Service initiative
- an increase by \$1.500 million for a fiscally neutral budget reprioritisation
- an increase by \$1.300 million for maximising the benefits of Free Trade Agreement Implementation
- an increase by \$230,000 for a one-off transfer in 2015/16 to Antarctica New Zealand for logistics support
- a decrease by \$500,000 for a transfer to Vote Business, Science and Innovation for a contribution to the cost of funding the New Zealand Story, and
- a decrease by \$643,000 from a lower capital charge and higher depreciation arising from triennial revaluation.

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

	2015/16		2016/17
	Final 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 achieve 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
New Zealand Government Superannuation Scheme for locally recruited staff in the United States of America continues to be funded to the required level by the Crown	Met	Met	Met

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	175	175	175
Revenue from the Crown	175	175	175
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the promotion of New Zealand to other countries as an attractive market for investment and to support activities that foster outwards direct investment by New Zealand firms.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Annual review of fund finds that projects met agreed objectives outlined in their application	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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,786	7,786	7,703
Revenue from the Crown	-	-	-
Revenue from Others	7,786	7,786	7,703

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve coordinated effort of NZ Inc agencies offshore.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average satisfaction score on the Ministry's service provision on a five point scale (see Note 1)	New Measure	New Measure	3.5

Note 1 - Based on surveys of NZ Inc secondees and head office contacts.

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

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	1,500	1,500	-
Property, Plant and Equipment	50,673	29,500	74,274
Intangibles	20,789	9,000	13,513
Other	-	-	-
Total Appropriation	72,962	40,000	87,787

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of modern, secure and effective premises for accommodating NZ Inc's requirements offshore and modernising the Ministry's IT systems.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Critical IT system availability	New Measure	New Measure	98%
Percentage of property assets assessed as fit-for-purpose	New Measure	New Measure	75%

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

The increase in this appropriation for 2016/17 is due to Chancery/Residence buildings construction and refurbishments, mainly in Beijing and Canberra.

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

Details of Net Asset Schedule	2015/16 Estimated Actual \$000	2016/17 Projected \$000	Explanation of Projected Movements in 2016/17
Opening Balance	586,998	586,998	
Capital Injections	-	6,708	Establishment of a New Zealand Embassy in Bogota Colombia
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	586,998	593,706	

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,510	15,510	18,315

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of safe and effective support for New Zealand's Antarctic related activities and interests.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Health, Safety and Environment - Incidents assessed with "moderate" or higher severity (ie, medical treatment required)	Zero moderate or higher incidents	One moderate incident	Zero moderate or higher incidents
Logistics Support Effectiveness - Antarctic programme participants' rating of how well their logistics objectives were achieved against the agreed plan	95% of event objectives met	95%	95% of event objectives met
Environmental Management - Achieve credible certification for environmental management	Retain Diamond accreditation	Diamond accreditation retained	Achieved
Engaging the public - Deliver a comprehensive public awareness programme which includes media, arts, youth and invited visitor initiatives	Achieved	Achieved	Achieved

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	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
New Zealand Antarctic Institute	15,510	15,510	18,315	Provider's Annual Report	On-going

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Antarctica New Zealand - increased funding for logistics support and related activity	2016/17	-	3,035	4,179	4,635	4,896

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to:

- an increase by \$3.035 million for increased funding for logistics support and related funding, and
- a decrease for a one off contribution of \$230,000 for Antarctic logistics in 2015/16.

Conditions on Use of Appropriation

Reference	Conditions
New Zealand Antarctic Institute Act 1996	This act sets out the functions of the New Zealand Antarctic Institute.

Pacific Broadcasting Services (M34)*Scope of Appropriation*

This appropriation is limited to the provision of New Zealand-sourced television content and other media services and related technical support to countries in the Pacific.

Expenses

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	921	921	941

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Arts, Culture and Heritage Non-Departmental Output Expense: Public Broadcasting Services	152	152	-
Vote Foreign Affairs and Trade – Non-Departmental Output Expense – Pacific Broadcasting Services	921	921	941
Total	1,073	1,073	941

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve diverse and relevant New Zealand television, radio and on-line content, meeting appropriate content standards, available to Pacific audiences.

How Performance will be Assessed and End of Year Reporting Requirements

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Provision of New Zealand-sourced television content and other media services to Pacific Island Countries that are part of the initiative	New Measure	Up to 8 hours per day	Up to 8 hours per day
Training for Pacific free to air broadcasters	New Measure	Training undertaken; internship programme created	Training undertaken; internship programme created

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Foreign Affairs and appended to the Ministry of Foreign Affairs Annual Report 2016/17.

Service Providers

Provider	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Pacific Cooperation Broadcasting Ltd	921	921	941	Provider's Statement of Service Performance	On-going

Reasons for Change in Appropriation

The reduction in funding for 2016/17 from the total amount for 2015/16 is due to additional one off funding in 2015/16 required for equipment purchase and testing.

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 Broadcasting Ltd.

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

	2015/16		2016/17
	Final 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 achieve 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

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of objectives met as outlined in PCF's annual Purchase Agreement with MFAT	80%	100%	80%
Percentage of updates on progress and key developments that are completed within agreed timeframes	90%	100%	90%
An independent audit of PCF is undertaken annually	Achieved	Achieved	Achieved

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	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 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	On-going

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

	2015/16		2016/17
	Final 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 achieve improving 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Level of New Zealand public awareness of the importance of Asia to New Zealand (social research)	Increase on scale	75%	Increase on scale
Informing the public			
Number of public forums held	2	2	2
Number of national speakers' bureau presentations per month	2	24 for year	2
Number of research reports published and distributed	3	3	3
Targeting opinion leaders			
Response rate for the annual membership engagement census for the leadership network	75%	83%	75%
Number of agreements established with international partner organisations	2	2	2
Percentage of the leadership network members using the individual Leadership Pathway	35%	35%	35%
Number of Track II dialogues conducted	7	7	7
Enabling schools			
Percentage increase in the number of schools within Asia New Zealand Foundation's school network	10%	10%	10%

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	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 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	On-going

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, including any subsequent amendments.

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,600	1,600	1,600

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Diplomatic and consular corps respondents satisfied with quality of service provided in reimbursing New Zealand local body rates (four or above on a five point scale)	80%	91%	85%

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 to be presented to the House.

Service Providers

Provider	2015/16 Final Budgeted \$000	2015/16 Estimated Actual \$000	2016/17 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Ministry of Foreign Affairs and Trade	1,600	1,600	1,600	Provider's Annual Report	Ongoing

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

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	56,755	53,755	57,233

Components of the Appropriation

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Asia Pacific Economic Cooperation Business Advisory Council	19	19	19
Asia Pacific Economic Cooperation Pacific Economic Cooperation Council	66	66	66
Asia Pacific Economic Cooperation Secretariat	222	222	230
Asia Europe Foundation	111	111	112
Biological Weapons Convention	5	5	5
Chemical Weapons Convention	297	297	318
Commonwealth Foundation	214	214	216
Commonwealth Secretariat	1,097	1,097	1,096
Conservation of Antarctic Marine Living Resources	144	144	147

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Comprehensive Test Ban Treaty	415	415	452
Convention to Combat Desertification	31	31	30
Convention on Cluster Munitions	5	5	5
Convention on International Exhibitions	21	21	21
Export Controls for Arms & Ammunition	10	10	11
Global Environment Facility	1,868	1,868	1,868
Inhumane Weapons Convention	5	5	5
International Atomic Energy Agency	1,426	1,426	1,550
International Criminal Court	1,055	1,055	1,163
International Humanitarian Fact Finding Mission	1	1	1
International Organisation of Vine and Wine	13	13	15
International Renewable Energy Agency	82	82	82
International Seabed Authority	30	30	31
International Whaling Commission	66	66	69
Law of Sea Conference	53	53	57
NZ/US Education Foundation	577	577	577
Organisation for Economic Cooperation and Development	3,552	3,552	3,606
Ottawa Mine Bank Convention	1	1	1
Permanent Court of Arbitration	9	9	10
Secretariat for the Antarctic Treaty	93	93	96
SPEP Noumea Convention	6	6	6
Treaty on the Non-Proliferation of Nuclear Weapons	12	12	12
World Trade Organisation	681	681	744
United Nations Subscription	10,328	10,328	10,619
United Nations Peacekeeping Operations	34,240	31,240	33,993
Total	56,755	53,755	57,233

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the funding of 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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The Ministry's payments to international organisations are timely and within budget	Payment made in full and on time	Met	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 to be presented to the House.

Reasons for Change in Appropriation

The increase in this appropriation for 2016/17 is due to a change in foreign exchange and volumes in Subscriptions to International Organisations.