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26 April 2017

Hon Gerry Brownlee Minister of Foreign Affairs-designate Parliament Buildings WELLINGTON

Dear Minister

Congratulations on your appointment as Minister of Foreign Affairs.

You are taking on this role at a time when the international environment has become more challenging. There are still many opportunities to be grasped but the risks to our national interests have also grown.

The Ministry of Foreign Affairs and Trade is committed to supporting you wholeheartedly in advancing the Government's objectives. You are inheriting from your predecessor a strong set of strategic policy settings, and the Ministry shares the Government's ambition to deliver concrete and lasting value for New Zealanders.

We aim in the attached briefing to provide an accessible snapshot of New Zealand's international priorities, your role in advancing these and our role in supporting you. The early sections focus on your leadership diplomacy, the international operating environment and immediate issues for your attention. Subsequent sections provide background on your portfolio responsibilities, major long-term issues you will be engaged on, and the Ministry's capability and strategy. The Ministry stands ready to engage with you and expand on any aspect of the briefing, as well as on new issues as they emerge.

I look forward to an early meeting with you to understand your priorities, how you wish to engage with Ministry leaders and staff (both while getting to grips with the portfolio and on a business as usual basis), and how the Ministry can best support you.

Once again, please accept my warm congratulations on your appointment, as well as my personal commitment to ensuring that the Ministry and its leadership provide you with all that you need to be successful in advancing the interests of New Zealand.

Yours sincerely

Brook Barrington

Secretary of Foreign Affairs and Trade

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The Ministry acts in the world to make New Zealanders safer and more prosperous

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Part one Advancing New Zealand's interests in an uncertain world



Ministerial leadership

You are central to leading the Government's international effort to make New Zealanders safer and more prosperous.

New Zealanders enjoy higher living standards and are safer at home and overseas as a result of New Zealand's international connections. As Minister of Foreign Affairs, you have primary responsibility for prioritising, building, and leveraging those connections to benefit New Zealand's national security, economic prosperity and international influence.

The leadership diplomacy of the Minister of Foreign Affairs is crucial to New Zealand's international impact. The priorities you set and the relationship capital you spend are determinative in achieving New Zealand's objectives.

This relationship capital is developed with foreign ministers and, in some cases, leaders and other ministers, as well as leaders of organisations as diverse as the United Nations and the Pacific Islands Forum. You represent New Zealand in multilateral and regional meetings, and will often be called upon to resolve complex issues that have become stalled at lower levels.

In discharging these functions, you are the ownership Minister for the Ministry of Foreign Affairs and Trade. Your portfolio entails particularly close collaboration with the Minister of Trade and the Minister for Climate Change Issues, both of whom the Ministry serves. The three portfolios advance national interests that are closely linked and benefit from coordination and mutual support.

You also support the role that the Prime Minister plays in New Zealand's international engagement. Leadership diplomacy is central to our key bilateral relationships, to our regional engagement and to New Zealand's projection on the world stage. You provide strategic advice to the Prime Minister on targeting and carrying out his international engagement.

Given the significant international dimension to many other portfolios (including Defence, Economic Development, Primary Industries, Transport, and Police) your role entails sustaining coherence across the Government's international activities and ensuring international perspectives are brought to bear on government discussions at home.

The Cabinet External Relations and Defence Committee, which you chair, is an important vehicle for determining and coordinating New Zealand's international policy and action.

You are also a member of the Export Markets Ministers Group, which oversees this work stream of the Business Growth Agenda and coordinates NZ Inc's international resourcing.

Operating environment

New Zealand's external environment is increasingly turbulent, with the risks for small countries particularly acute. New Zealand will need to be assertive and innovative in taking advantage of opportunities and vigilant in guarding against risks.

On the upside, global economic strength is shifting toward Asia where there are fewer signs of protectionism than in some other regions. New Zealand is well-placed to take advantage of demand from growing middle class markets and flows of investment, visitors and migrants and technology. Increasing global connectedness — driven in particular by technology developments — provides opportunities for a small, distant, trading nation like New Zealand.

On the downside, economic opportunities will be tempered by the shorter term outlook for weak global growth and the emergence of nationalist and protectionist trends in some of our major markets s6(a) Increased dependence on technology also creates new systemic vulnerabilities in cyber security. Transnational crime and terrorism are significant security preoccupations.

S6(a). This is manifesting itself in a backlash against trade in general and trade agreements in particular. Eleven European Union member states go to the polls in parliamentary, general or presidential elections in 2017. Far right parties that exploit the conflation of immigration with the threat of terrorism in popular narrative are credible contenders in some of these.

Changes in the world's geopolitical order are acutely apparent in the Asia-Pacific region. The evolution of the United States-China relationship will have global significance and is central to New Zealand's interests in the stability of the Asia-Pacific region.

At the same time, the global rules-based system (United Nations, World Trade Organisation and international financial institutions), designed to manage global security and economic challenges through collective decision-making, and rooted in values aligned to our interests, is under pressure from these global trends and efforts to reshape it in new (and unhelpful) ways.

These disruptions to the established order pose direct threats to New Zealand's interests, which lie squarely in an open, connected, stable, rules-based system — small countries will not prosper in a world where borders are hard and where large powers use economic and military might unfettered by norms and rules.

The continued rise of non-state actors will increasingly see influential decision-makers operating outside the ambit of governments and the existing multilateral system, adding a further layer of complexity to the international landscape.

The effects of climate change, together with significant changes in world production and consumption, will place strong pressure on limited global resources (water, food, land, energy, minerals). There are implications for the Pacific, which could be hit hard. Resource competition may well ultimately impact on the management of Antarctica and

the Southern Ocean. The response to climate change is also driving transformational change in the global economy, with risks and opportunities for New Zealand.

The domestic environment

Shifts in the New Zealand public sector, economic and social environments have a significant impact on the Ministry's work.

Evolving expectations of government agencies' relationship with the New Zealand public that are particularly relevant to the Ministry include:

- Deeper and more transparent domestic engagement to earn the confidence of New Zealanders and demonstrate that their opinions count (including on trade policy where "social licence" has been contested),
- More active social media presence alongside direct engagement,
- Improved service delivery to New Zealand customers, and
- Clearer demonstration of the value agencies deliver to New Zealanders.

With respect to agencies' relationships with Māori:

- A more deliberate Crown-Māori Treaty partnership on policy issues is expected, and
- There are opportunities to capitalise on the increasing maturity in Crown-Māori relationships.

The Government's drive for deeper collaboration among agencies to deliver responses to major challenges is intensifying the Ministry's work with:

- Economic agencies, to improve underlying economic growth and productivity, and
- Security agencies, to combat increasing security risks, especially cyber but also terrorism and illegal migration.

At the economic level, changes in the composition of the New Zealand business sector are requiring the Ministry to reorientate our support and engagement. These changes include New Zealand companies' participation in global value chains; the growth of the Māori economy; and the growing significance of services trade and digital commerce relative to goods exports.

The key social shift impacting on the Ministry is the increasing diversity of New Zealand's population. Growing Asian and Pasifika communities create significant opportunities for the Ministry's work and for recruiting a more diverse workforce.

At the delivery level, New Zealanders' ability to travel overseas in increasing numbers and to more risky destinations, accompanied by higher expectations of access to support, impacts on the Ministry's consular services.



Part two Immediate issues



Office staffing

Ministry staff currently seconded to your office are:

NAME/ROLE	RESPONSIBILITIES
S9(2)(a) Senior Foreign Policy Advisor	 Chief Executive's office liaison North Asia and Asia-Pacific regional issues Middle East and Africa North America International Security & Disarmament Protocol including appointments and immunities Corporate functions
S9(2)(a) Private Secretary	Pacific and Development issuesAustraliaTrade and Economic issues
S9(2)(a) Private Secretary	 Europe South and South East Asia Latin America International legal issues United Nations, Human Rights, Commonwealth issues Environment

^{*} S9(2)(a) finishes her secondment on 9 June. Arrangements for replacing her will be discussed with you.

The Ministry also has staff seconded to the Department of Prime Minister and Cabinet:

- Foreign Policy Adviser: S9(2)(a), to be succeeded by S9(2)(a)on 22 May
- Foreign Policy Analyst: S9(2)(a).

and the Minister of Trade's office:

- Senior Private Secretary: 59(2)(a)
- Private Secretary: S9(2)(a).

Early visibility issues

New Zealand—Israel bilateral relationship

The relationship with Israel has been strained since New Zealand co-sponsored United Nations Security Council Resolution 2334 immediately prior to Christmas. In response, Israel recalled its Ambassador to New Zealand and put a freeze on all bilateral engagement. S6(a). Moving the relationship back into a more normal space is likely to require your engagement from early May.

New Zealand—Gulf Cooperation Council Free Trade Agreement S6(b)

Foreign Affairs, Defence and Trade Select Committee: Estimates hearing

The Foreign Affairs, Defence and Trade Select Committee is responsible for considering proposed spending plans as set out in the Estimates of Appropriations for both Vote Foreign Affairs and Trade and Vote Official Development Assistance. The Estimates hearing for financial year 2017/18 is scheduled for 8 June. In advance of this, the Ministry will provide for your consideration proposed responses to written questions from the Committee. In addition, you will be invited to join the Chief Executive in appearing before the Committee. The Ministry will provide a comprehensive briefing in advance of this.

Upcoming decisions and guidance sought

United Nations Oceans Conference

This Conference will be held in New York, 5-9 June. Its purpose is to mobilise international action to achieve the targets in the Sustainable Development Goal on oceans. In May, you will be asked to agree New Zealand's priorities for the Conference.

Nuclear weapons prohibition negotiations

Negotiations on a treaty to prohibit nuclear weapons will take place in New York from 15 June-7 July. New Zealand's delegation will be led by Disarmament Ambassador Dell Higgie. In May we will seek your agreement on New Zealand's position on the substantive issues in the negotiation, along with a reporting schedule for Cabinet. S9(2)(j)

Nuclear Suppliers Group — S6(a)

S6(a)

Strategic Intentions 2017-2021

The Ministry's draft *Strategic Intentions 2017-2021* will be provided to you in early June for approval. The document is the public version of the Ministry's Four Year Plan 2017 and will incorporate Trade Agenda 2030. The published document will be provided to you in mid-June to present to Parliament.

"APEC 2021": hosting implications

New Zealand will be hosting Asia-Pacific Economic Cooperation¹ in 2021. This is a year-long programme of events, including up to 10 Ministerial and equivalent high-level meetings, plus "APEC Leaders Week", when New Zealand will host leaders, including those of China, the United States, Japan and Russia. We expect a total of around 22,000 visitors to attend the various Asia-Pacific Economic Cooperation meetings. The Ministry is leading a whole-of-government effort to prepare for hosting these meetings. This includes preparing a large cross-agency budget bid. We will need your early guidance on some key aspects (including hosting standards, leveraging and legacy opportunities) to guide our approach.

APEC member economies are Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong China, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States and Viet Nam.

Suggested early engagement with international counterparts

Australian Foreign Minister

Given the array of interests and equities we share with Australia, we would encourage you to make it an early priority to establish an effective working relationship with your counterpart in Canberra, the Hon Julie Bishop MP. Foreign Minister Bishop will likely initiate the first contact by reaching out to offer congratulations. In the normal course of events, the next six-monthly Foreign Ministers' Consultations fall due in August or September, but the General Election may see those slip into the last quarter of 2017. In light of this, you may wish to make an early visit to Australia to meet Minister Bishop.

United States Secretary of State

S6(a). It would be appropriate for you to have an introductory phone call with your counterpart, Secretary of State Rex Tillerson, in your first month. The purpose would be to establish rapport and register New Zealand's value as a security partner and credible voice in the Asia-Pacific, building on Minister McCully's engagement with Secretary Tillerson at the Counter-Islamic State of Iraq and the Levant Foreign Ministers' meeting in Washington DC in March. It is possible that you will meet Secretary Tillerson in the margins of Association of South East Asian Nations regional meetings in early August in the Philippines, subject to you both attending. S6(a)

Other international counterparts

We also recommend that you place early phone calls to a range of other international counterparts. The following list sets out a possible sequencing of calls. Specific guidance will be provided to you in advance of each call.

S6(a)	S6(a)	S6(a)
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We expect that a number of your international counterparts will also seek to make contact during your first weeks and months as Foreign Minister. This is likely to overlap in part with those identified above. We will provide further advice in terms of managing and prioritising incoming calls.

Suggested early engagement with domestic stakeholders

Engagement with the Diplomatic Corps

Wellington-based members of the Diplomatic Corps will be interested in early engagement. You could consider hosting a function to meet Heads of Mission resident in Wellington collectively early on in your term.

In terms of engagement with the Diplomatic Corps more broadly, Minister McCully's practice (which you are not obliged to continue) was to accept introductory and farewell calls with both resident and non-resident (e.g. Canberra-based) Heads of Mission. These were normally arranged through the Ministry. S6(a). The Ministry will provide you with advice and recommendations on a case-by-case basis.

Engagement with Board Chairs

It will be important to meet early with the Chairs of the three Boards that you appoint (Antarctica New Zealand, Asia New Zealand Foundation and Pacific Cooperation Foundation).

In addition, we recommend meeting with the Chair of the New Zealand China Council, Sir Don McKinnon. The Council is an independent, cross-sector, peak body for the New Zealand-China relationship. The Ministry provides around half of its funding and has a core interest in its work.

Otago Foreign Policy School

The 52nd Otago University Foreign Policy School takes place over the weekend 30 June-2 July, with the theme of "Open and Closed Borders: The Geopolitics of Migration". The event attracts participation from Ministry officials, other government agencies, academics, journalists, members of the Diplomatic Corps, members of the private sector and NGOs, and members of the public. The Minister of Foreign Affairs has traditionally been invited to deliver the opening address. We will provide you with further guidance following engagement with Otago University.

New Zealand's Nuclear Free Legislation 30th anniversary (8 June)

S9(2)(f)(iv) we have not arranged any formal Government commemoration (although you may wish to pass a motion in the House). However, there are likely to be activities/functions arranged by civil society groups and we intend to seek your guidance closer to the time on how you and the Ministry might participate in these.

2017 travel and incoming visits

The following table summarises travel we propose you undertake over 2017:

DESTINATION / EVENT	DATES
Nikkei Forum and bilateral meetings, Japan	5-6 June
The Nikkei Forum is a major conference for business and government. A New Zealand Minister has attended since 2011. The 2017 theme is "The Future of Asia". An attending New Zealand Minister would make a keynote speech and likely be seated with Prime Minister Abe at the dinner.	
Annual Pacific Mission - Niue, the Cook Islands and Tonga	13-17 June
The 2017 Pacific Mission will visit Niue, the Cook Islands and Tonga. The Mission comprises of a delegation led by Prime Minister English, and includes Ministers and MPs, private sector and civil society representatives, Pacific community leaders, and media (60-70 people in total).	
Association of South East Asian Nations (ASEAN) Post-Ministerial Conference; East Asia Summit; and Association of South East Asian Nations Regional Forum Foreign Ministers' meetings, Manila	6-8 August
This set of meetings presents an opportunity for you to build relationships with counterparts from ASEAN and partner countries. The East Asia Summit is the key regional forum; Foreign Ministers prepare the agenda for Leaders. The ASEAN Regional Forum meeting (led by Foreign Ministers) sets the direction of the Forum's Preventative Diplomacy security agenda. 2017 is ASEAN's 50th anniversary.	
Forum Foreign Ministers' Meeting, Fiji	11 August
The Forum Foreign Ministers Meeting is the key regional event where priority issues are considered by Ministers, ahead of the Leader- level Pacific Islands Forum. This will be an important early opportunity for you to build relationships with regional counterparts.	
Pacific Islands Forum, Samoa	5-8 September
The annual Forum Leader-level event, normally attended by the Prime Minister. Should the PM be unable to attend, we recommend that you represent New Zealand.	
United Nations General Assembly Leaders' Week, New York	18-22 September
Leaders' Week marks the start of the UN General Assembly, and involves a large number of Heads of State/Government gathering in New York for high level meetings and bilateral engagement.	
Asia Pacific Economic Cooperation Ministerial Meeting, Da Nang, Viet Nam	8-9 November
The APEC Ministerial Meeting is an annual event for Trade and Foreign Ministers. Outside of the plenary sessions, the Ministerial Meeting offers opportunities for Ministers to hold bilateral meetings with their counterparts. This meeting immediately precedes the APEC Economic Leaders Meeting.	

DESTINATION / EVENT	DATES
Asia-Europe Meeting Foreign Ministers' meeting, Myanmar	20-21 November
New Zealand is the North Asia and South East Asia Group Coordinator, and will have a speaking role at the opening ceremony and in plenary. The Asia-Europe Meeting Foreign Ministers' Meeting is a useful platform to conduct bilateral meetings with European counterparts not otherwise involved in Asia processes.	·

Intended outbound Prime Ministerial travel

DESTINATION / EVENT	DATES
Visit to Japan and Hong Kong	16-20 May
State visit to Samoa	31 May-3 June
Pacific Mission to Niue, the Cook Islands and Tonga	13-17 June
Asia-Pacific Economic Cooperation Economic Leaders meeting, Viet Nam	10-11 November
East Asia Summit Leaders Meeting, Philippines	13-14 November

Incoming high-level visits

VISITOR	DATES
Australian Governor-General	31 May-4 June
s6(a)	s6(a)



Part three Forward Cabinet agenda

Cabinet papers (including on 2017 legislative programme)

Autonomous Sanctions Bill

The Bill establishes a regime enabling New Zealand to impose sanctions outside of the United Nations framework, where certain threats to or breaches of international peace and security occur. The Bill will enable the Foreign Minister to recommend to Cabinet that New Zealand impose sanctions (such as immigration restrictions, asset freezes and trade embargoes) in cases where the United Nations Security Council has not done so. s9(2)(f)(iv) You will be invited to take a paper to Cabinet Legislation Committee on 4 May seeking approval to introduce the Bill to the House. s9(2)(f)(iv)

Renewal of the UN Military Armistice Commission mandate

The New Zealand Defence Force's mandate for its five person deployment to the United Nations Command Military Armistice Commission, based in South Korea, expires in mid-2017. S9(2)(j)

Singapore Enhanced Partnership negotiations

New Zealand has agreed with Singapore to deepen the bilateral relationship through the negotiation of an "Enhanced Partnership". You will be invited to take a paper to the External Relations and Defence Committee on 23 May on New Zealand's objectives for these negotiations, which will cover four pillars. This paper will seek a formal negotiating mandate for the trade and economic; people to people; and research, technology and innovation pillars of the Partnership. S9(2)(j)

Pre-approval of international assistance in the case of an earthquake

As part of the review of the Wellington Earthquake National Initial Response Plan, officials are preparing a Cabinet paper seeking pre-approval of certain categories of international assistance in the event of an earthquake. Pre-approval would speed up the provision of international assistance in an emergency. S9(2)(j)

Maritime Security and Support Operations deployments

S9(2)(g)(i) and s6(a)

Continental Shelf Order 2017

In 9(2)(f)(iv) you will be invited to take a paper to the Legislation Committee on the Continental Shelf Order 2017. The Order sets out the coordinates that define the outer limits of New Zealand's extended continental shelf (beyond our 200 nautical mile exclusive economic zone) in line with the recommendations of the United Nations Commission on the Limits of the Continental Shelf. S9(2)(j)

Future Air Surveillance Capability — replacing the NZDF's P3 Orion fleet S9(2)(f)iv)

The Ministry has been closely involved in this project (as a key customer of the P3 capability) S9(2)(f)iv). S9(2)(g)(i)

S9(2)(j)

S9(2)(j)

Maritime Crimes Amendment Bill

The Maritime Crimes Amendment Bill, which amends the Maritime Crimes Act in order to implement New Zealand's obligations under two maritime counter-terrorism treaties, is before Parliament awaiting its Committee of the whole House stage. The Bill introduces new offences contained in these treaties relating to maritime terrorism, the illicit trafficking by ship of weapons of mass destruction, their delivery systems, and related material and the transportation of fugitives by ship. Subject to the passage of the Maritime Crimes Amendment Bill, in s9(2)(f)(iv) you will be invited to take a paper to the Legislation Committee on the Maritime Crimes Amendment Act Commencement Order. The Commencement Order is a routine paper that will bring the amendments to the Act into force on the same date as the treaties enter into force for New Zealand.

International Atomic Energy Agreement Regional Cooperative Agreement on Nuclear Science and Technology

In June you will be invited to take a paper to Cabinet seeking agreement to New Zealand re-joining the International Atomic Energy Agreement regional nuclear science and technology cooperation agreement, which New Zealand first joined in 1994. New Zealand institutions remain involved in regional cooperative agreement projects, but our membership of the governing treaty has lapsed, as the regional cooperative agreement has been repeatedly extended on a five year basis and the administrative burden of repeated treaty actions mean these extensions were not brought to Cabinet for consideration. The regional cooperative agreement has now been extended on a permanent basis, which provides an opportunity for New Zealand to re-join.

Brokering (Arms Control) Bill

S9(2)(f)(iv) the legislation would establish a regime to regulate the international movement (brokering) of conventional arms and dual-use goods by anyone within New Zealand or by New Zealanders overseas. This legislation is required in order to meet an obligation under the United Nations Arms Trade Treaty, which New Zealand became party to in 2014. The Bill does not apply to imports or exports of arms and dual-use goods to or from New Zealand; such movements are already regulated under other regimes.

International Carbon Markets S6(a), s9(2)(b)(i), s9(s)(d), s9(2)(f)(iv)

Part four Portfolio responsibilities, Crown entities, and statutory powers



Core portfolio responsibilities

You are the "Vote Minister" for both Vote Foreign Affairs and Trade and Vote Official Development Assistance, which together fund the Ministry's operations, the New Zealand Aid Programme and several Crown entities and charitable trusts.

As the "responsible Minister" under the Public Finance Act 1989, you are responsible to Parliament for the financial performance of the Ministry and for protecting the Crown's interest in it. Similarly, under the Crown Entities Act 2004, you are responsible for the Crown's interest in the Crown entities within the Foreign Affairs and Trade portfolio (see below).

You approve the Ministry's Statement of Intent (in June) and endorse the Four Year Plan (in December/January). You receive the Ministry's Annual Report (in September) for discussion with the Chief Executive on the Ministry's performance before it is presented to Parliament.

You have direct responsibility under Sections 15c and 19b of the Public Finance Act for providing end-of-year performance information on the non-departmental expenses that fund the New Zealand Aid Programme (\$1.7 billion over the current three year period). The performance reporting is normally included as an Annex in the Ministry's Annual Report and requires your approval.

At the beginning of each three year funding period, the Minister of Foreign Affairs approves allocation to country and sectoral programmes of the funding appropriated for the New Zealand Aid Programme. Decisions on individual investments above the Chief Executive Officer's delegation are submitted to you for your or Cabinet's approval and the Ministry supports your desired level of oversight of wider New Zealand Aid Programme delivery.

You make key decisions on New Zealand's response to offshore humanitarian emergencies, notably those arising from natural disasters in the Pacific, which the Ministry is responsible for leading. These decisions include the deployment of New Zealand assets and response capabilities following approval by relevant line Ministers or departmental heads.

Crown entities

You are responsible for one Crown entity (Antarctica New Zealand) and two Crown charitable trusts (Asia New Zealand Foundation and Pacific Cooperation Foundation).

In addition, New Zealand Trade and Enterprise, a Crown entity, is the joint responsibility of the Minister of Economic Development and the Minister of Trade. The Ministry of Foreign Affairs and Trade jointly monitors the performance of New Zealand Trade and Enterprise with the Ministry of Business, Innovation and Employment, the lead monitoring agency. The chief executives of both departments act as special advisors to the Board.

Antarctica New Zealand

Antarctica New Zealand is charged under the New Zealand Antarctic Institute Act 1996 with carrying out New Zealand's activities in Antarctica to support science and environmental protection. You appoint its seven-member Board which is chaired by Sir Brian Roche.

Each year, you provide a Letter of Expectations to the Chair setting out the Government's requirements of the organisation. Antarctica New Zealand supplies quarterly monitoring reports and an annual report that update you on their performance against expectations.

Asia New Zealand Foundation

The Asia New Zealand Foundation is New Zealand's leading non-government authority on Asia and is a non-partisan, non-profit organisation set up to build New Zealanders' knowledge and understanding of Asia. You appoint the Board of Trustees which is chaired by Hon John Luxton. The Board consists of seven members, including the Chief Executive of the Ministry.

You enter into an annual purchase agreement with the Foundation. In addition to its annual report, the Foundation supplies regular monitoring reports to you on the achievement of objectives set out in its strategic plan and purchase agreement.

Pacific Cooperation Foundation

The Pacific Cooperation Foundation was set up to grow Pacific businesses, promote Pacific economic development, and deepen connections between New Zealand and the Pacific. You appoint a 10-member board which is chaired by Peter Kiely and includes the Chief Executive of the Ministry or nominee.

You enter into a purchase agreement with Pacific Cooperation Foundation each financial year. In addition to its annual report, the Foundation provides quarterly monitoring reports to you.

In 2015, the Foundation established a separate commercial entity called Pacific Cooperation Broadcasting Ltd, which is funded by a separate purchase agreement with you, to manage a new broadcasting initiative — Pasifika TV. The purchase agreement spans the period from 2015/16–2019/20. To date, the Foundation's Board of Trustees has acted as the Board of Directors of Pacific Cooperation Broadcasting Ltd. A

governance review is being undertaken in April 2017 with a view to separating the two Boards. Gary Monk is the new Pacific Cooperation Broadcasting Ltd Chair and remaining appointments to the Board will be finalised following the review.

Statutory and related responsibilities

As Minister of Foreign Affairs you have responsibilities under a number of Acts, regulations and other provisions. The most significant ones are outlined below.

Vienna Conventions on Diplomatic and Consular Relations

Diplomatic relations are governed by a long-established international legal framework under the Vienna Conventions on Diplomatic and Consular Relations. The obligations that flow from this have been given force of law in New Zealand in the Diplomatic Privileges and Immunities Act 1968 and Foreign Affairs Act 1988.

Appointment of New Zealand Heads of Mission, Heads of Post and Honorary Consuls²

You approve appointments of Heads of Mission, Heads of Post and Honorary Consuls prior to the Governor General signing a formal Commission of Appointment. The Chief Executive recommends appointments to you.

Approval of Foreign Ambassador/High Commissioner/Honorary Consul appointments

You approve New Zealand's agreement to appointments of foreign Ambassadors/High Commissioners and Consuls-General coming to New Zealand as well as Honorary Consuls. The Governor-General provides formal confirmation.

Diplomatic immunity

Under the Vienna Convention, diplomats (and their premises) are provided protection to enable them to act without fear of coercion or harassment by the host country. This includes immunity from police questioning, arrest or detention, and civil or criminal prosecution. These immunities can only be waived by the 'sending' country.

For a **foreign diplomat based in New Zealand**, New Zealand may request a foreign government to waive immunity. This will normally be to allow New Zealand Police to gather evidence, or to prosecute, where a serious crime is alleged. The Ministry's Chief Executive decides on such requests, ensuring you are informed of the situation in advance of the decision being implemented.

The Ministry is clear with all **New Zealand diplomatic and consular staff offshore** that they are expected to act in accordance with the law in the country where they are

Heads of Mission are called High Commissioners in Commonwealth countries, Ambassadors in non-Commonwealth countries, and Permanent Representatives for international organisations. Heads of Post include Consuls-General based in secondary cities (e.g. Shanghai) in countries where New Zealand is represented in the capital. Honorary Consuls are private citizens appointed to support New Zealand's interests in countries where New Zealand is not represented on the ground (e.g. Peru) or secondary cities in countries where New Zealand is represented in the capital but does not have a Consulate-General (e.g. Osaka).

posted. Given this, New Zealand policy is to waive diplomatic immunity if a foreign government requests this, unless there is a particular reason not to do.

You decide on all waivers of diplomatic immunity for New Zealand diplomats posted offshore.

There are many reasons why a waiver of immunity may be needed, including for any interactions with the police, such as reporting burglaries/lost credit cards; insurance issues, such as car accidents; or in order to sign a lease (in some countries). On occasions, waiver of immunity requests may be a consequence of alleged unlawful actions.

Treaty-making

You have responsibilities under the process by which New Zealand enters into or withdraws from treaties. The Ministry oversees this process across the government.

Any proposal to sign a treaty or take binding treaty action requires Cabinet approval. The Cabinet Manual requires you to be consulted on all such proposals.

Under Standing Orders and the Cabinet Manual, the Minister of Foreign Affairs also determines whether bilateral treaties are of particular significance and whether they are therefore required to be subject to Parliamentary treaty examination.

The Minister of Foreign Affairs, along with the Governor General and the Prime Minister, has authority under international law to sign international treaties and delegate that authority to others. You also have authority to sign instruments of ratification, acceptance or approval expressing New Zealand's intent to be bound by treaties.

United Nations Sanctions Regulations

Regulations may be made under the United Nations Act 1946 to give effect to sanctions imposed by the United Nations Security Council in respect of specified individuals, entities or activities. You have the power under some of these regulations to grant exemptions to the sanctions imposed.

New Zealand Nuclear Free Zone, Disarmament and Arms Control Act 1987

Decisions under this Act on whether to allow the entry of foreign warships into the internal waters of New Zealand and the landing in New Zealand of foreign military aircraft are the responsibility of the Prime Minister. The Ministry's advice to the Prime Minister is submitted through you.

This Act confers on you the power to appoint members of the Public Advisory Committee on Disarmament and Arms Control (the Committee). The Committee's functions include advising you on disarmament and arms control matters, and advising the Prime Minister on the implementation of the Act.

The Act designates the Minister for Disarmament and Arms Control as Chair of the Committee. The Disarmament and Arms Control portfolio is now part of your Foreign Affairs portfolio. To avoid a conflict with the Committee's function of advising you, the responsibilities of the Chair are carried out by another Minister or a member of the Committee.

Tokelau Administration Regulations 1993

Tokelau is a non-self-governing territory of New Zealand. You appoint the Administrator of Tokelau who is charged with administering the executive government of Tokelau (although many of the Administrator's powers have been delegated to Tokelauan institutions). The role is filled by a senior officer of the Ministry, who is subject to your control but in practice reports to you through the Ministry and coordinates their activities with the Ministry's Pacific Branch.

Antarctica (Environmental Protection) Act 1994

This Act implements the Protocol on Environmental Protection to the Antarctic Treaty, which among other things requires that activities in Antarctica be subject to prior environmental impact assessment. As Minister of Foreign Affairs you are responsible for determining whether activities of New Zealanders in Antarctica (or with a New Zealand connection, such as voyages that proceed from New Zealand) may be carried out. You are also responsible for issuing permits for restricted activities relating to fauna and flora and protected areas in Antarctica.

Ross Dependency Order in Council 1923

Since 1923 New Zealand has maintained sovereignty over the Ross Dependency. As part of New Zealand's continuous presence in the Dependency, senior Antarctica New Zealand staff are appointed from time to time as "Officers of the Government of the Ross Dependency" for legal or other purposes. The appointments are made by the Governor-General in her capacity as Governor of the Ross Dependency, on your advice.

Intelligence warrants

You have a statutory role with respect to intelligence warrants and authorisations ("warrants") issued by the Minister Responsible for the Government Communications Security Bureau and the Minister in Charge of the New Zealand Security Intelligence Service ("the Minister for the agencies")³. The New Zealand Security Intelligence Service Act 1969 requires that the Minister in Charge of the New Zealand Security Intelligence Service must consult you about warrants in respect of any matter relating to "the identification of foreign capabilities, intentions, or activities within or relating to New Zealand that impact on New Zealand's international well-being or economic well-

³ These two portfolios are currently held by the same Minister, Hon Chris Finlayson.

being". The Government Communications Security Bureau Act of 2003 requires that the Minister Responsible for the Government Communications Security Bureau must consult you about its proposed warrants.

S9(2)(f)(iv)

The new Intelligence and Security Act 2017 supersedes the New Zealand Security Intelligence Service Act 1969 and the Government Communications Security Bureau Act of 2003. Those parts of the new Act which relate to your role in the warrants process will not come into force until 28 September 2017. Until then, the New Zealand Security Intelligence Service Act and the Government Communications Security Bureau Act continue to govern your role. The key changes in the 2017 Act with respect to the role of the Minister of Foreign Affairs are as follows:

- For warrant applications from New Zealand Security Intelligence Service and the Government Communications Security Bureau, the criterion for whether a warrant requires consultation with the Minister of Foreign Affairs will be when an intelligence warrant authorises any activity that is likely to have implications for New Zealand's foreign policy or New Zealand's international relations, and
- The Director-General of New Zealand Security Intelligence Service and the Government Communications Security Bureau must keep, together with a register of warrants issued, a record of any information provided by, or a copy of any document received from the Minister of Foreign Affairs for those warrants where it was required to consult them.

In relatively rare circumstances, you are one of three alternates who could be required by the Government Communications Security Bureau Act 2003 to stand in for the Minister Responsible for the Government Communications Security Bureau to issue an urgent warrant. (The others are the Minister of Defence and the Attorney General.) This will only occur if the Minister Responsible for the Government Communications Security Bureau is unavailable, and circumstances make it necessary to issue a warrant before the Minister Responsible for the Government Communications Security Bureau is available to do so.

Export controls

The export of strategic goods (firearms, military goods and technologies, and goods and technologies that can be used in the production, development or delivery of nuclear, chemical or biological weapons) is prohibited under the Customs and Excise Act 1996, unless a permit has been obtained from the Secretary of Foreign Affairs and Trade. The Ministry's Export Controls Office, which is a part of International Security and Disarmament Division, manages the permit system for controlled strategic goods.

Although there is no statutory role for the Minister of Foreign Affairs under the Customs Act, the Secretary will consult the Minister (and occasionally, through the Minister, where appropriate the Minister of Trade or the Prime Minister) seeking comment on an intention to deny or approve a sensitive application.

Special envoys

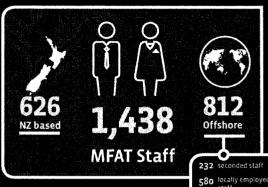
A small number of Ministerial appointments have been made to "special envoy" roles in which New Zealand experts are engaged to support achievement of Government objectives. These currently include envoys for Renewable Energy, Dubai 2020 and Japan.

A Special Agricultural Trade Envoy has been appointed by the Minister of Trade.

Part five Ministry functions, footprint and resources

A Snapshot of MFAT





Where MFAT people work in NZ

	Station Services
Americas and Asia Group	51
Europe, Middle East and Africa,	
and Australia Group	37
Human Resources Group	27
Multilateral and Legal Group	77
Office of the Chief Executive (Including related divisions)	66
Pacific and Development Group	167
Services Group	136
Trade and Economic Group	65

Key data

Vote Foreign Affairs and Trade for 2017/18 = \$424.7 million

Vote Official Development Assistance for 2017/18 = **\$710.6** million

Capital expenditure for 2017/18 = \$75.7 million

3 ministerial portfolios

31 pieces of legislation administered

13 NZ Inc agency partners offshore

172 missions/consular posts resident in or accredited to New Zealand supported

40 languages spoken by MFAT staff

Our network

57 posts in **50** countries

118 accreditations to other countries

75 Honorary Consuls

3 NZ offices

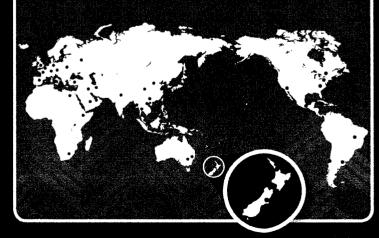
324 properties managed in our portfolio

Where MFAT people are seconded offshore*

Africa	12
Americas	35
Asia	81
Australia	9
Europe	47
Middle East	14
Pacific	34

*Includes language trainees

MFAT locations around the world and in NZ



March 2017

Functions and footprint

The Ministry of Foreign Affairs and Trade is the Government's principal agent for pursuing the country's interests, and representing New Zealand, internationally. We also help the government and New Zealanders understand what's happening in the world and the implications for New Zealand.

We are the government's specialist foreign, trade and development policy adviser, international legal adviser and negotiator. We lead the New Zealand government's diplomatic network, a unique national asset, safeguarded by international law, able to speak with an authoritative voice, and with heads of mission and post formally charged with representing the state.

NZ Inc partnerships

Our partnerships with NZ Inc agencies are critical to delivery of results for New Zealanders. Where the government's objectives have an international dimension, the Ministry leads and supports an integrated NZ Inc approach, both onshore and offshore, to maximise collective impact. Thirteen agencies are represented offshore, mostly located in Ministry offices, and the Ministry collaborates with many other agencies in New Zealand.

The Ministry is committed to strengthening our approach to collaboration with NZ Inc partners and providing effective strategic leadership.

Where we operate and how we organise ourselves

The Ministry's global network comprises 57 posts in 50 countries, with further posts due to open in the next three years (Bogota in 2017, Colombo and Dublin in 2019). In addition, New Zealand Trade and Enterprise Trade Commissioners lead a further nine Consulates-General. The entire NZ Inc network with agency representation is illustrated in *Appendix 1*.

Appendix 2 contains regional maps showing our Heads of Mission and their cross-accreditations to neighbouring countries. This is a cost-effective way of extending the reach of our network, and is often supplemented by appointment of Honorary Consuls.

In addition to our Wellington head office, we have small offices in Auckland (8 people) and Christchurch (1 person) focused on business outreach. Our Auckland office can serve as a base for your Auckland engagement. It is co-located with New Zealand Trade and Enterprise.

The Head Office structure and the top three tiers of the Ministry's leadership are set out in **Appendix 3.** The Ministry is organised around geographic regions, policy functions and corporate functions. The creation of the Pacific and Development Group in 2016 brings together all of the Ministry's Pacific-related work including New Zealand Aid Programme delivery.

Ministry budget

The Ministry administers two Votes. **Vote Foreign Affairs and Trade** funds the Ministry's operating costs, Crown entities and charitable trusts, membership of international organisations, and obligations under the Vienna Convention to resident diplomatic missions.

VOTE FAT BASELINE - ESTIMATES 2017	2016/17 \$M	2017/18 \$M	2018/19 \$M	2019/20 \$M	2020/21 \$M
Operating expenditure – departmental	328.541	338.606	337.909	360.609	340.595
Operating expenditure – non- departmental, made up of:	85.993	87.275	89.119	85.640	85.356
- Antarctica NZ (Operating)	20.819	20.853	21.049	20.370	20.420
- Antarctica NZ (Capital)	-	1.200	2.800	_	-
- Pacific Broadcasting Services	0.941	0.941	0.941	0.941	0.941
- Pacific Cooperation Foundation	1.400	1.400	1.400	1.400	1.400
- Asia NZ Foundation	4.000	4.000	4.000	4.000	4.000
- Rate refunds for Diplomatic Missions resident in NZ	1.800	1.800	1.800	1.800	1.800
- Subscriptions to International Organisations	57.033	57.081	57.129	57.129	57.129
Total Vote Foreign Affairs and Trade	414.534	425.881	427.028	446.249	425.951

Vote Official Development Assistance consists of a departmental appropriation covering the cost of managing the New Zealand Aid Programme and two multi-year non-departmental appropriations from which the New Zealand Aid Programme itself is funded. The multi-year approach allows for predictability of aid funding in out-years and increases effectiveness. The current multi-year period covers 2015/16–2017/18.

VOTE ODA BASELINE – ESTIMATES 2017	2016/17 \$M	2017/18 \$M	2018/19 \$M	2019/20 \$M	2020/21 \$M
Operating expenditure – departmental	63.044	66.277	63.277	63.277	63.277
Operating expenditure – non- departmental, made up of:	538.900	644.350	585.924	585.924	586.258
- International Agency Funding	101.753	101.338	100.000	100.000	100.000
- International Development Assistance	437.147	543.012	485.924	485.924	486.258
Total Vote Official Development Assistance	601.944	710.627	649.201	649.201	649.535

The total cost of running the Ministry this financial year is \$391.585 million and the total non-departmental expenditure managed on behalf of the Crown is \$624.893 million. Further information on how the New Zealand Aid Programme budget is invested is included in *Appendix 4*.

Budget 2017

On 24 March 2017 the Prime Minister made a pre-Budget announcement of \$45 million in new operating funding for the Ministry over four years, and \$11 million in capital. This funding will allow the Ministry to open new posts in Sri Lanka and in Ireland, and to deepen its frontline in Wellington and offshore by around 38 staff over the period. This deepening of the existing frontline will allow the Ministry to advance particular objectives, including managing relationships with global powers (United States and China), effectively implementing Trade Agenda 2030 (including intensifying work on non-tariff barriers and extending Free Trade Agreement coverage through the New Zealand–European Union Free Trade Agreement), and meeting increased demand for consular services.

This funding increase for the frontline is the first material investment made in eight years.

In addition to the successful Budget 2017 initiatives outlined above, Vote Foreign Affairs and Trade is the vehicle for a budget bid to enable New Zealand's participation at the Dubai Expo (\$53 million — announced on 23 April) and for two initiatives for Antarctica New Zealand. The Antarctica New Zealand bids cover detailed design work in advance of the proposed Scott Base rebuild or refurbishment (\$6.14 million) and the contribution of Christchurch office accommodation to other National Antarctic Programmes in support of the Joint Logistics Pool (\$3.45 million).

The funding received is summarised as follows:

VOTE FAT BASELINE – ESTIMATES 2017	2017/18 \$M	2018/19 \$M	2019/20 \$M	2020/21 \$M	TOTAL \$M			
Operating								
Making New Zealanders more connected	2.943	4.947	5.581	6.808	20.279			
Making New Zealanders safer	1.497	1.593	1.557	2.055	6.702			
Sri Lanka High Commission	0.937	1.942	3.067	2.917	8.863			
Ireland Embassy	1.432	1.149	3.191	3.361	9.133			
Ministry Sub-total	6.809	9.631	13.396	15.141	44.977			
Dubai Expo	3.010	7.790	32.100	10.340	53.240			
Total Operating funding	9.819	17.421	45.496	25.481	98.217			
Capital								
New Posts Sri Lanka and Ireland	1.972	8.635	0.410	-	11.017			

Budget 2018

Three additional areas of funding are expected to require consideration in Budget 2018:

- A large, cross-agency bid is under preparation to cover the policy, security and logistical requirements of hosting Asia Pacific Economic Cooperation in 2021 and preparing for this major event.
- The Ministry is assessing the impact of operational cost drivers including Health and Safety legislation and the Cabinet-mandated Protective Security Requirements and may need to bid for further funding in Budget 2018.
- With the current 3-year Vote Official Development Assistance appropriations running through to June 2018, the Government will also need to consider aid funding for the next triennium.

Asset portfolio

The Ministry's \$571 million asset base comprises property (87%), information and communication technology assets (11%) and motor vehicles (less than 2%).

CAPITAL ASSETS AT 30 JUNE 2016	PROPERTY \$M	INFORMATION AND COMMUNICATIONS TECHNOLOGY \$M	MOTOR VEHICLES \$M	TOTAL \$M
Cost	498.412	64.479	8.566	571.457
Accumulated depreciation	86.351	41.733	4.116	132.200
Carrying amount	412.061	22.746	4.450	439.257

The Ministry actively manages a portfolio of 89 owned and 235 leased properties around the world to support the Ministry's strategic objectives.

The Ministry meets most of the costs (operating and capital) of the office accommodation of the overseas network. Other New Zealand agencies contribute to the cost of their office accommodation on a marginal cost basis.

Investment planning and management

The Ministry is planning to invest capital of \$485 million and receive funding of \$501.8 million over the next 10 years.

Approximately two-thirds of forecast investment is in Property (\$349.6 million), and a quarter is in information and communications technology software and hardware (\$114.8 million).

The major projects underway include:

- An integrated and upgraded aid management system,
- Rebuilding the Beijing Chancery and Official Residence, and
- Major refurbishment of the Canberra Chancery.

S9(2)(j)

As a "Tier 2" capital intensive agency under the Government's Investment Framework, the Ministry underwent its first Investor Confidence Rating in 2016. We received an "A" rating which recognised the Ministry's high standard of investment management and governance, and resulted in Cabinet agreeing to increase approval thresholds for all baseline-funded, low and medium risk investments from \$15 million to \$25 million for the Chief Executive and from \$25 million to \$40 million for the Minister of Foreign Affairs from 1 May 2017.

Among the Ministry's suite of governance mechanisms for the investment portfolio and individual projects is the Overseas Property Advisory Panel. This panel is engaged by the Chief Executive to provide independent property process assurance to the Ministry to ensure that decisions on property assets are robust. The Panel is also able to provide advice directly to you.

Organisational improvement

The Ministry invests continuously in improving its effectiveness and sustainability as an organisation. The three organisational priorities for 2017 are the "Career Ministry" project (designed to strengthen career pathways and make the Ministry a better place to work for all staff), diversity and inclusiveness (to deliver a more diverse workforce and a "One Ministry" approach), and New Zealand stakeholder engagement.

Ensuring that the Ministry meets its obligations to staff and contractors under the Health and Safety at Work Act 2016 is an ongoing commitment, along with implementation of the Cabinet-mandated Protective Security Requirements.

We are close to completing our second Performance Improvement Framework review and expect the report to be published in May. The review endorses the Ministry's strong record of delivery and will reinforce and drive a range of organisational improvement initiatives including on our engagement with New Zealand stakeholders, the Ministry's culture and values, leadership and people capability (through Career Ministry implementation) and strategic performance.



Part six Foreign policy framework and major issues



New Zealand's foreign policy framework

New Zealand's foreign policy is built on four central pillars:

- Support for a rules-based international system which reflects our national values, and which delivers all countries the same rights and obligations regardless of size, location or power
- Membership in **international and regional architecture**, as a way to reinforce the rules-based system and amplify our influence
- A network of strong bilateral relationships underpinned by our reputation for being a fair-minded people, which we can leverage in the pursuit of shared interest, and
- The **diversification of our trade**, as a way to underpin our prosperity and insulate New Zealand from the vagaries of the international economy.

Major issues

Significant foreign policy issues that will require your engagement are outlined below, under the foreign policy pillars.

A rules-based international system that reflects our national values

Russia

S6(a) Unlike most of our Western partners, New Zealand has not applied economic and financial sanctions over Russia's actions in Ukraine, as we lack the basis to do so without a United Nations Security Council mandate. We share their concerns about Russian aggression, however, and have expressed those views in United Nations forums, as well as imposing travel bans on supporters of the pro-Russian separatist conflict in Ukraine. We also suspended our well-advanced free trade agreement negotiations with Russia and refrained from taking advantage of the Russian counter sanctions which prevent others' agricultural exports to Russia. S6(a)

Syria

The Syrian conflict entered its seventh year in March. It has killed half a million people, and displaced over 12 million. It was a contributing factor in the rise of the so-called Islamic State and the destabilisation of Iraq. Syria was a key focus of New Zealand's United Nations Security Council term. We played a lead role in initiatives to secure humanitarian access, several of which were scuppered by Russia's veto. We consistently expressed frustration with Council processes and lack of action. We publicly commented on the latest chemical weapons attack by the Syrian Government on its people, which was a flagrant breach of international law. S6(a) Following New Zealand's United Nations Security Council term, we have continued to engage in multilateral fora on human rights, humanitarian support, and chemical weapons prohibition, but on a reduced

level. Support to Syrian refugees remains a focus — we have contributed NZ\$22.51 million since the beginning of the conflict.

Democratic People's Republic of Korea (DPRK)

The Democratic People's Republic of Korea (also known as North Korea) continues the development and testing of its nuclear and ballistic missile weapons programmes. Further strategic provocations are expected in the short term, potentially including a sixth nuclear test or the inaugural flight-test of an intercontinental ballistic missile. S6(a)

South China Sea

The South China Sea territorial disputes are some of the most long-standing and polarising issues in the Asia-Pacific. Consistent presentation of New Zealand's position — we want a peaceful resolution of differences, in accordance with international law — is essential to managing our relationships with key partners who see their interests very much at stake, S6(a). In July 2016, an International Law of the Sea Arbitral Tribunal ruled in favour of the Philippines in a case that it had initiated against China's historical claim to 80 percent of the South China Sea. Since then, tensions have reduced S6(a) Efforts over the years to negotiate an enduring Code of Conduct involving the Association of Southeast Asian Nations and China are ongoing. The region remains braced for provocations and the situation has the potential to re-escalate.

International and regional architecture that amplifies our influence

Papua New Guinea — APEC 2018

Asia-Pacific Economic Cooperation is a long-standing piece of regional architecture. New Zealand is a very active participant. We want Asia-Pacific Economic Cooperation to remain robust and relevant. Papua New Guinea is hosting Asia-Pacific Economic Cooperation in 2018 S6(a).

New Zealand—Fiji relationship

S6(a) A major focus for Fiji this year will be chairing the next major climate change meeting (that will take place in Bonn, Germany) and the United Nations Oceans Conference in New York. New Zealand support includes a S6(a) and s9(2)(f)(iv) contribution to Fiji's trust fund for its chairing role and making our former Climate Change Ambassador available as an on-call adviser and member of Fiji's proposed high-level reference group.

Conclusion of the Regional Assistance Mission to Solomon Islands (RAMSI)

The breakdown of state authority in Solomon Islands in 2003 has been one of the gravest challenges to regional security in recent years. Since 2003, New Zealand has deployed over 1,000 New Zealand Defence Force personnel, approximately 650 New Zealand Police personnel and 8 Regional Assistance Mission to Solomon Islands Deputy Special Coordinators. The Regional Assistance Mission to Solomon Islands will conclude at the end of June. The Solomon Islands Government will mark the conclusion

of the Mission with formal celebrations over 25-30 June that will acknowledge the contributions from participating countries. Prime Minister English has been invited to attend; we will provide you with early advice on appropriate high-level representation from New Zealand. New Zealand will continue to assist the Solomon Islands Government's efforts to secure stability and security, with a \$12.5 million package of support involving deployment of 8 New Zealand Police officers to support the Royal Solomon Islands Police Force.

A network of strong bilateral relationships that we can leverage

New Zealand-Australia relationship

With our two governments sharing similar world views, and Malcom Turnbull a strong champion for New Zealand, the bilateral relationship is in good health. The significant equities that New Zealand has in the trans-Tasman relationship make this critical to our prosperity and security. Australia is our biggest destination both for exports and investment. Building on Closer Economic Relations, we are using the Single Economic Market agenda to ensure our economies are as connected as possible. Australia is home to our largest diaspora (approximately 600,000 Kiwis). Effective management of trans-Tasman people issues remains a priority for us. This has been aided by Prime Minister Turnbull's personal investment in improving the situation of New Zealanders living in Australia via the Pathway to Citizenship, and his encouragement for the Australian system to provide politically-savvy oversight of deportations. Australia is also our principal security ally, with closely aligned foreign policy values and interests. Australia welcomes our support on challenges in their near abroad, including countering the threat from people smuggling and support for PNG's hosting of APEC 2018. Australia is keen on sharing perspectives and preferably aligning positioning on Asia-Pacific strategic issues, notably our respective approaches to the United States and China.

New Zealand-United States relationship

The Trump Administration reaches its 100-day mark on 29 April. The past decade has seen significant improvements in New Zealand's bilateral relationship with the United States, to a point where both partners consider it to be in excellent shape. Sustaining this with the new United States Administration will require careful diplomacy. Early signals from the White House, including interactions with President Trump and a number of his Cabinet members, are that the Administration has a favourable disposition toward New Zealand. S6(a)

New Zealand-China relationship

You will play a key role across government in helping ensure New Zealand maintains a balance between maximising opportunities with China in areas where our interests align and managing points of difference. S6(a) Ensuring broad and strong political relationships with China, particularly at the level of senior ministers, is a key tool in the relationship, and you will add value through the relationships that you forge with Foreign Minister Wang Yi and State Councillor Yang Jiechi.

Diversification of our trade to underpin our prosperity and insulate New Zealand

Brexit

The United Kingdom Government has now formally notified the European Union of its intention to leave the European Union. This marks the start of United Kingdom/European Union negotiations, for which there is a strict initial 2-year timetable — meaning that the United Kingdom may exit the European Union as early as 29 March 2019. Negotiations are likely to commence mid-year and will need to be concluded by October 2018 to allow sufficient time for any agreement to be ratified by European Union and United Kingdom Parliaments before the 2-year timeframe expires. Prime Minister May's decision to hold early elections on 8 June is not expected to affect the timeframe for negotiations, but in the unlikely event the current government suffers defeat at the polls, it is possible that the United Kingdom's approach to Brexit may materially change. New Zealand has key economic interests that risk being affected by Brexit. Much of our current \$5 billion annual two-way trade with the United Kingdom (our largest individual trading partner in the European Union) takes place under European Union rules and is facilitated by New Zealand-European Union agreements that will no longer apply upon the United Kingdom's exit. We also retain an interest in ensuring skilled New Zealanders retain access the United Kingdom's labour market. With these interests in mind, targeted Ministerial and officials' engagement with the United Kingdom and the European Union over the period of negotiations will be important to protect and advance New Zealand's interests. S6(a)

Trans-Pacific Partnership — next steps

New Zealand has been engaged with Trans Pacific Partnership members about continuing with the agreement since the withdrawal of the United States in late January. For New Zealand, a priority remains to secure the commercial and market access improvements delivered by the remaining Trans Pacific Partnership partners (the "TPP-11"), particularly but not only Japan. Unlike many other Trans Pacific Partnership partners (e.g. Australia and Chile), New Zealand does not have a bilateral preferential trade agreement with Japan and this underscores the importance of sustaining a reconfigured Trans Pacific Partnership that includes Japan. Ministers will meet to discuss next steps during the Asia Pacific Economic Cooperation Trade Ministers' meeting on 20-21 May. S6(a)

In parallel with these efforts, government agencies have been preparing changes to regulation policy and practice to enable us to notify the Trans Pacific Partnership Depositary that New Zealand has completed its "applicable legal procedures" to ratify the Trans Pacific Partnership Agreement. Japan has already taken this step and joining them would allow New Zealand to continue to show leadership in the Trans Pacific Partnership process. Minister McClay will seek Cabinet approval to notify the Depositary in May. Actual changes to law, policy and practice will only take effect from the date that the Trans Pacific Partnership Agreement (including the United States) enters into force for New Zealand. S9(2)(g)(i)

New Zealand-European Union Free Trade Agreement

A free trade agreement with the European Union is a priority for New Zealand, with the European Union (including the United Kingdom) accounting for around 12 percent of our exports. The joint European Union–New Zealand Free Trade Agreement scoping process, which began in early 2016, was completed in March. The next step in the process is for both sides to seek respective negotiating mandates to enable a formal launch. S9(2)(j). S6(a).

Upgrade of the New Zealand—China Free Trade Agreement

The 2008 Free Trade Agreement has become a cornerstone of our bilateral trade and economic relationship. China is now our largest goods export market and second-largest export market overall after Australia. However, there is a growing need to ensure that the Free Trade Agreement remains modern and relevant to current business and investment conditions between our two countries. Upgrade negotiations were formally announced in November 2016, and reaffirmed during the recent visit by Premier Li. Officials are consulting with stakeholders to establish a comprehensive picture of New Zealand's interests in the upgrade s9(2)(j)

Regional Comprehensive Economic Partnership

This is a trade negotiation involving the ten members of the Association of South East Asian Nations and China, Japan, Korea, India, Australia and New Zealand. S6(a) and s9(2)(j)

Trade negotiations with the Pacific Alliance

The Pacific Alliance is a regional trade and economic grouping, comprising Chile, Colombia, Mexico and Peru. S9(2)(d) and S9(2)(j)

Pacific Agreement on Closer Economic Relations (PACER Plus)

The Pacific Agreement on Closer Economic Relations (PACER Plus) is regional trade and economic integration agreement comprising 12 of the 16 Pacific Island Forum member countries. Negotiations were substantively concluded at a Ministerial meeting in Brisbane on 20 April after more than 8 years of negotiations. PACER Plus is distinct from other trade agreements because of its core development focus; it is, therefore, a landmark model of a balanced and focused trade and development agreement. Signature is planned for mid-June in Tonga by 12 Forum Island Countries: Samoa, Tonga, Tuvalu, Kiribati, Marshall Islands, Federated States of Micronesia, Palau, Kiribati, the Solomon Islands, Vanuatu, Niue and Nauru; and Australia and New Zealand. Fiji and Papua New Guinea S6(a) for the time being, but expedited procedures are in place to enable them to join the agreement should they wish to do so.

The substantive conclusion of PACER Plus delivers to the spirit of Trade Agenda 2030, as well as to our broader development objectives in the region. In particular, the agreement future proofs New Zealand's commercial interests by ensuring that New Zealand businesses will be treated no less favourably than significant competitors in the region if the PACER Plus members conclude a free trade agreement with another partner, like the

European Union or China. Significantly, too, the agreement establishes a set of high quality World Trade Organisation-plus rules across goods, services and investment for partners in the region, of which fully half of those in the agreement are not members of the World Trade Organisation. In this way, New Zealand traders and investors will benefit from these additional and new protections, which they did not have access to before this agreement. Under the agreement New Zealand and Australia have committed to a development assistance package of more than NZ\$50 million as well as an Aid for Trade funding target of 20 percent to support the participants to build their capacity to trade and attract investment.

Part seven What we are aiming to achieve in the world



Our purpose

The Ministry acts in the world to make New Zealanders safer and more prosperous.

Our purpose reflects the fundamental value that the Ministry delivers to New Zealand citizens.

New Zealanders' standard of living and ability to live and travel peacefully depend on New Zealand's economic, political and security connections with the rest of the world and on a stable world order underpinned by international rules.

New Zealanders also expect their governments to play a part in making the world a better place. This investment in solutions to global challenges and international development delivers dividends for New Zealanders' well-being and security and creates economic opportunities.

Our high-level strategy

Our Strategic Framework (see *Appendix 5*) sets out the Ministry's ten-year strategic outcomes and our four-year objectives.

Our four ten-year **strategic outcomes** capture the value we deliver for New Zealanders over the long term. They are:

region

Stability Our work delivers security and resilience to our country, our people

and our region

Kaitiakitanga Our work delivers solutions to global challenges for the benefit of

present and future generations

Leadership Our work amplifies New Zealand's influence and standing in the world

Our six four-year objectives, where we focus our effort to deliver these outcomes, are:

Global Rules- Act in the United Nations and other international organisations to

Based System improve effectiveness, accountability and value for money for

New Zealanders

Business Increase market access, regional economic integration, and improve

Growth Agenda the international performance of New Zealand businesses

Asia-Pacific Embed New Zealand as an integral and trusted partner in the Asia-

Pacific

Pacific A stable and prosperous Pacific in which New Zealand's interests and

influence are safeguarded

Environment

Promote smart solutions on climate change, oceans and Antarctica

that ensure environmental protection and the sustainable use of

natural resources

Security

Protect and advance New Zealand's and New Zealanders' security

Our four year objectives

1 Global Rules-Based System

Why this matters?

The current global rules-based architecture emerged from post-World War II ambitions to prevent future such conflicts by strengthening international financial, trade, economic, security and development cooperation. It includes the United Nations system, the international financial institutions and the World Trade Organisation, and agreements such as the Universal Declaration on Human Rights and the Geneva Conventions on rules of armed conflict. Rooted in values aligned to New Zealand's interests, this architecture amplifies the voice and influence of small countries, and gives us a platform to address common challenges and resolve international conflict, as well as a mechanism to enforce trade rules. The rules-based order — whether in trade, the environment, or peace and security matters — increases certainty and stability for individuals, businesses and organisations.

Objectives

We aim to achieve a more **coherent and effective global rules-based system** that protects and advances New Zealand interests and to **strengthen New Zealand's influence** in that system.

Action

Over the next four years, we will be engaging actively and constructively across the United Nations (UN), World Trade Organisation (WTO), Organisation for Economic Cooperation and Development (OECD), Asia-Pacific Economic Cooperation (APEC) and other multilateral and regional forums to achieve durable global solutions to environmental, security and trade and economic challenges. In addition to action under our Asia-Pacific, Environment and Security objectives, we will in particular:

- Sustain a robust and viable World Trade Organisation (which despite its shortcomings remains the key piece of global trade architecture)
- Improve the effectiveness and credibility of international dispute resolution and accountability
- Support the interests of Small Island Developing States in international organisations
- Work to secure better outcomes and value for money for both New Zealand and Small Island Developing States through United Nations reform, and
- Leverage the influence and relationship network built during our United Nations Security Council term to create stronger buy-in for New Zealand policy priorities.

Domestically, we will work to ensure New Zealanders understand and support our advocacy and investments in multilateral and regional rules and institutions.

2 Business Growth Agenda

Why this matters

Trade is essential for New Zealand's prosperity and New Zealanders' standard of living. Overseas markets provide the opportunity for New Zealand businesses to grow to a scale that could not happen in New Zealand alone and thereby create a greater number of sustainable jobs with higher wages. This drives the Government's Business Growth Agenda goal of lifting exports to 40% of Gross Domestic Product.

There has been a significant increase in protectionist sentiment in some major countries, with public support for trade liberalisation fracturing. Brexit and the United States Administration's decision to withdraw from Trans Pacific Partnership have increased the challenges we face.

Objectives

In this difficult global context, our objectives of securing and sustaining access to a diverse range of markets and enabling New Zealand companies to seize international business opportunities are all the more important.

Action

New Zealand's refreshed trade strategy — Trade Agenda 2030 — was launched by the Prime Minister in March 2017. To implement the shifts set out in the strategy, the Ministry will work in collaboration with New Zealand agencies to:

- Negotiate new free trade agreements, upgrade existing agreements and drive benefits from implementation of existing free trade agreements,
- Intensify work on resolving non-tariff barrier problems (including through leadership of the Business Growth Agenda Export Markets work stream),
- Increase our focus on services, investment and digital trade, and
- Increase our focus on helping New Zealand businesses to translate market access into "market success".

Trade Agenda 2030 establishes the ambitious target of achieving free trade agreement coverage for around 90% of New Zealand's goods exports by 2030. The Ministry will lead efforts to:

- Achieve high quality outcomes with a diverse range of partners including the European Union, Gulf Cooperation Council and Regional Comprehensive Economic Partnership,
- Deepen our trade relations with the Pacific Alliance,
- Bring the substance of the Trans Pacific Partnership Agreement into effect with the "TPP-11",
- Explore the scope for a high quality trade deal with the United States, and

 Negotiate a high quality free trade agreement with the United Kingdom as soon as this is possible.

Engaging better with New Zealanders on trade is a key component of the strategy. As well as stepping up its own efforts, the Ministry will support the Minister of Trade's active outreach on trade issues and the recently announced Ministerial Advisory Group.

3 Asia-Pacific

Why this matters

New Zealand's security, its wealth and New Zealanders' jobs are increasingly anchored in the Asia-Pacific. Our changing economic geography means that seven of New Zealand's top ten trading partners are in our "near" region. Growing strategic competition in the Asia-Pacific region and the evolving dynamic between the United States and China will have significant implications for the stability of the region. New Zealand has a critical interest in regional stability given the location of our shipping routes, goods and services markets, investment and people flows.

Objectives

Our aim is to **embed New Zealand as an integral and trusted partner** in the Asia-Pacific by actively safeguarding our **political, economic and security interests**; **shaping regional organisations** to advance New Zealand interests; and supporting more **New Zealand businesses** to enter and succeed in Asia-Pacific markets.

Action

We will pursue our interests in the Asia-Pacific region in particular through:

- Using our membership of the region's political, security and economic forums (Asia-Pacific Economic Cooperation, Association of Southeast Asian Nations, the Association of Southeast Asian Nations Regional Forum and the East Asia Summit) to influence regional rule-making and conduct,
- Managing a portfolio of bilateral relationships: these range from those with the major regional powers, the United States and China, to small country partner Singapore with whom we are institutionalising enhanced ties. We expect to invest more in the security dimension of our bilateral relationships,
- Negotiating and upgrading free trade relationships: free trade agreements with China, Association of Southeast Asian Nations members (as a group and individually), Korea and Hong Kong, and an Economic Cooperation Agreement with Chinese Taipei provide pathways for New Zealand business,
- Supporting companies to capitalise on these opportunities,
- Helping New Zealand navigate and respond to regional challenges such as the South China Sea, Korean Peninsula, people smuggling, terrorism, and cyber-crime,
- Aid investment to support the development of well-governed and well-disposed
 Asian partners, and

Delivering an impactful "APEC 2021" in New Zealand.

4 Pacific

Why this matters

New Zealand's relationship with Pacific Island countries is unique and sits at the crossroads of our domestic and international interests. New Zealand shares close historical, cultural, sporting and economic ties with our Pacific neighbours and is home to significant Pasifika populations. New Zealand has constitutional arrangements with the Cook Islands, Niue and Tokelau and the people of these countries share New Zealand citizenship.

Stability and sustainable growth in the region are fundamentally important to New Zealand's security and prosperity. Pacific Island countries face deep challenges in achieving these outcomes. Shifting geopolitical dynamics in the region are also requiring New Zealand to adapt to secure and deepen our leadership role in the region.

Objectives

Our aim is a stable and prosperous Pacific in which New Zealand's interests and influence are safeguarded.

We want PICs to be well governed, resilient and stable, and for Pacific people to be more prosperous and enjoy higher health and education standards. And we aim for Pacific Island countries' positions and actions to support New Zealand's strategic interests, with New Zealand's position as a partner of first choice for Pacific Island countries enhanced.

Action

To achieve these objectives we will in particular:

- Align our diplomatic and development effort, aspiring to be recognised as a centre
 of excellence on Pacific matters for our in-depth knowledge of the region, our
 connections and influence, and the development results we achieve,
- Undertake and support extensive engagement at Ministerial and officials level with Pacific Island countries on bilateral, regional and international issues,
- Continue to work especially closely with Cooks Islands, Niue, and Tokelau to meet our mutual obligations, and
- Participate actively in the Pacific regional organisations to which we belong to ensure they achieve impact, with a focus on climate change, sustainable oceans management, security and deeper trade and economic integration.

The Pacific is the geographic focus of the New Zealand Aid Programme, receiving around 60 percent of the aid budget. The effectiveness of our aid is critical given what is at stake for the Pacific and New Zealand. Using a combination of funding and policy influence, we will in particular:

- Support sustainable economic development, especially in agriculture, fisheries and tourism, complemented by investments in economic governance, education, health and other priorities for Pacific countries,
- Play a convening role with other donors, for example through the Pacific Energy Summits which we co-hosted with the European Union to mobilise over \$2 billion for renewable energy investment,
- Deliver rapid and effective all-of-government responses to humanitarian emergencies,
- Support Pacific Island countries to enhance their integration with New Zealand and Australian markets through PACER Plus, and
- Work with NZ Inc agencies to deliver development benefits from domestic policies such as the Recognised Seasonal Employer Scheme.

5 Environment

Why this matters

The global environment faces challenges, with negative impacts on New Zealand and our region. Global responses bring economic costs and also open up opportunities. We gain — and stand to lose — competitive advantage and reputation through the environmental stewardship of our own resources, as well as the thought leadership and engagement we bring to addressing these challenges. International rules and cooperation are critical to tackle trans-border environmental threats.

Objectives

The Ministry is focused on delivering three priority outcomes for New Zealand: achieving an effective global response to **climate change** to which New Zealand contributes credibly and through which Pacific climate resilience improves; healthy and productive **oceans**, in particular the Pacific and Southern Oceans; and safeguarding New Zealand's strategic interests in **Antarctica**.

Action

On climate change, the Ministry will:

- Lead a cross-agency effort to secure the best possible rules under the Paris Agreement,
- Deliver New Zealand Aid Programme support for mitigation and building resilience to climate and disaster risks, focused on the Pacific,
- Work to secure New Zealand's access to viable carbon markets, and
- Lead the international fossil fuel subsidies reform initiative.

On oceans, the Ministry will:

- Work to improve tuna stock management in the Pacific,
- Support PICs to build resilience to ocean acidification,

- Make efforts to reduce illegal, unreported and unregulated fishing in the Pacific (building on success in the Southern Ocean) and to eliminate whaling in the Southern Ocean, and
- Lead work at the World Trade Organisation on the elimination of fisheries subsidies.

In our Antarctic policy work, we will focus on ensuring:

- The role of Christchurch as a primary Gateway city to Antarctica,
- Government-funded Antarctic science delivers benefits consistent with New Zealand interests, and
- New Zealand is equipped to operate effectively in Antarctica.

6 Security

Why this matters

The international order that underpinned global security for the last seventy years is changing. At the same time the influence of non-state actors (such as Islamic State of Iraq and the Levant and its franchises) further complicate the increasingly crowded strategic landscape. New Zealand's geographic isolation is no longer a defence against growing trans-border threats, such as terrorism, cyber-attacks, and transnational crime.

To prosper as a small, trading nation New Zealand requires a stable world order in which the principles of sovereignty and rule of law are paramount. But global security challenges are often beyond our control to influence decisively, leading to difficult judgments about the extent to which New Zealand should become involved in them.

The security and stability of the Asia-Pacific region is of fundamental importance to us. Instability in the Pacific has direct implications for New Zealand. And our deep interests in Asia have drawn us into economic and political integration with this region. For those interests to thrive we need stability, underpinned by architecture that engages all states and that is built on a foundation of rules which govern behaviour.

Objectives

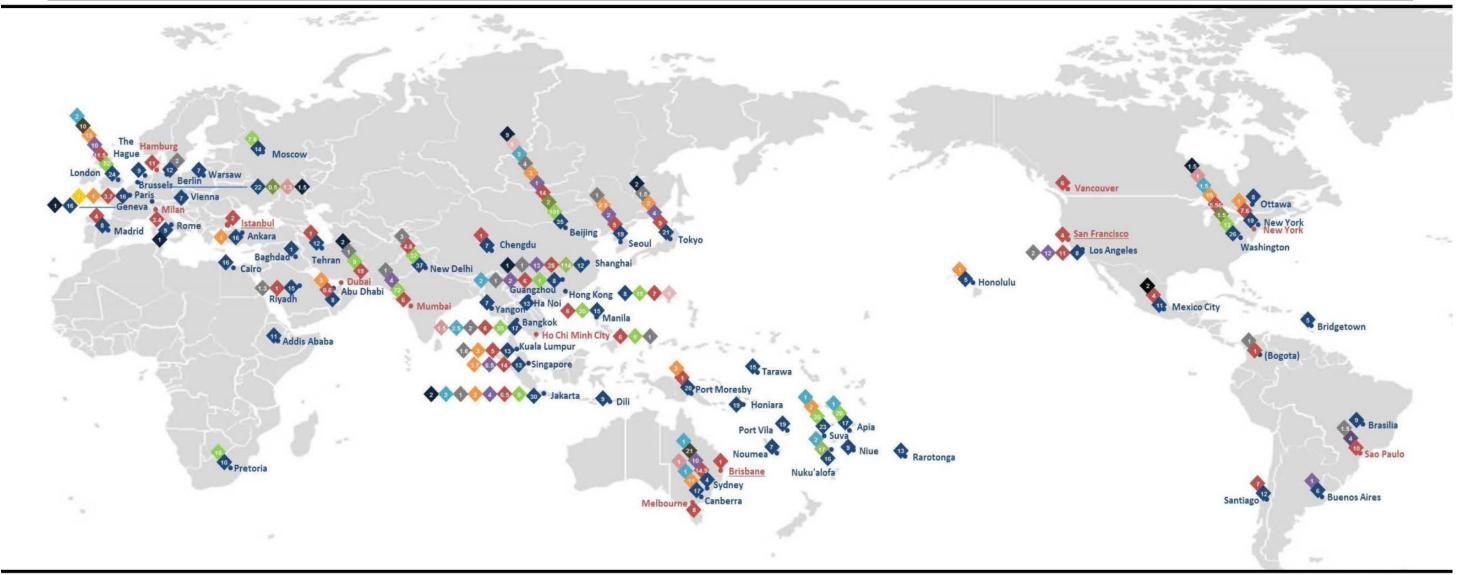
In protecting and advancing the security of New Zealanders in this capricious strategic environment, we pursue four broad security outcomes: to mitigate external threats to the **security of New Zealanders**; to support a more **secure and stable South Pacific**; to shape the security dynamics in the broader **Asia-Pacific region** in our interests; and to contribute to **international security initiatives** in ways that advance our security as well as our foreign policy goals and project New Zealand's influence internationally.

Action

To achieve these goals, the Ministry focuses on:

- Improving the safety of New Zealanders offshore through consular services,
- Reducing the risk to New Zealand from trans-border threats, especially terrorism,

- Influencing partners to take action in our direct security interests,
- Providing advice on responding to strategic security threats,
- Advancing global disarmament and non-proliferation efforts,
- Supporting security agencies in their interactions offshore, and
- Advancing New Zealand's core security interests in the Asia-Pacific in particular, through bilateral and multilateral diplomacy.



As at 31 March 2017

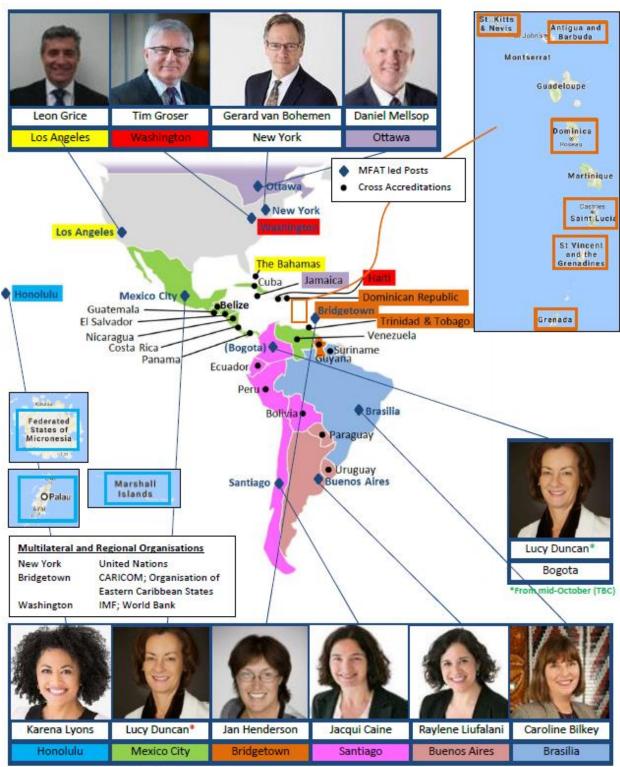
Ministry of Foreign Affairs and Trade	Innovation an	f Business, Id Employment BIE)	New Zealand Trade and Enterprise (NZTE)	Trade and	Tourism New Zealand	New Zealand Defence Force	The Department of Internal Affairs	Education New Zealand	New Zealand Police	New Zealand Customs Service	Ministry for Primary Industries	The Treasury
(MFAT)	Immigration New Zealand	Science and Innovation		(TNZ)	(NZDF)	(DIA)	(ENZ)	(NZP)	(NZCS)	(MPI)	(TSY)	
•	♦	•	•	•	•	\	♦	•		•	\rightarrow	

- New Zealand Posts managed by MFAT
- New Zealand Consulates-General and other offices managed by NZTE

Note: Numbers reflect the combined total agency employees, consisting of both seconded and locally engaged staff (FTE)

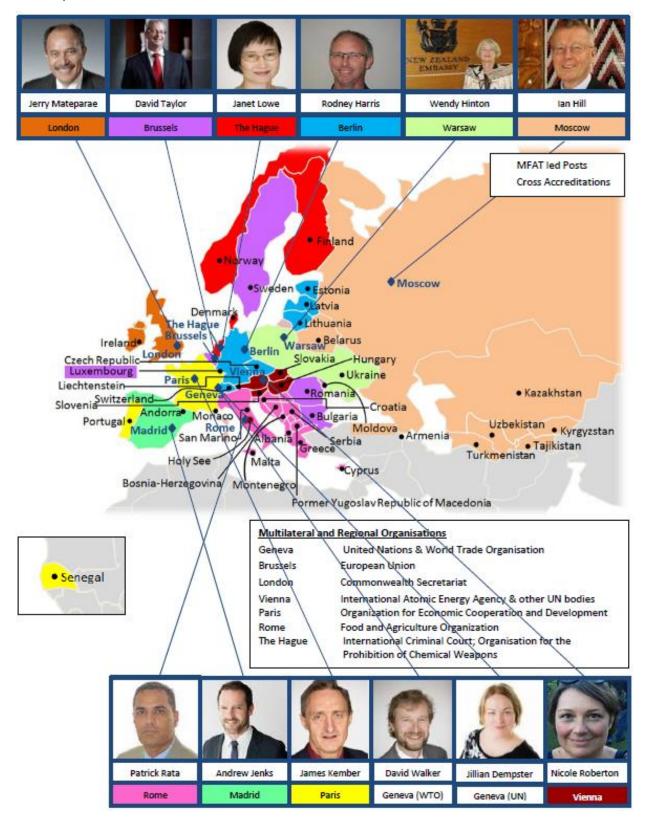
Appendix 2 — Heads of Mission/Post and cross-accreditations, by region

Americas

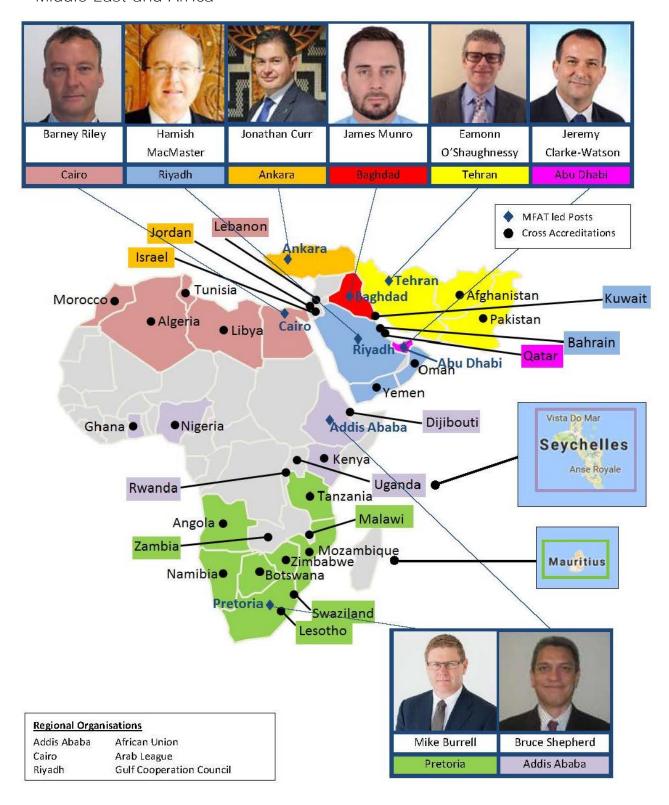


^{*} From mid-May until mid-October

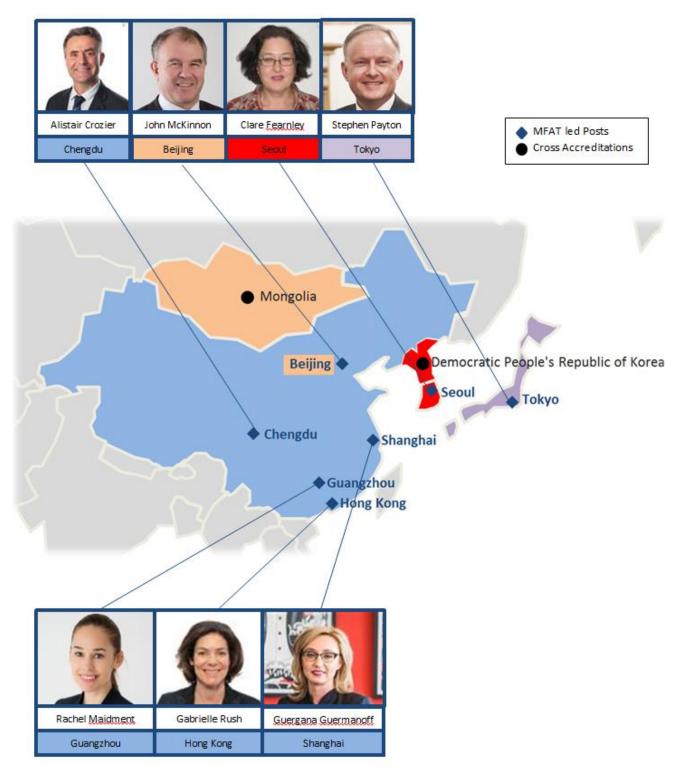
Europe



Middle East and Africa

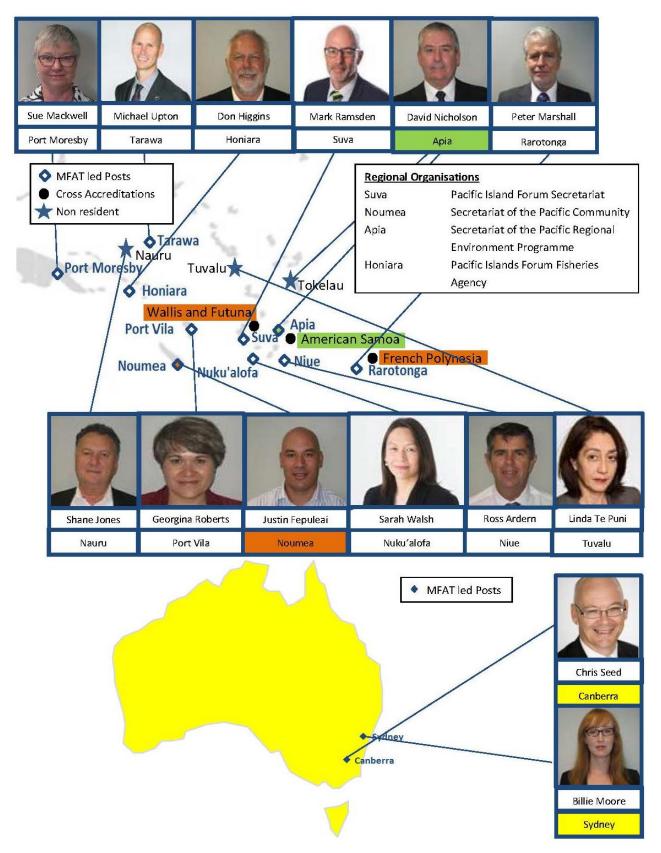


North Asia

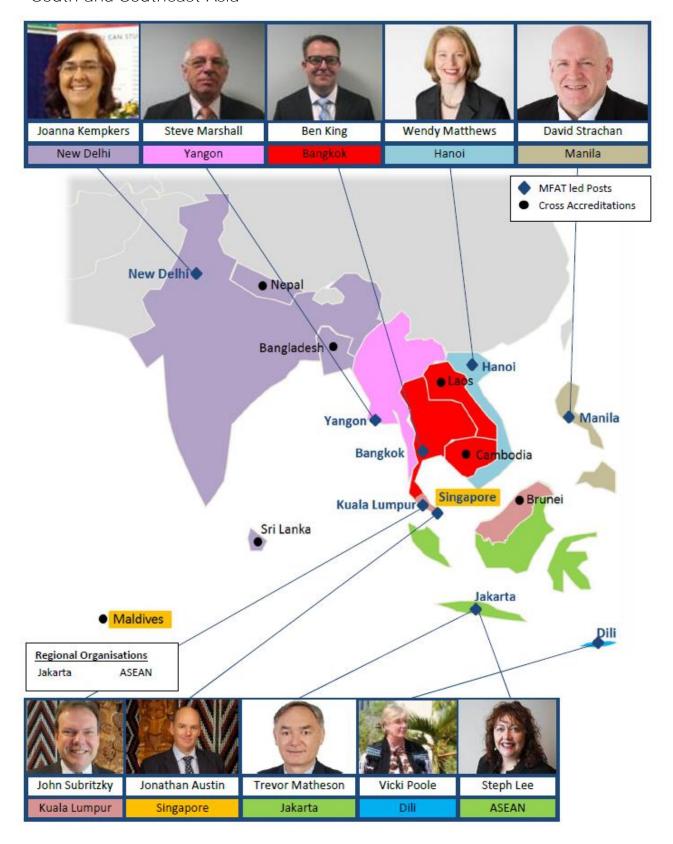


New Zealand's economic and cultural ties with Taiwan are managed by the New Zealand Commerce and Industry Office in Taipei which is a subsidiary of the Wellington Regional Chamber of Commerce. The current Director is Moira Turley.

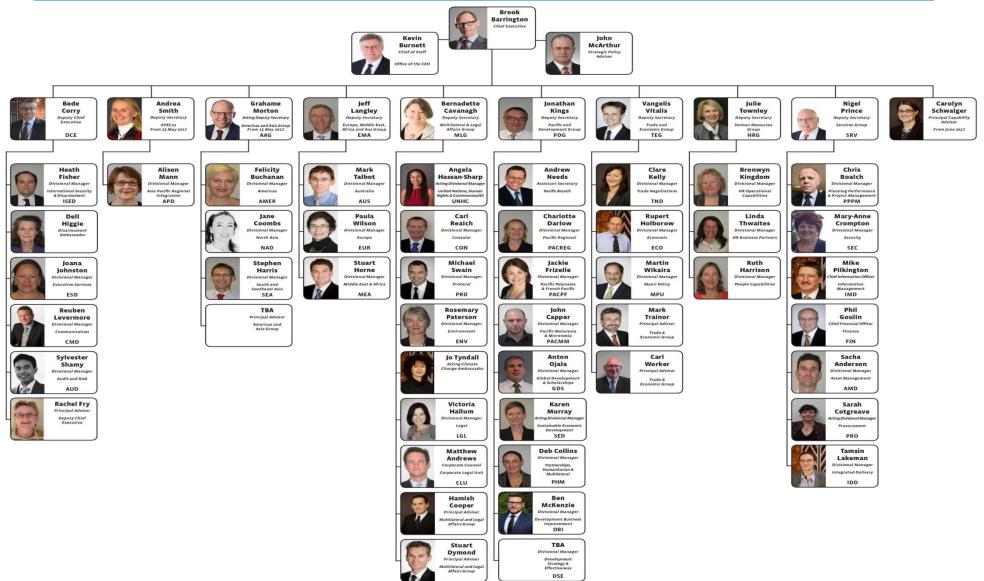
Pacific & Australia



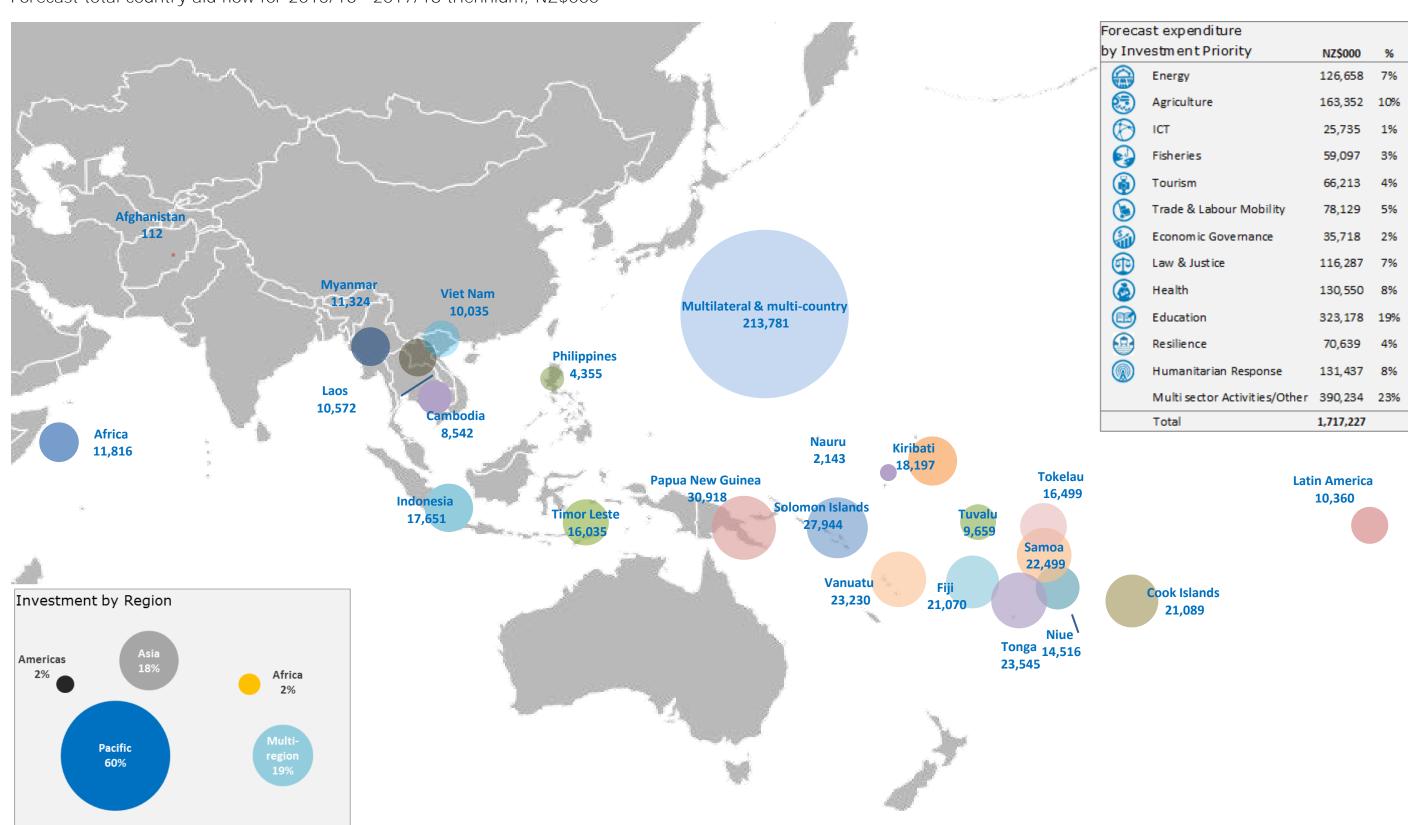
South and Southeast Asia



Appendix 3 — The Ministry's organisation chart



Forecast total country aid flow for 2015/16—2017/18 triennium, NZ\$000



Appendix 5 — The Ministry's strategic framework

