

Vote Foreign Affairs

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

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Foreign Affairs and Trade (A20)

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

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses			
Policy Advice and Representation - Other Countries PLA (M34) (A20)	20	-	20
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.			
Total Departmental Output Expenses	20	-	20
Departmental Capital Expenditure			
Ministry of Foreign Affairs and Trade - Capital Expenditure PLA (M34) (A20)	62,508	-	62,508
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.			
Total Departmental Capital Expenditure	62,508	-	62,508
Non-Departmental Output Expenses			
Antarctic Research and Support (M34) (A20)	22,820	-	22,820
Provision of management and logistic support for New Zealand activities in the Antarctic. The provider is the New Zealand Antarctic Institute.			
Expo 2020 Dubai (M34) (A20)	7,473	13,850	21,323
This appropriation is limited to New Zealand's participation at Expo 2020 Dubai.			
Pacific Cooperation Foundation (M34) (A20)	1,400	-	1,400
The promotion of mutual understanding and constructive linkages between New Zealanders and the other countries and people of the Pacific. The provider is the Pacific Cooperation Foundation of New Zealand.			
Promotion of Asian Skills and Relationships (M34) (A20)	5,500	-	5,500
This appropriation is limited to the provision of services that build and sustain New Zealanders' knowledge and understanding of and relationships with Asia.			
Total Non-Departmental Output Expenses	37,193	13,850	51,043
Non-Departmental Other Expenses			
Consular Loan Expenses (M34) (A20)	50	200	250
This appropriation is limited to unrecoverable financial assistance provided to New Zealanders in distress overseas and expenses arising from any concessional terms and conditions that apply to recoverable financial assistance provided.			
Disbursements Made and Exemptions from Taxation PLA (M34) (A20)	2,400	300	2,700
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.			
Subscriptions to International Organisations (M34) (A20)	60,729	-	60,729
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.			

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Support for Ukraine (M34) (A20) This appropriation is limited to the provision of support to Ukraine not within the scope of other appropriations.	-	7,500	7,500
Total Non-Departmental Other Expenses	63,179	8,000	71,179
Non-Departmental Capital Expenditure			
Consular Loans (M34) (A20) This appropriation is limited to recoverable financial assistance provided to New Zealanders in distress overseas to help them meet essential and immediate needs, including the costs of repatriation.	2,100	(1,600)	500
New Zealand Antarctic Institute (M34) (A20) To enable NZAI to maintain the Scott Base buildings and services infrastructure.	18,000	5,000	23,000
Total Non-Departmental Capital Expenditure	20,100	3,400	23,500
Multi-Category Expenses and Capital Expenditure			
Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders MCA (M34) (A20) The single overarching purpose of this appropriation is to promote and protect New Zealand's interests and values in the world to build a safer, more prosperous and more sustainable future for New Zealanders.	502,204	(11,793)	490,411
<i>Departmental Output Expenses</i>			
<i>Analysis and advice to inform New Zealand's foreign policy</i> This category is limited to providing analysis, advice and Ministerial services, and undertaking related domestic engagement, on all elements of New Zealand's foreign policy, other than international development cooperation.	49,355	15,506	64,861
<i>Delivery of New Zealand's foreign policy</i> This category is limited to international representation, advocacy and negotiation on all elements of New Zealand's foreign policy, other than international development cooperation.	303,343	(30,393)	272,950
<i>Delivery of services</i> This category is limited to the delivery of services to support New Zealand individuals, businesses and agencies overseas, and host government services to the diplomatic and consular corps in New Zealand.	58,584	(422)	58,162
<i>Management of New Zealand's International Development Cooperation</i> This category is limited to advice (including related domestic engagement and Ministerial services), representation and advocacy on international development issues, and the management of the New Zealand Aid Programme.	90,922	3,516	94,438
Total Multi-Category Expenses and Capital Expenditure	502,204	(11,793)	490,411
Total Annual Appropriations and Forecast Permanent Appropriations	685,204	13,457	698,661

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Output Expenses		
Hosting APEC 2021 (M34) (A20) This appropriation is limited to enabling the planning and delivery of the year-long Asia-Pacific Economic Cooperation 2021. Commences: 01 July 2018 Expires: 30 June 2022	Original Appropriation	99,560
	Adjustments to 2020/21	(23,020)
	Adjustments for 2021/22	590
	Adjusted Appropriation	77,130
	Actual to 2020/21 Year End	38,955
	Estimated Actual for 2021/22	38,175
	Estimate for 2022/23	-
	Estimated Appropriation Remaining	-
Non-Departmental Other Expenses		
International Development Cooperation (M34) (A20) This appropriation is limited to providing development cooperation and humanitarian assistance that support the sustainable development and welfare of Pacific Island and developing countries. Commences: 01 July 2021 Expires: 30 June 2024	Original Appropriation	2,538,709
	Adjustments to 2020/21	-
	Adjustments for 2021/22	471,905
	Adjusted Appropriation	3,010,614
	Actual to 2020/21 Year End	-
	Estimated Actual for 2021/22	841,492
	Estimate for 2022/23	1,058,167
	Estimated Appropriation Remaining	1,110,955

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	685,204	13,457	698,661
Total Forecast MYA Departmental Output Expenses	20,140	18,035	38,175
Total Forecast MYA Non-Departmental Other Expenses	819,587	21,905	841,492
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	1,524,931	53,397	1,578,328

Capital Injection Authorisations

	2021/22		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Foreign Affairs and Trade - Capital Injection (M34) (A20)	21,200	(10,700)	10,500

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	57,353	18,035	13,850	31,885	89,238
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	882,766	-	29,905	29,905	912,671
Capital Expenditure	82,608	-	3,400	3,400	86,008
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	502,204	(11,793)	-	(11,793)	490,411
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	1,524,931	6,242	47,155	53,397	1,578,328
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	400	N/A	-	-	400
Capital Receipts	2,100	N/A	(1,600)	(1,600)	500
Total Crown Revenue and Capital Receipts	2,500	N/A	(1,600)	(1,600)	900

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Hosting APEC 2021 (M34) (A20)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Hosting APEC 2021 (M34) (A20) This appropriation is limited to enabling the planning and delivery of the year-long Asia-Pacific Economic Cooperation 2021. Commences: 01 July 2018 Expires: 30 June 2022	Original Appropriation	99,560
	Adjustments to 2020/21	(23,020)
	Adjustments for 2021/22	590
	Adjusted Appropriation	77,130
	Actual to 2020/21 Year End	38,955
	Estimated Actual for 2021/22	38,175
	Estimate for 2022/23	-
	Estimated Appropriation Remaining	-

Revenue

	Budget \$000
Revenue from the Crown to end of 2022/23	76,658
Revenue from Others to end of 2022/23	2,600
Total Revenue	79,258

Reasons for Change in Appropriation

The final year of the multi-year appropriation at \$38.175 million is due to:

- an increase resulting from the carry-forward of 2020/21 underspends of \$17.445 million, and
- an increase reflecting funding received through sponsorship arrangements and in-person and virtual registration sales for the CEO Summit of \$2.600 million.

These increases are partially offset by a transfer of \$2.010 million for the Indigenous Peoples' Economic and Trade Cooperation Arrangement.

The latter two adjustments account for the \$590,000 adjustment to the appropriation for 2021/22.

2.3 - Departmental Capital Expenditure and Capital Injections

Ministry of Foreign Affairs and Trade - Capital Expenditure PLA (M34) (A20)

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

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	51,798	-	51,798
Intangibles	10,710	-	10,710
Other	-	-	-
Total Appropriation	62,508	-	62,508

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.

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.

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

Details of Net Asset Schedule	2021/22 Main Estimates Projections \$000	2021/22 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2021/22
Opening Balance	661,616	744,713	Supplementary Estimates opening balance reflects the audited results as at 30 June 2021.
Capital Injections	21,200	10,500	Current planning indicates that the approved capital injection for this project will not be required until 2022/23, due to the impact of COVID-19 on contractor travel to the Pacific, with key elements of the facilities management discovery phase of the programme unable to be completed as scheduled. This, therefore, requires the deferment of the capital injection for Enhancing Pacific Property of \$10.700 million, planned for this financial year, to the 2022/23 financial year.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	682,816	755,213	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Expo 2020 Dubai (M34) (A20)

Scope of Appropriation

This appropriation is limited to New Zealand's participation at Expo 2020 Dubai.

Expenses

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	7,473	13,850	21,323

Reasons for Change in Appropriation

The increase of \$13.850 million in the appropriation is primarily due to:

- an increase resulting from the carry forward of 2020/21 underspends of \$13.171 million, and
- an increase reflecting the capital charge on the pavilion asset of \$1.129 million.

These increases are partially offset by an expense transfer to 2022/23 of \$450,000.

3.4 - Non-Departmental Other Expenses

Consular Loan Expenses (M34) (A20)

Scope of Appropriation

This appropriation is limited to unrecoverable financial assistance provided to New Zealanders in distress overseas and expenses arising from any concessional terms and conditions that apply to recoverable financial assistance provided.

Expenses

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	50	200	250

Reasons for Change in Appropriation

The increase in the appropriation to \$250,000 is due to a fiscally neutral transfer of \$200,000 from the Consular Services component of the Delivery of Services category of the Ministry's Multi-Category Appropriation to ensure full compliance with the Ministry's requirement for provisions against the Expected Credit Loss (ECL) on consular loans provided.

Disbursements Made and Exemptions from Taxation PLA (M34) (A20)

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

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,400	300	2,700

Reasons for Change in Appropriation

The increase in the appropriation to \$2.700 million is due to the higher costs of reimbursing New Zealand local body rates for offices and residential premises of diplomatic missions and consular posts in New Zealand.

International Development Cooperation (M34) (A20)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
International Development Cooperation (M34) (A20) This appropriation is limited to providing development cooperation and humanitarian assistance that support the sustainable development and welfare of Pacific Island and developing countries. Commences: 01 July 2021 Expires: 30 June 2024	Original Appropriation	2,538,709
	Adjustments to 2020/21	-
	Adjustments for 2021/22	471,905
	Adjusted Appropriation	3,010,614
	Actual to 2020/21 Year End	-
	Estimated Actual for 2021/22	841,492
	Estimate for 2022/23	1,058,167
	Estimated Appropriation Remaining	1,110,955

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
International Development Cooperation Results (more directly attributable to New Zealand support)			
Commitment to Development Index score	Improve trend	Expired	Expired

Note 1 - The performance measure on Commitment to Development Index score was removed from the Estimates as other measures are more relevant indicators of activity.

Reasons for Change in Appropriation

This is the first year of the three-year multi-year appropriation. The increase in the total appropriation of \$471.905 million in 2021/22 is due to:

- Aotearoa New Zealand's International Climate Finance Commitment 2022-2025 of \$450 million
- the carry forward of 2020/21 underspends of \$20.905 million, and
- the transfer of \$1 million from the departmental multi-category appropriation to promote accountability and awareness of human rights in Ukraine.

Support for Ukraine (M34) (A20)

Scope of Appropriation

This appropriation is limited to the provision of support to Ukraine not within the scope of other appropriations.

Expenses

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,500	7,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of support to Ukraine that is not within the scope of any other appropriation.

How Performance will be Assessed and End of Year Reporting Requirements

	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Funding to enable the provision of support to Ukraine is delivered as directed by the Government of New Zealand	New measure	Achieved	Achieved

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 is a new appropriation in 2021/22. The increase in the appropriation to \$7.500 million is due to a transfer from the departmental multi-category appropriation for the provision of support to Ukraine.

3.5 - Non-Departmental Capital Expenditure

Consular Loans (M34) (A20)

Scope of Appropriation

This appropriation is limited to recoverable financial assistance provided to New Zealanders in distress overseas to help them meet essential and immediate needs, including the costs of repatriation.

Capital Expenditure

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,100	(1,600)	500

Reasons for Change in Appropriation

The decrease in the appropriation to \$500,000 is due to a capital transfer from 2021/22 to ensure that the Ministry has the financial capacity to respond to increased consular demands in 2022/23.

New Zealand Antarctic Institute (M34) (A20)

Scope of Appropriation

To enable NZAI to maintain the Scott Base buildings and services infrastructure.

Capital Expenditure

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	18,000	5,000	23,000

Reasons for Change in Appropriation

The increase in the appropriation to \$23 million is due to the transfer of \$5 million from 2022/23 to 2021/22 to reduce the risks of cost escalation and supply chain constraints by procuring materials, equipment and resources earlier than planned.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders (M34) (A20)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to promote and protect New Zealand's interests and values in the world to build a safer, more prosperous and more sustainable future for New Zealanders.

Scope of Appropriation

Departmental Output Expenses

Analysis and advice to inform New Zealand's foreign policy

This category is limited to providing analysis, advice and Ministerial services, and undertaking related domestic engagement, on all elements of New Zealand's foreign policy, other than international development cooperation.

Delivery of New Zealand's foreign policy

This category is limited to international representation, advocacy and negotiation on all elements of New Zealand's foreign policy, other than international development cooperation.

Delivery of services

This category is limited to the delivery of services to support New Zealand individuals, businesses and agencies overseas, and host government services to the diplomatic and consular corps in New Zealand.

Management of New Zealand's International Development Cooperation

This category is limited to advice (including related domestic engagement and Ministerial services), representation and advocacy on international development issues, and the management of the New Zealand Aid Programme.

Expenses, Revenue and Capital Expenditure

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	502,204	(11,793)	490,411
Departmental Output Expenses			
Analysis and advice to inform New Zealand's foreign policy	49,355	15,506	64,861
Delivery of New Zealand's foreign policy	303,343	(30,393)	272,950
Delivery of services	58,584	(422)	58,162
Management of New Zealand's International Development Cooperation	90,922	3,516	94,438

	2021/22		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	492,219	(12,623)	479,596
Analysis and advice to inform New Zealand's foreign policy	49,355	15,506	64,861
Delivery of New Zealand's foreign policy	303,343	(30,393)	272,950
Delivery of services	48,684	(1,337)	47,347
Management of New Zealand's International Development Cooperation	90,837	3,601	94,438
Revenue from Others	9,985	830	10,815
Delivery of services	9,900	915	10,815
Management of New Zealand's International Development Cooperation	85	(85)	-

How Performance will be Assessed for this Appropriation

	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Management of New Zealand's International Development Cooperation			
<i>Delivery of the New Zealand Aid Programme</i>			
Percentage of development cooperation funding for the partner government sector disbursed in year for which it was scheduled (Bilateral programmes only)	90%	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent on the Pacific	60% for the triennium (+/- 5% for any given year)	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent in Least Developed Countries (LDCs)	Baseline to be set	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent on Activities where climate change is a principal objective	Increasing trend	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent on Activities where gender equality and women's empowerment is a principal objective	Increasing trend	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent on Aid for Trade	At least 20% of ODA	Revised measure	Revised measure
Amount and percentage of Crown ODA resources spent on scholarships	10-12% of core baseline annual spend	Revised measure and standard	Revised measure and standard
Amount and percentage of Crown ODA resources spent on strengthening Pacific statistics	Increasing trend	Revised measure	Revised measure
Percentage of Crown IDC for the partner government sector disbursed in year for which it was scheduled (Bilateral programmes only)	Revised measure	90%	90%
Amount and percentage of Crown IDC resources spent on the Pacific	Revised measure	60% for the triennium (+/- 5% for any given year)	60% for the triennium (+/- 5% for any given year)
Amount and percentage of Crown IDC resources spent in vulnerable countries (see Note 1)	Revised measure	Baseline to be set	Baseline to be set

Assessment of Performance	2021/22		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Amount and percentage of Crown IDC resources spent on Activities where climate change is a principal objective	Revised measure	Increasing trend	Increasing trend
Amount and percentage of Crown IDC resources spent on Activities where gender equality and women's empowerment is a principal objective	Revised measure	At least 4%	At least 4%
Amount and percentage of Crown IDC resources spent on Aid for Trade	Revised measure	At least 20% of IDC	At least 20% of IDC
Amount and percentage of Crown IDC resources spent on scholarships	Revised measure and standard	No more than 10% of core baseline annual spend	No more than 10% of core baseline annual spend
Amount and percentage of Crown IDC resources spent on strengthening statistics in the Pacific	Revised measure	Increasing trend	Increasing trend

Note 1 - This is a revised performance measure and was selected as it uses a multidimensional vulnerability index to assess development need. This is a more complete measure for assessing a country's development need, and overall resilience, than Least Developed Country status.

Reasons for Change in Appropriation

The decrease of \$11.793 million in the appropriation is due to:

- a decrease of \$11.500 million reflecting the transfers of funding to the Vote Foreign Affairs Crown appropriation Support for Ukraine (\$7.500 million), the Vote Defence Force Departmental Output Expenses: Military Capabilities in Support of a Rules-Based International Order (\$3 million) and the Vote Foreign Affairs Crown International Development Cooperation multi-year appropriation (\$1 million), all for the provision of various levels of support to Ukraine
- a decrease of \$4 million to provide support for Moana Pasifika as a new entrant into the inaugural Super Rugby Pacific competition to commence in 2022, and that the investment will be managed by Sport NZ in partnership with New Zealand Rugby
- a decrease of \$1.507 million resulting from foreign exchange rate and overseas inflation movements
- a decrease of \$482,000 from seven expense transfers across a range of activities that were mostly impacted by COVID-19
- a decrease of \$200,000 due to the transfer to the Ministry's Non-Departmental Other Expense appropriation Consular Loan Expenses to ensure full compliance with the Ministry's requirement for provisions against the Expected Credit Loss (ECL) on consular loans provided, and
- a decrease of \$50,000 being the Ministry's ongoing annual contribution to support the mission of Transparency International New Zealand.

These decreases are partially offset by:

- an increase of \$5.116 million due to higher capital charges and higher depreciation costs following a revaluation of the Ministry's offshore property portfolio, and
- an increase of \$830,000 reflecting additional third-party funding resulting from demand from other agencies co-located with the Ministry at overseas posts, and for the provision of departmental services.