Presented to the
House of Representatives
pursuant to Section 39 of the
Public Finance Act 1989
New Zealand’s foreign policy has long been characterised by the strength of its independent voice.

In an increasingly complex international environment, we need to be focused, deliberate and action-oriented in our efforts to ensure New Zealand’s voice is influential in promoting our values and pursuing the interests that stem from these.

The Government’s programme is centred on inclusion, transformation and aspiration. We are committed to a fair and unified New Zealand, where the well-being of all New Zealanders is at the heart of all we do. We will not achieve this without also delivering on our aspirations for New Zealand’s role in the world.

The Ministry of Foreign Affairs and Trade is the Government’s principal adviser and delivery mechanism in promoting New Zealand’s interests and values in the world.

The Government has recognised the need to invest in the Ministry to strengthen our influence and show that New Zealand is a country that engages with the world, contributes to solving global challenges, protects its interests, and promotes its values. Additional funding provided in Budget 2018 will rebuild and reinforce the Ministry’s foreign policy capability and ensure that New Zealand has the international presence we need to achieve our objectives. Reopening an embassy in Stockholm in October 2018 will reinforce New Zealand’s influence in the European Union as the United Kingdom departs and strengthen our cooperation with the Nordic countries on global issues.

The Government’s ‘Pacific reset’ will shift our engagement with the Pacific to a relationship built on understanding, friendship, mutual benefit and a collective ambition to achieve sustainable results in collaboration with our Pacific neighbours. With the Pacific becoming an increasingly contested strategic space, New Zealand needs to maintain its voice and influence.

Additional funding of $1.44 million over the next four years will significantly boost the Official Development Assistance budget and raise New Zealand’s international development funding to 0.28 percent of Gross National Income. This new funding will be directed largely towards the Pacific and will enable the Government to deliver on its Pacific reset strategy. It will be used to help reduce Pacific Island countries’ vulnerability to the impacts of climate change, build their resilience, and assist our Pacific partners to progress towards the United Nations Sustainable Development Goals. Additional resources will also be directed to humanitarian assistance, enabling New Zealand to increase its response to significant Pacific and global events.

Geopolitical change in the Asia-Pacific affects New Zealand’s economic and security environment. New Zealand needs the capacity and capability to participate in regional organisations, and to maintain and build on our network of bilateral partners with shared interests. Hosting Asia-Pacific Economic Cooperation in 2021 (APEC21) is an opportunity to demonstrate our regional leadership and to shape enduring regional economic policy, as well as to promote New Zealand to a global audience. Funding in Budget 2018 will contribute to the cost of hosting APEC21. New Zealand will also play its part in helping to resolve situations that are destabilising the Asia-Pacific region.

The Ministry’s work to negotiate free trade agreements and secure and protect advantageous access to offshore markets will help to realise the Government’s vision of a productive, sustainable and inclusive economy. The work the Ministry will lead this year to develop a progressive and inclusive “Trade for All” agenda will help ensure that our trade policy delivers for all New Zealanders and contributes to addressing global and regional issues while protecting New Zealand’s sovereignty.

Supporting global rules and the multilateral organisations that develop and enforce them is a high priority for the Government in the face of numerous threats to the primacy of the existing rules-based system. These efforts will be central to the Ministry’s pursuit of New Zealand interests and values across many domains, including the environment and climate change, trade and economic, Antarctica and the Southern Ocean, security and stability, and international development. As well as actively supporting the United Nations and World Trade Organisation, New Zealand will continue to work on progressing intra-Commonwealth trade.

Just as climate-related support is central to our engagement in the Pacific, responding to climate change is a major focus of New Zealand’s wider international engagement. Making effective use of our multilateral and bilateral networks will help secure New Zealand’s leadership, especially in areas such as sustainable agriculture where we have a competitive advantage.

Growing trans-border security threats, such as terrorism, malicious cyber actors, foreign espionage and interference, transnational crime, and irregular migration, directly affect New Zealand’s security. The range of contemporary security threats requires New Zealand to broaden and deepen our bilateral security cooperation. And it requires us to step up our efforts to advance collective security and defend the rules-based international order through contributions to global peace and security, and disarmament initiatives.

We are facing an increasingly complex and dynamic strategic environment, characterised by both global challenge and global opportunity. The investment and direction provided by this Government will strengthen the Ministry’s ability to address the challenges and to maximise benefits from the opportunities.

**Foreword from our Minister**

**New Zealand’s foreign policy has long been characterised by the strength of its independent voice.**

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We are facing an increasingly complex and dynamic strategic environment, characterised by both global challenge and global opportunity. The investment and direction provided by this Government will strengthen the Ministry’s ability to address the challenges and to maximise benefits from the opportunities.
Introduction from our Chief Executive

The Ministry of Foreign Affairs and Trade acts in the world to make New Zealanders safer and more prosperous.

This purpose is as important today as it was in 1943 when New Zealand’s foreign service was established. In celebrating the Ministry’s 75th anniversary this year, we will be reinforcing our commitment to the well-being of New Zealanders and the value we deliver for them.

New Zealand’s international engagement contributes to the Government’s well-being approach. The Ministry’s work enhances New Zealanders’ current well-being, for example through jobs created when market access is improved. It helps build the “capital” on which New Zealanders’ future well-being depends, for example through international agreements that govern the global commons. And we make New Zealand more resilient in the face of risk, for example through maintaining a balanced portfolio of strong international relationships.

The Ministry is well-positioned to support the delivery of priorities that the Government and our Ministers have articulated.

Building a productive, sustainable and inclusive economy with thriving regions requires coordinated action domestically and internationally. This will involve the Ministry in helping to grow the value of our exports in a sustainable way, ensure that the benefits of trade are shared by all New Zealanders, and support through our trade policy the transition to carbon neutrality.

Creating an international reputation New Zealanders can be proud of likewise requires a combination of domestic and international action. As well as leveraging our national attributes and achievements that inspire other countries to work with us, the Ministry will focus on building our international reputation through action in priority areas for the Government. These include Pacific engagement, progressive and inclusive trade, international climate change leadership, and defending the international rules-based system. In all our international engagement, we will uphold New Zealand’s reputation for being a principled, fair and constructive participant in global and regional affairs.

The four pillars that New Zealand has relied on to safeguard our prosperity and security, and to project our influence on global issues that matter to New Zealand, will continue to serve us well. These pillars are supporting a rules-based international system; participating in international and regional bodies; leveraging a network of strong bilateral relationships; and building a diverse portfolio of export markets.

The Ministry’s recently refreshed Strategic Framework as reflected in these Strategic Intentions articulates how we will realise our purpose. It sets out the impact we aim to achieve for New Zealand over a ten year horizon and the tangible deliverables we are prioritising over the next four years.

The Government’s significant investment in the Ministry and its programmes in Budget 2018 recognises not only the complex international challenges and opportunities facing New Zealand, but also the value the Ministry delivers for New Zealand. We will apply this funding responsibly and judiciously to strengthen our capability and capacity and deliver the outcomes the Government expects from us.

To equip ourselves for the challenges ahead, the Ministry will continue to build our capability and lift our enterprise performance through a programme of organisational development.

The Ministry will giving priority to the development and well-being of its staff by implementing our People Strategy to support a happy, healthy and high-performing community, for all.

We will also embed our refreshed organisational values of Impact, Kaitiakitanga, Courage, and Manaakitanga so they are meaningful to all of our people. Our values will guide how we interact with each other and people outside of the Ministry. We want our values to make a real difference to how we work and the results we deliver for New Zealand.

We will start implementing our ten-year Diversity and Inclusion Strategy. It is important that staff with diverse backgrounds, experiences, skills and perspectives are valued and respected, and can see themselves included and represented across the Ministry’s global network. Over time, we expect to see diverse thinking, people and behaviours that will lead to more innovation, and enhanced advice and services.

We are working to improve our engagement with New Zealand partners and other stakeholders. Our partners should see a more open, cooperative approach from us.

Implementation of our new Māori Engagement Strategy will focus on meeting our responsibility as a Treaty partner to engage openly and honestly with Māori, and lifting the capability of our people to incorporate mātauranga Māori in our work.

These initiatives and others under way have the power to transform the Ministry. In this increasingly uncertain world, this transformation will enable the Ministry to build an international reputation New Zealanders can be proud of.
Our context

Our purpose

The Ministry of Foreign Affairs and Trade acts in the world to make New Zealanders safer and more prosperous.

New Zealand’s security and prosperity depend on the conditions in, and our connections with, the wider world. This means we must engage with – and seek to influence – other countries to our advantage, in line with New Zealand’s values and our interests in:

- Regional and global stability;
- Collective solutions to global problems that impact on New Zealand;
- Advantageous access to, and connections with, a diverse range of markets; and
- A voice at the table on issues that matter to New Zealand.

Protecting and advancing these interests is the purpose of New Zealand’s diplomacy.

The Ministry aspires to deliver value to New Zealanders in the following ways:

- Kaitiakitanga: generations of New Zealanders benefit from sustainable solutions to global and regional challenges.
- Security: New Zealanders are able to live, do business, travel and communicate more safely at home and offshore.
- Prosperity: New Zealanders have better job opportunities and incomes from trade, investment and other international connections.
- Influence: New Zealanders have confidence their country can influence others on issues that matter to them, now and in the future.

Our functions

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 understand what is happening in the world and the implications of that for New Zealand.

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.

We are the Government’s specialist foreign, trade and development policy adviser, international legal adviser and negotiator. We are responsible for delivering New Zealand’s official development assistance and for providing consular services for New Zealanders overseas.

The full range of functions that the Ministry undertakes, both in New Zealand and internationally, is set out in the diagram on the following page.

What MFAT does in New Zealand and around the world to deliver value to New Zealanders
Our New Zealand connections

The Ministry’s performance as a New Zealand public sector agency and our success in pursuing New Zealand’s interests internationally rely on strong connections at home.

The Ministry is prioritising a more systematic, collaborative and transparent approach to working with New Zealand partners and engaging with Māori, other stakeholders and the New Zealand public. Our objectives are set out in the “NZ Connections” organisational capability goal on page 34.

Our partnership with other government agencies with external interests (“NZ Inc”) is critical to delivery of results for New Zealanders. The Ministry leads and supports an integrated NZ Inc approach, both onshore and offshore, to maximise collective impact in pursuing the Government’s objectives internationally. With domestic and international policy increasingly linked, we contribute to cross-agency coordination and policy-making on economic policy, the national security system and climate change/natural resources.

We have recently developed our Māori Engagement Strategy. The Ministry acknowledges Te Tiriti o Waitangi as New Zealand’s founding document, recognises the continuing partnership it established between the Crown and Māori and commits to delivering on the Crown’s obligations to Māori under Te Tiriti.

The Ministry has extensive engagement with New Zealand stakeholders across business, non-government organisations (NGOs), local government, Pasifika, and academia with the aim of fostering mutually beneficial partnerships.

Our values

Our refreshed values will guide how we interact with each other and people outside the Ministry. We want our values to make a real difference to how we work and the results we deliver for New Zealand.

Ministry at a glance

We have 58 posts in 51 countries
We employ a total of 1,498 staff
We work for Ministers in four portfolios:
  • Foreign Affairs
  • Disarmament and Arms Control
  • Trade and Export Growth
  • Climate Change.
We administer two Votes:
  • Foreign Affairs and Trade
  • Official Development Assistance
We monitor:
  • Antarctica New Zealand
  • The Pacific Cooperation Foundation and the Asia New Zealand Foundation
  • The performance of New Zealand Trade and Enterprise, with the Ministry of Business, Innovation and Employment
We solely administer 32 pieces of legislation.
Our operating environment

The global environment

As outlined in the 2018 Strategic Defence Policy Statement, New Zealand is pursuing its interests in a turbulent international environment where the risks for smaller countries are acute. The existing rules-based international order from which New Zealand has benefited since the end of World War II is under pressure from three broad forces: the growing importance of spheres of influence, challenges to open societies and a range of complex disruptors. We need to be innovative and assertive in seizing the opportunities available to us and vigilant in guarding against risks.

On the upside, global economic growth is sound and the shift in global economic weight toward Asia is to New Zealand’s advantage. New Zealand is well-placed, including because of our network of free trade agreements, to increase and diversify our exports off the back of growing demand from expanding middle class markets particularly in Asia, but also in Latin America, the Middle East and Africa. Increasing global connectedness supported by technological advances also provides opportunities for distant trading nations like New Zealand. Progress in the Regional Comprehensive Economic Partnership (RCEP) and Pacific Alliance trade negotiations will further enhance economic opportunities for New Zealand. These agreements, alongside the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), provide further regional integration mechanisms – a buffer against strategic competition and a hedge against a deteriorating global trading system.

On the downside, the international rules-based order is coming under increasing pressure, as seen for example in challenges to the practical functioning of the World Trade Organisation (WTO) dispute settlement mechanism; Russia’s annexation of Crimea, its resistance to an effective United Nations (UN) response in Syria, and its cyber-enabled interference in foreign elections; and the militarisation of disputed features in the South China Sea.

New Zealand benefits from the collective decision-making approach and respect for the sovereign equality of states that underpin the multilateral system, and on the stability, collective security and legal certainty that it affords. The challenges to this system are varied and troubling. Attempts are increasingly being made to reframe or interpret rules in ways that do not support New Zealand interests or reflect New Zealand values. In addition, deep-set economic, social and cultural anxieties have promoted the rise of populist and nationalist political movements in the United Kingdom, Europe and the United States that are wary of regional and multilateral structures, and of open trade. Combined with a global trend toward less liberal and more authoritarian governance, these influences pose broader and longer term risks to the international rules-based order.

There are, however, some more positive trends. The Paris Agreement on Climate Change, for example, was a signal achievement, with countries now working to conclude implementation guidelines, notwithstanding the United States’ withdrawal. Initiatives such as the CPTPP, the establishment of the Ross Sea Marine Protected Area and the passing of the Treaty on the Prohibition of Nuclear Weapons likewise demonstrate that there are still opportunities for New Zealand to work with like-minded partners and coalitions to secure outcomes that are important to us.

The overall prosperity of the Asia-Pacific region is real and of great benefit to New Zealand but regional peace and stability and continuation of preferred norms cannot be taken for granted. This is a region where strategic trust is tenuous; habits of dialogue are not well developed among all players, the ASEAN-based security architecture is nascent and sources of tension are many. ASEAN has been successful in delivering peace to South East Asia, but its centrality may come under strain as pressure rises for greater shared leadership among the full range of countries involved. Changes in the geopolitical order of the region are reflected in regional responses to China’s growing strategic weight and more confident pursuit of its interests; in the interplay between this and the United States’ presence in the region; and in the pursuit by Japan and India of increased strategic roles in the Indo-Pacific.

In addition, the South China Sea territorial disputes are some of the most enduring and polarising in the region, violent extremism remains an extant threat in South East Asia and transnational organised crime is an expanding source of instability. More promisingly, the shift from extreme tension on the Korean Peninsula following the Inter-Korean and United States-North Korea summits is positive, but de-North Korea remains a challenging, long-term goal.

Intensifying challenges are also buffeting the Pacific. The combined effects of climate change, mixed governance records, transnational crime, narrowly-based economies and enduring lack of scale and isolation create social, economic and security problems that are becoming more acute. Growing interest from actors outside the region brings a wider donor base, but also strategic competition and exposure to a broader set of risks that may also affect New Zealand interests.

Instability in the Middle East has global implications. Israeli-Palestinian tension and conflict and the Shia-Sunni divide that underpins the strategic competition between Iran and its neighbours are enduring problems. Continuing conflict in Syria and Yemen is having major humanitarian consequences, driving large-scale migration towards Europe, and providing a source of and inspiration for violent extremism in the region and around the world.

The overarching challenge of climate change, together with significant changes in world production and consumption patterns, will place pressure on limited global strategic resources (water, food, land, energy, minerals) and bring forward the tipping point for conflict. Resource competition may also ultimately affect the carefully balanced management of Antarctica and the Southern Ocean.

The domestic environment

The Ministry is attuned to developments in the New Zealand public sector, economic, security and social environments, and to the growing link between domestic and international policy, for example:

- expectations of deeper and more transparent engagement to earn the confidence of New Zealanders;
- the growth of the Māori economy;
- increasing significance of services trade and digital commerce relative to goods exports;
- the confluence of domestic and international dimensions of security concerns such as cyber threats and foreign interference;
- the interplay between domestic and international policy on climate change, environment, health, education, science, poverty eradication, indigenous, and disability issues;
- recognition of connections between Pacific and New Zealand well-beings; and
- expectations of government agencies to better demonstrate and evaluate the impact of their work.
Our strategic direction

The Ministry has refreshed its Strategic Framework with the aim of setting a ten-year planning horizon; being clearer about the impact we are aiming to achieve over time and the shorter term deliverables we are prioritising; better articulating the Ministry’s value to New Zealanders; and having a stronger basis for measuring and evaluating our performance and linking our priorities and our resources.

The Framework comes together in the diagram on page 14, which illustrates the interdependencies between the value we deliver for New Zealanders, the strategic goals we are pursuing and the capability we need to deliver those goals.

The strategic goals express the impact the Ministry aims to achieve over the next ten years. These are:

• International Rules and Institutions: Strengthen, protect and use international rules and institutions to pursue New Zealand values and interests.
• Economic Returns and Resilience: Grow sustainable economic returns and resilience from trade, investment and other international connections.
• Asia-Pacific Architecture: Embed New Zealand as an active and integral partner in building Asia-Pacific architecture in support of regional stability and economic integration.
• Pacific: Promote a stable, prosperous and resilient Pacific in which New Zealand’s interests and influence are safeguarded.
• Environment and Climate Change: Promote sustainable international solutions to global environment and natural resource challenges that impact on New Zealand.
• Security and Safety: Lead New Zealand’s international action to advance and protect New Zealanders’ safety and New Zealand’s security.
• International Relationships: Build and leverage targeted international relationships to achieve our goals.

The organisational capability goals set out the critical capability we need to achieve our strategic goals. These are:

• Our People: Build and sustain a happy, healthy and high-performing community, for all.
• Operational Excellence: Enable effective and efficient delivery of Ministry business through fit for purpose and resilient global network, systems and services.
• NZ Connections: Foster mutually beneficial relationships with NZ Inc partners, Māori, domestic stakeholders and New Zealanders.
• Enterprise Performance: Ensure the Ministry delivers the best achievable outcomes for New Zealand from the resources invested in it.

An overview of each goal is set out on pages 16-37, showing:

• Why the goal matters for New Zealand
• The impact we aim to achieve through our ten year outcomes and key results within each of these
• A provisional set of indicators we will use to help measure success against the outcomes and results
• The tangible things we are prioritising for delivery within the next four years, linked to outcomes (priority deliverables)
• The enduring work that the Ministry also undertakes to deliver our outcomes.
**Strategic Framework**

**OUR PURPOSE**

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

**OUR PEOPLE**

New Zealanders have confidence their country can influence others on issues that matter now and in the future.

**INFLUENCE**

New Zealanders have confidence New Zealanders have influence on issues that matter now and in the future.

**KAITIakitanga**

Generations of New Zealanders benefit from the solutions to global and regional challenges.

**NZ CONNECTIONS**

New Zealanders have better job opportunities and incomes from trade, investment and other international connections.

**OPERATIONAL EXCELLENCE**

New Zealanders and businesses benefit from doing business more safely and more efficiently at home and offshore.

**PROSPERITY**

Economic Returns & Resilience

Asia-Pacific Architecture

Environment & Climate Change

Security & Safety

International Relationships

**Our value to New Zealanders**

National Security & Safety

International Rules & Institutions

Economic Returns & Resilience

Asia-Pacific Architecture

Environment & Climate Change

Security & Safety

International Relationships

**Our strategic goals**

Our organisational capability goals
Our Strategic Goals

Strengthen, protect and use international rules and institutions to pursue New Zealand values and interests

Why this matters:

New Zealand’s interests are best served by an international rules-based system where conflict, trans-border and global challenges are addressed effectively.

Having agreed rules, standards and norms that govern international cooperation on peace and security, economic, financial, human rights, and social issues provides stability and certainty. Rules, rather than simply power, provide small, internationally connected countries like New Zealand with protection.

New Zealand funds international organisations to deliver on a global scale and efficiently extend the reach of our actions. When effective, these organisations can achieve positive outcomes, for example in response to humanitarian crises.

The international rules-based system underpins our economic prosperity. We use it to promote values that are important to New Zealanders, to showcase best practice and to share our experiences. We use it to pursue international support that brings benefit to the Pacific.

The United Nations (UN) and other international organisations have unparalleled convening power. They afford us an opportunity to engage and influence at the highest level, and to help us understand and assess the wider international context for New Zealand. While there have been notable successes, the international-rules based system is challenged by long-standing, intractable conflicts, as well as newly emerging issues. Global governance is more contested than ever. Geopolitical changes and the assertion of different values and national interests impact on the primacy and effectiveness of the system. Some parts are working well; others less so.

The multilateral system needs to adapt and change in response. Where there are international rules, we need to work with others to ensure they are respected. Where there are new rules and norms, we need to pursue consistency and high standards. Where institutions are failing to deliver results, we need to seek improvements. In turn, this will help improve the system’s credibility in the eyes of States and their citizens. Our impact is amplified when influential New Zealanders hold key roles in the system.

We advocate for New Zealand’s interests in the governance, priorities and delivery of UN, International Financial Institutions (IFIs) and other international organisations, and treaty regimes;

Promote adherence to international law, rights and norms in our region and globally; Advise on and represent New Zealand in the negotiation of new and amended international rules and norms; Deliver development, humanitarian and other assistance through multilateral organisations; Advise on New Zealand compliance with international obligations and ensure implementation in the Ministry’s areas of responsibility; Identify and address breaches of New Zealand’s international rights; Run NZ Inc candidature campaigns and appropriately support New Zealanders working in international organisations; Coordinate and provide input to reporting on New Zealand’s international obligations (e.g. Sustainable Development Goals (SDGs), Committee on the Elimination of Discrimination against Women, and International Covenant on Economic, Social and Cultural Rights).

We will deliver our 10 year goal and outcomes through these workstreams, and...

...these priority deliverables over 2018 – 2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliverables</th>
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<tbody>
<tr>
<td>2018</td>
<td>Deliver a refreshed Human Rights work plan, including advocating for adherence to UN human rights treaties</td>
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<tr>
<td>2019</td>
<td>Deliver New Zealand’s 2019 Universal Periodic Review in the Human Rights Council</td>
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<tr>
<td>2018</td>
<td>Develop a long-range NZ Inc candidature plans in 2018</td>
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<tr>
<td>2018</td>
<td>Develop and act a NZ Inc policy statement on international cooperation for sustainable development in 2018/19</td>
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<tr>
<td>2018</td>
<td>Seek improvements to UN conflict prevention capability in the Asia-Pacific</td>
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<tr>
<td>2019</td>
<td>Deliver a National Voluntary Report to the UN in 2019 on New Zealand’s progress towards the SDGs</td>
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<tr>
<td>2019</td>
<td>Engage effectively in the 2019 mid-term review of implementation of the SDGs Accelerated Modalities of Action (SAMOA) Pathway</td>
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<tr>
<td>2019</td>
<td>Seek from UN and IFIs an increase in the amount and quality of financing and development activity in the Asia-Pacific</td>
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<tr>
<td>2019</td>
<td>Advocate for the core obligations of the Nuclear Non-Proliferation Treaty through the 2020 treaty review process and for the Treaty on the Prohibition of Nuclear Weapons</td>
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<tr>
<td>2020</td>
<td>Pursue a strategy to maintain the effective functioning of, and compliance with, the WTO Dispute Settlement Mechanism</td>
</tr>
<tr>
<td>2022</td>
<td>Review New Zealand’s core UN system priorities and supporting aid investments</td>
</tr>
</tbody>
</table>
| 2022 | Refresh New Zealand’s humanitarian policy and explore options to deliver a significant International Humanitarian Law initiative.
Economic Returns & Resilience

Why this matters:
Trade and investment are essential for New Zealand’s prosperity and New Zealanders’ standard of living. Overseas markets allow businesses to grow to a scale that could not happen in New Zealand alone. More than 600,000 jobs depend on export markets. High quality foreign investment contributes capital necessary for economic growth and overseas investment helps our businesses obtain greater value from customers offshore.

The dynamic global environment in which New Zealand exporters operate presents opportunities and challenges. The transition to a low-carbon global economy is gathering pace. Digital connectivity is transforming commerce. Protectionism is a growing threat.

MFAT’s trade work contributes to New Zealand’s overall economic strategy and helps realise the Government’s vision of a productive, sustainable and inclusive economy that will be net carbon zero by 2050. Providing secure market access and diversified international connections aligned with wider economic strategy helps make New Zealand companies more competitive and able to increase incomes and jobs. This also makes New Zealand more resilient to change and external shocks.

Public support for open trade and investment is important for New Zealand’s economic success. Greater engagement is needed with New Zealand society on trade and investment policy that responds to their concerns and interests, and delivers demonstrable benefits.

We will deliver our 10 year goal and outcomes through these workstreams, and…

Pursue New Zealand interests through the WTO, including its monitoring, negotiation and dispute settlement roles; Negotiate, promote, implement and enforce free trade agreements (FTAs); Advocate with other governments to resolve Non-Tariff Barriers (NTBs) and other trade problems, including through NZ Inc collaboration; Lead New Zealand trade policy and its contribution to wider New Zealand policy objectives; Undertake trade and economic research and analysis; Provide services, connections and insights to New Zealand business operating overseas; Provide support for trade missions, investment and tourism promotion overseas in collaboration with NZ Inc agencies; Support development of air services, innovation and other economic connections; Protect New Zealand interests and brand in relation to food safety in offshore markets.

…these priority deliverables over 2018 – 2022
1. Implement and capitalise on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), especially in Mexico, Japan, Canada, Peru, in 2019
2. Conclude negotiations on: Singapore Closer Economic Partnership (CEP) Upgrade, China FTA Upgrade and Pacific Alliance FTA; Regional Comprehensive Economic Partnership (RCEP) FTA; ASEAN Australia New Zealand FTA (AANZFTA) General Review and Upgrade; European Union FTA; United Kingdom FTA
3. Progress Mercosur and India bilateral FTA negotiations and Gulf Cooperation Council FTA to entry into force
4. Keep under review when Russia-Customs Union FTA negotiations can resume
5. Develop (and lead co-creation of) progressive and inclusive “Trade for All” Agenda in 2018/19, and implement new trade policy initiatives by 2020
6. Develop attributable measures for shares of services in New Zealand exports and enhanced trade participation of the regions, Māori, women and SMEs by 2019
7. Promote New Zealand’s engagement in forums that can influence international trade policy, including by obtaining biennial invitation to G20 trade workstream by 2020, and advancing Commonwealth Closer Economic Relations by 2022

Our 10 year outcomes and the key results MFAT aims to deliver:

1. Improved and more diverse market access increases export earnings and resilience to shocks
   1.1 Market access for a wider range of higher value New Zealand goods and services exports by market and sector protected and improved
   1.2 More NTBs resolved which have high commercial materiality
   1.3 Opportunities for New Zealand businesses to invest in export markets and use digital trade increased

2. Trade and investment grown in a way that is sustainable and benefits all sectors of New Zealand society and enjoys wider public support
   2.1 New Zealand trade policy contributes to New Zealand’s transition to a sustainable and low emissions global economy
   2.2 Agreements and trade initiatives enhance trade participation of the regions, Māori, women, and small and medium-sized enterprises (SMEs)
   2.3 New Zealand values and sustainability ambition reflected in international trade and investment policy engagement and negotiations

3. International connections strengthen returns to New Zealand from participation in the global economy
   3.1 New Zealand companies able to compete more effectively overseas as a result of services, connections and insights provided by MFAT including through NZ Inc collaboration
   3.2 Increased high quality Foreign Direct Investment attracted to New Zealand

Indicators to help measure success:
1. FTAs cover 80% of New Zealand goods exports by 2028
2. Value of commercially material NTBs resolved by NZ Inc grows by 7.5% compound annual growth rate by 2028/Key Performance Indicators met
3. Successful dispute settlement cases
Why this matters:

For national prosperity and security, New Zealand needs peace and stability in the wider Asia-Pacific region of which we are a part. We can have positive impacts in shaping New Zealand’s environment through actions in regional organisations and bilaterally by working with a broad network of partners on our shared regional interests. We need to maintain a trajectory towards the free flow of goods, services, people and capital within a rules-based trading and economic system. New Zealand has a unique perspective on security and prosperity.

There is, however, considerable flux in the external environment. Geopolitical change in the Asia-Pacific impacts on New Zealand’s economic and security environment. The main trends are complex and interdependent: volatility in the global macro-economy, China’s economic and security environment. The main trends are complex and interdependent: volatility in the global macro-economy, China’s economic and security environment.

While the existing Asia-Pacific architecture delivers greater regional prosperity and security outcomes that advance our interests

1. New Zealand’s hosting of APEC 2021 enhances New Zealand’s reputation and influence as a leader in the region and supports achievement of APEC’s post-2020 Vision
2. New Zealand advocacy and diplomacy in key capitals is effective in encouraging the region’s major powers to remain committed to peaceful, open and cooperative regionalism underpinned by the rule of law
3. The East Asia Summit, centred on ASEAN, is embedded as the leading regional forum for strategic dialogue, valued for its convening authority and delivery of tangible results
4. New Zealand’s contribution and leadership within the Asia-Pacific regional architecture enhances its effectiveness

Our 10 year outcomes and the key results MFAT aims to deliver:

Our 10 year outcomes and the key results MFAT aims to deliver:

1. The existing Asia-Pacific architecture delivers greater regional prosperity and security outcomes that advance our interests

Existing Asia-Pacific architecture

- The benefits identified for the hosting of APEC in 2021 are realised
- Ministers progress our interests effectively at the region’s major political forums in ways that deliver tangible benefits to New Zealand security and prosperity
- Future APEC, EAS and ASEM memberships, themes and agendas reflect New Zealand preferences
- ASEAN centrality is recognised, its voice is heard, and its states are stable, confident and cooperative

2. Emerging Asia-Pacific regional and sub-regional systems include New Zealand, support free and open regional development, and champion the rule of law

Emerging systems

- Expansive Singapore Enhanced Partnership enhances New Zealand’s links with Singapore, Australia and South East Asia
- New Zealand is invited to engage on new regional initiatives at their formative stages
- New Zealand deepens partnership arrangements with Latin America and South Asia

3. Levels of integration and engagement with ASEAN deliver significant benefits to New Zealand in economic and security terms

ASEAN

- Evaluates rate New Zealand development dialogue, policy advocacy, and assistance as targeted, effective, and well matched to our maturing relationships and comparative advantage
- New Zealand’s diplomatic and Track Two resources directly involved in addressing collective regional security and economic issues

We will deliver our 10 year goal and outcomes through these workstreams, and...
Our 10 year outcomes and the key results MFAT aims to deliver:

1. Improved economic and social well-being in Pacific Island countries, which reduces risk for New Zealand and promotes shared prosperity
   1.1 Pacific Island countries make meaningful progress towards achieving the SDGs in areas that New Zealand is supporting
   1.2 Gender equality and women’s empowerment is improved in Pacific countries
   1.3 Unemployment among young people is reduced
   1.4 Two-way trade between New Zealand and the Pacific is increased
   1.5 Mutual benefits from labour mobility are increased
   1.6 The implementation of the Pacific Agreement on Closer Economic Relations (PACER Plus) supports the Pacific’s wider regional and global economic integration

2. A more stable, secure, resilient and well-governed Pacific
   2.1 The Pacific has an enhanced ability to address transboundary security threats
   2.2 Robust national security sectors manage internal security challenges
   2.3 Pacific countries are leading effective humanitarian responses, with support from New Zealand as required
   2.4 Pacific countries have an increased resilience to natural hazards and the impacts of climate change
   2.5 The Pacific can sustainably manage natural resources and protect the environment
   2.6 Pacific states have more effective and accountable institutions and better public services
   2.7 Regional organisations are effective and well-governed

3. A Pacific strategic environment conducive to New Zealand’s interests and values, with our influence as a preferred and prominent partner maintained
   3.1 Strong collaborative Pacific relationships enable effective shared responses to regional challenges
   3.2 External actors engage in the Pacific in a way which promotes the region’s objectives and supports New Zealand’s values
   3.3 Decisions by Pacific Island countries align with New Zealand interests in regional and international fora

Indicators to help measure success:

- **Well-being**
  - Composite measure of SDG progress in Pacific Island countries
  - 8.8.1: Aid for Trade commitments and disbursements
  - 8.8.2: Value of imports and exports between New Zealand and Pacific Island countries
  - Composite assessment of gender progress in Pacific Leaders Gender Equality Declaration
  - 8.6.1: Proportion of youth (aged 15-24 years) not in education, employment or training

- **Security, resilience and governance**
  - 16.3.1: Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms
  - All New Zealand responses to natural disasters in the Pacific are launched within mandated timeframes (No, %)
  - 13.2 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030
  - 14.4.1: Proportion of tuna fish stocks within biologically sustainable levels, in the Pacific
  - Governance and Effectiveness Index (World Bank)

- **Influence**
  - 10.1: Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)
  - New Zealand policy positions are progressed within bilateral and regional relationships
  - Evidence of partnerships between New Zealand and Pacific bilateral partners strengthened
  - = Sustainable Development Goal Indicator

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**Why this matters:**

New Zealand is a Pacific country, linked by history, culture, politics, and demographics. Decisions, actions and events in New Zealand have greater consequence and meaning for the Pacific than any other region. The Pacific, in turn, shapes New Zealand’s identity and influences the safety and prosperity of New Zealand and New Zealanders. This is reflected in the broad range of New Zealand institutions and actors active in the region.

New Zealand is home to significant Pasifika populations and one in ten New Zealanders will identify as being of Pacific Island heritage within a decade. We have close links with Polynesia and constitutional arrangements with the Realm countries. The people of the Cook Islands, Niue and Tokelau share New Zealand citizenship and their improved social and economic well-being reduces risk for New Zealand.

Pacific nations face challenges in achieving the goals set out in the 2030 Agenda for Sustainable Development. Climate change poses an existential threat to some countries in the Pacific and will have wide ranging impacts across the region. Addressing social, economic and environmental challenges is critical to stability and prosperity of the region and Pacific Island countries.

New Zealand’s security is directly affected by the ability of the Pacific to increase resilience, grow sustainable economies, manage conflicts and combat crimes that transgress borders. Transboundary issues such as aviation and maritime security require shared resources and our leadership to support a regional approach.

The increasingly contested strategic environment in the Pacific, with more external players active in the region, creates opportunities and risks for Pacific countries and New Zealand. The perception of New Zealand by Pacific leaders is changing. This reflects a new generation of post-colonial Pacific leaders who are increasingly confident, independent and assertive regionally and internationally.

These trends present opportunities for New Zealand as well as challenging our ability to maintain influence in a region where we have vital interests at stake.

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**We will deliver our 10 year goal and outcomes through these workstreams, and…**

- Deliver and manage New Zealand’s International Development Cooperation in the Pacific; Manage New Zealand’s official engagement with Pacific governments; Influence governments to take decisions aligned with New Zealand interests; Participate in the governance of regional organisations and supporting Ministerial and Prime Ministerial engagement; Cultivate and leverage relationships with key decision-makers in government, business, media, academia, and NGOs; Coordinate engagement with international donors, civil society and non-traditional actors in the Pacific; Lead New Zealand’s response to Pacific emergencies and humanitarian crises; Manage emerging security threats in the region; Fulfil our constitutional commitments to Realm countries; Assess the implications for New Zealand of political, security, economic and social trends and events in the Pacific; Promote New Zealand’s profile, values and interests through public and cultural diplomacy.

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**…these priority deliveries over 2018 – 2022**

- Deliver the 2018/19 implementation plan for the Government’s Pacific reset
- Realise and scale-up New Zealand’s International Development Cooperation programme over the coming triennium
- Deliver the PACER Plus readiness package by 2019 followed by the Economic and Development Cooperation programme
- Negotiate a regional security declaration that reflects New Zealand’s wider security interests at the 2018 Pacific Islands Forum in Nauru
- Develop and implement programme of climate change support over the coming triennium
- Deliver scaled up Pacific Broadcasting Services programme
- Develop and operationalise a strategic framework for youth development over the coming triennium
- Support the Bougainville Peace Agreement process including the referendum on Bougainville’s status scheduled for June 2019
- Monitor and support the 2018 Fiji election process
- Confirm New Zealand’s Pacific Realm policy and reset NZ Inc commitments to Pacific Realm countries by 2020.
Why this matters:

Complex threats to the world’s natural environment pose risks to the security and prosperity of New Zealand, our region and the world. Some threats are acute; others will play out over the medium to long term.

Many of the threats, and the solutions, cut across national borders. The international community has resolved to take action. Six of the 17 Sustainable Development Goals for 2030 are environment focused.

New Zealand is party to the global treaties in place on climate change, biodiversity and other issues. We need to ensure those treaties, and other international action, reflect New Zealand’s economic profile and societal values, which can be different from others. For example, New Zealanders’ opposition to whaling translates into our active engagement on the issue. International responses to these challenges can bring economic costs and also open up opportunities for New Zealand, for example in the transition to a low emissions global economy. We need strong situational awareness of what actions others are taking, to inform New Zealand’s domestic decision-making.

New Zealand has a particular interest due to our geographic location in ensuring that the Pacific and Southern Oceans and Antarctica are effectively governed and sustainably managed. They are currently under threat, including from fisheries and maritime traffic operating outside international rules and norms, and the cumulative impact of marine pollution. There is opportunity for us to help influence and shape action in these near geographies.

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Our 10 year outcomes and the key results MFAT aims to deliver:

1. An effective global response to climate change to which New Zealand responsibility contributes and through which Pacific climate resilience improves
   1.1 The Paris Agreement and other international mechanisms are effective and fairly accommodate New Zealand’s circumstances
   1.2 Pacific climate resilience is improved through multilateral support and finance
   1.3 Robust and effective guidelines for environmental integrity in place that support credible options for international carbon trading

2. Antarctica and New Zealand’s place in it are protected
   2.1 New Zealand sustains a fit for purpose and permanent presence in Antarctica
   2.2 The Antarctic Treaty System ensures the effective governance and management of Antarctica and its environment
   2.3 New Zealand’s specific interests in the Ross Sea region are promoted including through an enhanced leadership role
   2.4 Christchurch continues to be an Antarctic gateway of choice for country partners

3. Better international stewardship of oceans, especially Pacific and Southern Oceans
   3.1 IUU fishing is maintained at zero in the Southern Ocean and reduced in the Pacific
   3.2 Marine pollution, in particular marine plastic debris, is reduced through effective regional and international action
   3.3 Whaling eliminated in the Southern Ocean
   3.4 Harmful fisheries subsidies are eliminated

4. Better international stewardship of biodiversity to halt its global decline and reflecting New Zealand’s national and regional priorities
   4.1 Marine biological diversity of areas beyond national jurisdiction is sustainably conserved and managed, and its benefits are equitably distributed
   4.2 A post-2020 global framework that encourages the reduction of direct pressures on biodiversity and its sustainable use
   4.3 International risk management frameworks keep pace with new technologies designed to protect biodiversity

Indicators to help measure success:

- Climate change
  - New Zealand objectives for Paris guidelines met
  - Pacific initiatives delivered with multilateral climate finance (e.g. Green Climate Fund/Global Environment Fund)
  - International fossil fuel subsidies
  - More countries have agriculture in their Nationally Determined Contributions
  - Linking options with ≥ two international carbon trading schemes

- Antarctica
  - Scott Base re-build delivered on time, within budget, and meeting specifications
  - Partners satisfied with New Zealand’s support and provision of Antarctic services

- Oceans
  - Reduced non-compliance with regional rules by fishing fleets in Antarctic and Pacific fisheries waters
  - Regional (Asia-Pacific) measures and activities to reduce marine pollution
  - Countries opposed to Southern Ocean whaling
  - Global subsidies directed towards fishing inputs

- Biodiversity
  - New marine biodiversity treaty adopted, in force and implemented
  - New Zealand objectives for the post-2020 global biodiversity framework met
  - International rules reflect New Zealand objectives

We will deliver our 10 year goal and outcomes through these workstreams, and…

Advocate for greater international action on climate change, including support and finance that delivers for the Pacific; Negotiate and influence international climate change rules and implementation guidelines; Build and leverage effective coalitions for climate action (e.g. Global Research Alliance); Provide policy leadership for Antarctica, including engagement with NZ inc agencies on logistics, assets and science; Represent New Zealand in Antarctic Treaty System meetings and manage New Zealand activity in Antarctica and the Southern Ocean; Provide assurance and monitoring of Antarctica New Zealand; Pursue the reduction and elimination of illegal, unreported and unregulated (IUU) fishing, harmful fisheries subsidies and whaling; Pursue New Zealand’s interests in key biodiversity forums and negotiations; Pursue New Zealand’s interests in oceans, conservation, chemicals and wastes, and environmental governance and financing.

…and these priority deliverables over 2018 – 2022

1. Pursue Paris implementation guidelines that protect and advance the Agreement and New Zealand interests
2. Develop a strategy for post-2020 climate finance including the Green Climate Fund replenishment, focused on the Pacific
3. Lead international climate-related initiatives on sustainable agriculture, carbon markets, and clean energy
4. Build international support for reducing fossil fuel subsidies including through WTO trade disciplines
5. Provide assurance for Budget 2019 and during the build-phase that Scott Base re-development is fit for purpose and delivers value for money
6. Establish a Ross Sea cooperation framework to increase cooperation between all states operating in the region
7. Establish and implement with others effective research and monitoring for the Ross Sea Region Marine Protected Area
8. Build international support for prohibitions on environmentally harmful subsidies, including to conclude WTO fisheries subsidies negotiation in 2019
New Zealand is navigating an increasingly complex and dynamic international security environment, with greater security challenges and instability in our region and beyond. The rules-based international order – the long-term foundation of New Zealand’s security – is under pressure from state and non-state actors alike. State sovereignty and agreed norms of state behaviour are being increasingly undermined. Growing strategic competition is becoming a greater destabilising influence on global security, particularly in the Asia-Pacific. North Korea’s nuclear capability raises the potential for miscalculation and increases proliferation risks. At the same time, a growth in trans-border security threats, such as malicious cyber actors, foreign espionage and interference, transnational crime, irregular migration and terrorism, all directly impact on New Zealand’s security, as well as placing further pressures on the international system. These pressures erode state sovereignty, amplify other threats and add greater complexity to – and interactions between – national security and foreign policy decision-making.

Why this matters:

In this volatile environment New Zealand needs to be proactive and deliberate in mitigating these security threats. This requires us to take action in response to direct threats to national security. It requires us to broaden and deepen our bilateral security cooperation. And it requires us to advance collective security and defend the rules-based international order through contributions to global peace and security and disarmament initiatives. This is also both an investment in, and expectation of, mutual security relationships and improves our ability to advance other foreign policy interests. Moreover, New Zealanders make more than 2.8 million overseas trips each year, while an estimated one million New Zealanders live abroad. Supporting and protecting those in need offshore is a fundamental part of the Ministry’s business.

We will deliver our 10 year goal and outcomes through these workstreams, and...

Contribute to global counter-terrorism/violent extremism initiatives through coalition, multilateral and bilateral mechanisms; Manage New Zealand’s export controls on strategic goods and contribute to global export control regimes and counter-proliferation efforts; Manage international dimensions of our outer space and cyber interests, and other emerging security risks (e.g. foreign interference); Provide advice on New Zealand’s maritime security interests and irregular migration issues, and build support and capacity in South East Asia to avert mass maritime arrivals in line with New Zealand’s Mass Arrivals Prevention Strategy; Advise government on a broad range of military, diplomatic and development contributions to international security initiatives, including military and other peace support missions;  Provide advice to Ministers and the national security sector on defence, national security and intelligence matters to advance foreign policy interests and/or manage foreign policy risks; Administer security capacity building funds to support New Zealand’s security and foreign policy goals; Advance New Zealand’s global, regional and bilateral security interests through bilateral/multilateral engagement and initiatives on defence, security and disarmament and non-proliferation issues; Deliver consular services, provide travel advice, and respond to significant consular events offshore.

...these priority deliverables over 2018 – 2022

1. Deliver a whole of government counter-terrorism engagement strategy for South East Asia in 2018, implement it in 2018/19, and refresh it in 2020
2. Ensure full effectiveness of the Missile Technology Control Regime as Chair of the group in 2019/20 and as troika member 2018-2021
3. Deliver a robust, refreshed system for managing New Zealand’s Export Control obligations, including through “catch all” controls
4. Deliver and implement a framework of foreign policy measures in response to increasing levels of cyber threats and transnational crime
5. Provide advice to the Government in 2018 on further options to mitigate risks of maritime mass arrivals and implement outcomes in 2018/19
6. Deliver defence, development and diplomatic contributions to support counter-terrorism and counter-violent extremism efforts in the Middle East, particularly in Iraq and Afghanistan
7. Identify New Zealand’s primary security relationships in Asia in 2018 and deliver a strategy for building them in 2019.
We will deliver our 10 year goal and outcomes through these workstreams, and…

Manage New Zealand’s official engagement with other governments and regional organisations; Influence other governments to take decisions aligned with New Zealand interests; Cultivate and leverage relationships with key decision-makers in government, business, media, academia, NGOs and cities; Deliver and leverage New Zealand’s development assistance in countries outside the Pacific and ASEAN states; Promote New Zealand’s profile, values and interests through social/other media and public and cultural diplomacy; Provide advice on the implications for New Zealand of political, security, economic and social trends and events in other countries; Support connections between New Zealand individuals/organisations and international counterparts; Manage New Zealand’s formal diplomatic and consular relations processes; Manage and leverage New Zealand’s network of Honorary Consuls; Support programmes to build New Zealanders’ and public sector capability for operating in Asia/China; Protect and advance evolving conditions for New Zealanders living offshore.

We invest in relationships not for their own sake, but for the outcomes they can secure for New Zealand. This means actively sustaining deep and complex relationships to advance and protect our interests; investing new effort to ‘shift the dial’ in key relationships with influencers on the global stage; and ensuring we have the base of understanding, built through our connections, to identify new opportunities and manage risks.

Why this matters:

Our ability to build and leverage international relationships is central to ensuring New Zealand’s prosperity and security. Global interconnectedness is increasing, driven by trade and investment, people-to-people links, technological developments and the emergence of a global popular culture. At the same time, major power relationships are in transition and centres of economic and geo-strategic weight are shifting. The increasing influence on international relations of individuals, companies and organisations operating outside the ambit of governments adds a further layer of complexity. Against this backdrop we pursue our interests through our connections with others in our region and globally. We maximise our chances of success by working at different levels (fostering and leveraging relationships between leaders, individuals, agencies and institutions) and across different channels (building relationships between governments; securing frameworks for, and actively supporting, trade and business relationships; and encouraging and maximising the positive impact of people-to-people links).

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Our 10 year outcomes and the key results MFAT aims to deliver:

<table>
<thead>
<tr>
<th>OUR 10 YEAR OUTCOMES</th>
<th>KEY RESULTS</th>
</tr>
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<tbody>
<tr>
<td>1. Our diplomacy is aligned to changing global realities</td>
<td>1.1 Our relationships with Australia, the United Kingdom, the European Union and the United States are sustained so that our closest partners support us when we need them.</td>
</tr>
<tr>
<td>1.2 Our comprehensive strategic partnership with China remains on a sound basis to realise benefits, work constructively on mutual interests, and manage risks.</td>
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<tr>
<td>1.3 A deliberate programme of investing discretionary effort grows our relationships with Japan, Singapore, Germany, India and Indonesia, delivering tangible benefits for New Zealand</td>
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Indicators to help measure success:

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>TO HELP MEASURE SUCCESS</th>
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<tbody>
<tr>
<td>Align</td>
<td>Policies of our closest partners take New Zealand interests into account</td>
</tr>
<tr>
<td>1</td>
<td>Evidence of benefit to New Zealand from investment in growth relationships</td>
</tr>
<tr>
<td>Leveraged</td>
<td>Evidence of Strategic Framework results achieved through relationship leveraging</td>
</tr>
<tr>
<td>1</td>
<td>Evidence of MFAT action preserving New Zealand interests and values in managing significant differences</td>
</tr>
<tr>
<td>2</td>
<td>Evidence of benefit to bilateral relationships through leveraging our role as host of APEC21</td>
</tr>
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</table>

1. Develop a framework to help prioritise investment in our international relationships |
2. Secure New Zealand’s interests as Brexit unfolds and embed new United Kingdom relationship architecture |
3. Lift our strategic cooperative partnership with Japan |
4. Implement a negotiated Singapore Enhanced Partnership |
5. Build new and enduring mechanisms to lift our engagement with Germany |
6. Build institutional platforms and relationships for deeper strategic engagement with India |
7. Intensify engagement with Indonesia following the official 60th anniversary year and elevation to Comprehensive Partnership |
8. Maximise the value of hosting APEC21 for our relationships in the Asia-Pacific |
9. Develop and implement an effective approach to transitioning development relationships into broader partnerships |
10. Develop frameworks for the Ministry’s strategic use of data and communication channels |
Our Organisational Capability Goals

Why this matters:

Our people are our greatest asset and through their efforts we will realise our strategic objectives. Our people undertake many roles, across a range of job families, in a number of locations around the world. Together we contribute solutions to global challenges, and help our country and region towards improved prosperity, resilience and security.

In order to achieve the aspirations of One Ministry we must have shared and meaningful values that are contributed to, and owned by all staff as the way we do things and behave in the Ministry. We will build capability to ensure great managers and authentic leaders.

We aspire to be an employer of choice that attracts, retains and helps our country and region towards improved prosperity, together we contribute solutions to global challenges, across a range of job families, in a number of locations around the world. We want all of our people to be highly capable with the right mix of skill and expertise that enables them to be successful in their careers. We will support them by providing high quality feedback, development, leadership and career advice. We will know we have achieved our goal when we have a happy, healthy, high-performing community for all, across all locations and all job families.

1. We have the right people in the right places at the right time
   1.1 Workforce planning enables the Ministry to meet future capability and capacity requirements
   1.2 We achieve clearer alignment of people resources with organisational priorities and are more flexible and agile in accommodating emerging issues and short-term operational needs
   1.3 Flexible and innovative ways of working are standard practice of how we resource roles

2. We develop our people for the future
   2.1 Improved access to development opportunities aligned with talent management gives our staff the skills and expertise to be successful in their current and future roles
   2.2 Investment in building great managers and authentic leaders translates into higher levels of capability in leading staff and managing resources
   2.3 Leaders consistently provide staff with regular, honest and constructive feedback on their performance and appropriately deal with poor performance

3. We care for and value our people
   3.1 Investment in our offshore facilities ensures that, as far as practicable, all our working environments are safe and healthy
   3.2 Changes in our organisational culture increase work-life balance and staff well-being
   3.3 Staff are recognised and rewarded for their good performance and positive behaviours
   3.4 The Ministry’s internal communications are supporting high levels of staff engagement

4. We are diverse and inclusive
   4.1 Valuing and utilising diverse and inclusive thinking, people and behaviours enables the achievement of the Ministry’s goals
   4.2 Our staff reflect the diversity of New Zealand and the countries we work in

5. We live our values, every day, everywhere
   5.1 Our staff embrace our values and this positively influences behaviours
   5.2 We recruit, develop and reward our staff in line with the values

Indicators to help measure success:

1. Workforce planning maturity increases to 80% by 2028
2. Managers report 80% satisfaction rate with the strategies, tools and information to support resourcing decisions by 2028
3. Engagement survey question: “This organisation ensures I am adequately trained for the work I do” increases to 85% by 2028
4. Engagement survey question: “This organisation is committed to the health and safety of its people” increases to 90% by 2028
5. 80% of our offshore buildings meet the New Zealand (or equivalent local) building standards by 2028
6. Staff well-being index increases to 85% by 2028
7. Engagement survey question on open and honest communication increases to 50% by 2020
8. Inclusion index score of 90% by 2028
9. Gender pay gap reduced to zero by 2028
10. Meeting the diversity and inclusion strategy goals and targets
11. People leaders engagement index is within the top 25% of the public sector by 2022
12. Staff engagement index is within the top 25% of New Zealand companies by 2028
13. Flexible working is embedded with a 90% score on engagement survey question "I have the freedom and flexibility I need to do my job effectively" by 2028

We will deliver our 10 year goal and outcomes through these workstreams, and…

Deliver a set of organisational improvement workstreams that support this goal: Manage recruitment, promotion and rotations; Undertake workforce planning requirements; Develop people capability including through learning and development; Manage staff performance and development; Implement talent management frameworks; Provide Human Resources advice and support; Maintain and develop Human Resources policies and processes; Measure and increase employee engagement; Support and deliver internal communications.

…these priority deliverables over 2018 – 2022

1. Design a workforce plan for current and future needs in 2019 and implement it in 2020
2. Develop and implement a leadership strategy in 2019
3. Deliver a health and safety workbook in 2018-2020
4. Deliver a Speak up Safely eco-system in 2018
5. Deliver and implement an internal communication strategy supported by an upgraded intranet (Te Aka) by mid-2020
Enable effective and efficient delivery of Ministry business through fit for purpose and resilient global network and systems/services

CONTRIBUTES TO:

KAITIAKITANGA SECURITY PROSPERITY INFLUENCE

Why this matters:

The Ministry is critically dependent on the quality of our support functions and systems to enable 24/7 delivery of the Ministry’s frontline functions and those of many New Zealand agencies operating offshore. As well as the property portfolio and IT network that enable the Ministry to function as a global organisation, we rely on excellent financial management, commercial, legal, security, facilities, business processes and project management systems, services and advice. Administrative support, visits and events delivery, and representational services onshore and offshore likewise enable the Ministry’s frontline functions.

Evolving government priorities and shifts in the complex global environment require us to be adaptable. Available resources, a drive for greater efficiency and effectiveness, a changing technological landscape along with requirements to comply with legal obligations; All of Government standards and expectations from our international security partners, will also impact on how we operate and service our onshore and offshore networks, physically and virtually.

Rapid changes in the digital age require the Ministry to understand and adopt new technology where possible. Not only will this improve productivity and our engagement with different audiences, it will also mitigate the risks associated with emerging threats such as cyber-crime and terrorism.

External reviews of the Ministry have highlighted the need to ensure that our systems and processes are resilient and fit-for-purpose to keep pace with business needs and expectations of our stakeholders and staff.

We will deliver our 10 year goal and outcomes through these workstreams, and…

Deliver a set of organisational improvement workstreams that enhance operational excellence; Support organisational resilience and business continuity; Provide, maintain, and continually improve operational and business services and systems; Deliver business systems, policies and processes; Conduct business insight, intelligence, monitoring and evaluation; Provide programme and project management standards and support; Provide NZ Inc Agency services; Provide executive, administrative and representational services and other support onshore and at posts; Ongoing management of the Ministry’s financial and capital assets; Support the Ministry’s implementation of best practice and compliance with mandated requirements.

…these priority deliverables over 2018 – 2022

1. Human Resources Information System upgrade
2. Increase business continuity capacity through improved backup and recovery capabilities
3. Deliver the Protective Security Programme, including security awareness training suite
4. Design and deliver a suite of business process training for staff at posts
5. Facilitate the implementation of the refreshed NZ Inc offshore operational model by 2019
7. Implement the new aid management system and business case approach for efficient delivery of the aid programme
8. Establish video conferencing facilities across the Ministry’s network
9. Develop tools to support digitising content for visits and events
10. Develop the Ministry contact database tool by December 2019.

Our 10 year outcomes and the key results MF AT aims to deliver:

1. Our networks, systems and services are adapted to respond to future opportunities and challenges for the Ministry’s business
   1.1 Evolution in our virtual and physical work environments enables staff to work more flexibly and productively as well as securely
   1.2 The Ministry takes full advantage of innovation in digital technology within appropriate security risk parameters
   1.3 Our post network model sustains fit for purpose representation and operations across the range of locations and circumstances we work in
   1.4 Initiatives to improve infrastructure, systems, and processes deliver clear and measurable benefits including for staff and delivery of the Ministry’s strategic goals
   1.5 Our systems and processes are kept resilient to cope with unexpected events

2. Property/IT networks and systems, and operational business services form an effective backbone for 24/7 frontline functions
   2.1 The Ministry’s offshore property portfolio is effectively managed and kept fit for purpose, enabling optimal results to be delivered for New Zealand
   2.2 Fit for purpose, reliable information technology and information management systems/services enable staff in all locations to do their jobs and collaborate with ease
   2.3 Staff and the information and assets for which we are responsible are kept secure
   2.4 The Ministry’s finances are effectively managed and spent efficiently
   2.5 All operational services and systems meet targeted quality standards and are aligned with customer needs
   2.6 Simple operational policy and processes enable staff to work effectively and efficiently
   2.7 Our NZ Inc partners operate and collaborate easily with the Ministry onshore and offshore

3. The Ministry’s operations are legally compliant and meet standard All of Government best practice
   3.1 The Ministry’s offshore property portfolio is effectively managed and kept fit for purpose, enabling optimal results to be delivered for New Zealand
   3.2 The Ministry’s finances are effectively managed and spent efficiently
   3.3 The Ministry’s offshore property portfolio is effectively managed and kept fit for purpose, enabling optimal results to be delivered for New Zealand
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   3.5 The Ministry’s offshore property portfolio is effectively managed and kept fit for purpose, enabling optimal results to be delivered for New Zealand

Indicators to help measure success:

1. Investor Confidence Rating (ICR) Five – Increase Organisational Change Management Maturity to 3.1 (out of 4.0)
2. ICR Six – Maintain Benefits Delivery Performance at 16 (out of 20)
3. Organisational Resilience Assessment One – Increase Asset Management Maturity to 83%
4. ICR Two – Increase NZFIPM portfolio and project level maturity to 3.0 (out of 5.0)
5. ICR Four – Increase Procurement Capability Index maturity to 3.8 (out of 4.0)
6. ICR Seven – Maintain Project Delivery Performance at 10 (out of 10)
7. ICR Eight – Maintain Asset Performance at 10 (out of 10)
8. Level of agreement to the question “This organisation’s systems and processes allow me to do my job effectively” in the Employee Engagement Survey to reach public sector top 25% benchmark
9. Score in the MFAT Internal Client Satisfaction Survey maintained at 4 or above
10. Agency Services Survey satisfaction scores maintained at 3.5 or above
11. ICR Nine – Increase System Performance (compliance) to 4 (out of 5.0)
12. Audit Management rating maintained at ‘Good’ or above
13. Year-on-year improvements towards Protective Security Requirements self-assessment targets
14. Privacy self-assessment ratings
Foster mutually beneficial relationships with NZ Inc partners, Māori, domestic stakeholders and New Zealanders

CONTRIBUTES TO:

KAITIAKITANGA SECURITY PROSPERITY INFLUENCE

Why this matters:

To successfully deliver its strategic objectives the Ministry needs to be well grounded in, connected to and informed by New Zealand’s society and economy.

As a small connected country, a joined up approach can amplify New Zealand’s influence overseas through smart connections and mutually beneficial partnerships.

Our domestic partners expect government agencies to be proactive, transparent, interactive and collaborative in their relationships and engage in genuine two-way conversations.

Benefits of stronger connections include:

• high quality policy and advice and better understanding of issues, risks and opportunities
• authentic partnership with Māori and deeper understanding of mātauranga Māori and its contribution to the Ministry’s work
• enhanced collaboration with NZ Inc partners
• enhanced reputation, influence and social licence.

The Ministry’s stakeholder research and external reviews suggest there is room for improvement in the style and depth of our engagement with New Zealand government agencies, Māori, domestic stakeholders (including the business sector, civil society, Pasifika and Asian communities and academia) and the New Zealand public. Our existing domestic engagement is improving, but there is scope to be more systematic, customer focused and interactive.

Ultimately, building strong connections will underpin the Ministry’s ability to lead the delivery of results in international relations, development and trade.

We will deliver our 10 year goal and outcomes through these workstreams, and…

Provide strategic leadership for and coordinate with NZ Inc agencies in New Zealand and offshore to support all strategic goals; Engage with Māori and non-government stakeholders to support all strategic goals; Communicate the Ministry’s work to the New Zealand public through campaigns, digital tools and media; Provide information on Ministry activities and outcomes to the New Zealand public; Provide tools, training and systems to support relationship management organisational capability; Deliver a set of organisational improvement workstreams that enhance our New Zealand connections.

…these priority deliverables over 2018 – 2022

1. Develop and implement a NZ Inc engagement strategy by 2022
2. Complete implementation of the Māori Engagement Strategy by 2021
3. Embed Ministry-wide processes for stakeholder engagement by June 2019
4. Undertake strategic outreach campaigns around benefits of trade, our role in the Pacific and environment issues by December 2019
5. Deliver a programme of effective New Zealand engagement by Heads of mission.

Our 10 year outcomes and the key results MFAT aims to deliver:

1. Effective leadership and partnership enhances NZ Inc delivery of the government’s international objectives
   1.1 MFAT’s leadership enables a high-functioning New Zealand government team
   1.2 MFAT works as a team player with NZ Inc agencies on shared objectives
   1.3 Domestic policy is informed by the international context and takes into account New Zealand’s international objectives

2. Māori interests and New Zealand’s Māori identity are understood and embedded in our work
   2.1 The Ministry is delivering on its duties as a Treaty partner with authenticity and integrity
   2.2 Māori interests are being advanced in our international work

3. Mature and sustainable relationships with New Zealand domestic stakeholders enhances the Ministry’s policy development and international engagement and reputation
   3.1 The Ministry has professional and co-ordinated processes for engaging with domestic stakeholders
   3.2 The Ministry is attuned to the values and issues that matter to domestic stakeholders
   3.3 The Ministry works in partnership with domestic stakeholders to deliver mutually beneficial results

4. MFAT has raised understanding and support among the New Zealand public for New Zealand’s international objectives and the work we do
   4.1 The Ministry’s reputation with New Zealanders has improved and social licence to operate on behalf of the government is enhanced
   4.2 The Ministry’s value to New Zealanders is better demonstrated and understood
   4.3 New Zealand publics are satisfied with their participation in MFAT-led consultations, initiatives and hui and with how the Ministry responds to inquiries
   4.4 Public has easy access to accurate and relevant information about New Zealand’s international relations, development and trade policies and activities

Indicators to help measure success:

NZ Inc
• Ratings for leadership and collaboration from NZ Inc agencies
• Evidence of MFAT advice informing domestic decision-making, particularly in relation to a) Pacific policy areas targeted for post reporting

Māori
• Confidence of Māori in their partnership with the Ministry
• MFAT staff who are able to apply mātauranga Māori in their work

Domestic stakeholders
• Domestic stakeholders satisfaction with engagement with MFAT

Public understanding and support
• Ministry reputation measures (leadership, trust, fairness, social responsibility)
• Understanding of Ministry’s role and what it delivers for New Zealanders
• Visit numbers and user satisfaction with MFAT’s websites and social media platforms
• Timeliness of response to Official Information Act requests and ministerials

All outcomes
• Stakeholder satisfaction with MFAT’s effectiveness representing New Zealand interests
• Evidence of engagement and consultation improving the quality of MFAT’s policy advice, as measured by the New Zealand Institute of Economic Research review and Department of the Prime Minister and Cabinet policy capability maturity assessment
Ensure the Ministry delivers the best achievable outcomes for New Zealand from the resources invested in it

Why this matters:

Enterprise performance is about how we lead, assess and organise ourselves. Good enterprise performance creates the platform for achieving our strategic outcomes and for operational excellence. It should mean that our delivery as an organisation is more than the sum of our parts (our business units onshore and offshore). Fundamental to enterprise performance is how we navigate the complex and changing context in which we seek to achieve our outcomes – and evaluate our success. Fundamental too are the investment decisions we make – we need to have the right people and resources in the right place at the right time. Our enterprise performance is underpinned by our leadership, including our organisational strategies and frameworks.

The Government has ambitious goals for our foreign, trade and development achievements. It expects the Ministry’s enterprise performance to be deliberate and consistent and to result in optimal outcomes being achieved within the taxpayer funding provided. The Ministry is also expected to participate in and be responsive to systems for driving government agencies’ performance, in particular the Performance Improvement Framework (PIF).

If stakeholders view MFAT as a successful organisation, they are more likely to work with and support us, which in turn further lifts our enterprise performance. Similarly, if staff consider they are able to achieve because of (rather than despite) the way the Ministry is led and organised, their performance further lifts our enterprise performance.

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Our 10 year outcomes and the key results MFAT aims to deliver:

1. Strong strategic performance means MFAT delivers demonstrable results in changing international and domestic contexts
   1.1 Strategic planning, performance and risk management are aligned
   1.2 Our Strategic Framework is founded on a programme of strategic assessment
   1.3 We compellingly demonstrate the impact of the Ministry’s work
   1.4 Systematic approaches to monitoring and evaluating our performance improve our decision-making, learning, accountability and communication

2. MFAT’s investment of resources is grounded in our Strategic Framework and a strong evidence base
   2.1 Our Long Term Investment Plan supports delivery of our strategic outcomes now and in the future
   2.2 Decisions on strategic prioritisation and resource allocation are underpinned by assessments of benefits and impact, and consistent evidence-based frameworks
   2.3 Benefits of investments are systematically identified, monitored and evaluated

3. MFAT’s excellence in governance, leadership and management ensures we achieve our strategic outcomes and meet all legal obligations and public sector requirements
   3.1 Well-considered, quality decisions are taken in a timely fashion by the appropriate person or body
   3.2 Risk is identified, mitigated and managed in ways that are proportionate to its potential impact and that support innovation
   3.3 A culture of sustained organisational improvement and adaptive change lifts our enterprise performance
   3.4 Our organisational strategies and frameworks drive performance and allow the Ministry to operate as a modern organisation

We will deliver our 10 year goal and outcomes through these workstreams, and…

Plan, monitor and evaluate the Ministry’s work and performance, including aid programme evaluation; Undertake high-level strategy development and strategic assessment, and support policy quality; Plan, manage and account for the Ministry’s portfolio of investments; Undertake internal audits; Apply and manage the risk management system; Lead, participate in and support governance at organisational level and for individual programmes and projects; Discharge line management responsibilities and provide management support to Ministry leaders; Develop organisational strategies and frameworks; Discharge the Ministry’s performance and compliance reporting responsibilities; Deliver a set of organisational improvement workstreams that support this goal.

…the priority deliverables over 2018 – 2022

1. Embed a Ministry-wide approach to evaluating performance by the end of 2021
2. Embed a Ministry-wide Foreign Policy Framework by December 2019
3. Full update of the Long Term Investment Plan by December 2018
4. Develop a benefits framework by December 2019
5. Implement Footprint Plan Framework by June 2019
6. Create an organisational strategy development and review programme by December 2019
7. Complete the risk management maturity programme by June 2019.

Indicators to help measure success:

Strategic performance
- PIF ratings for Results (governance priorities and core business); Review, and Purpose, Vision and Strategy
- Areas of our work where systematic performance evaluation occurs
- Positive stakeholder feedback on strategic framing and relative prioritisation
- Progress towards policy maturity target

Investment
- Investor Confidence Rating (ICR) of ‘A’ maintained
- ICR Three – Increase in the quality of the Long Term Investment Plan to 6.0 (out of 10)
- PIF recommendations relating to investment and prioritisation
- Application of Better Business Case methodology

Governance, leadership and management
- PIF ratings for Leadership and Direction
- Internal Control Assessment of Departments overall ratings
- Risk maturity rating
- Positive staff and manager feedback on decision-making
- Environment, Systems and Controls audit rating of good
Managing our functions and operations

Our governance framework

The Governance Framework is a mechanism for exercising strategic leadership of the Ministry and overseeing its organisational performance. The framework privileges the long-term over the immediate, and allocates responsibilities and resources to develop, implement and enable strategic performance, and to deliver Ministry operational outputs. Collectively, the framework refers to the MFAT Board and its committees – the Strategy & Policy Committee, the Coordination & Performance Committee and the Resources Committee. It is a mechanism for making organisational-level decisions; prioritising effort and investment; providing assurance that key programmes and activities are being delivered as planned; and providing advice on matters of organisational significance.

The three committees take decisions and provide direction to the Ministry, and provide assurance and advice to the MFAT Board. Among them, they oversee the development of strategy and policy, investment and resource allocation, and review delivery, risk and performance.

Managing risk

At its heart the purpose of risk management is to ensure the key potential impediments to long-term strategies and goals are identified early and that the appropriate interventions are made to mitigate these. The Ministry’s approach to risk management is based on international risk management standards, and has been designed to be both holistic and add value to fit our context. It is holistic because it considers both organisational risks and strategic policy risks. It adds value because risk management is fundamentally positioned in the Ministry as an enabler; it is designed to facilitate better decision-making in pursuit of opportunities, rather than the traditional risk management approach which privileges caution at the expense of innovation and progress.

Risk management at the Ministry sits at the juncture between good governance and strategic performance, and assists and enables both. In order to do so effectively, the Ministry has been on a risk maturity journey and is currently in its final stages of aligning with the Ministry’s Strategic Framework. Once fully aligned, risk management will both affect and be affected by the performance monitoring of plans, deliverables and outcomes with the Ministry’s Strategic Framework. Once fully aligned, risk management will both affect and be affected by the performance monitoring of plans, deliverables and outcomes with the Ministry’s Strategic Framework.

Driving strategic performance

The Ministry has robust systems in place to ensure we deliver on our Strategic Framework. The diagram below outlines our model for strategic planning, delivery, and performance reporting, linked to our governance framework.

Each goal is sponsored by a Senior Responsible Owner (SRO) who is also a member of the Senior Leadership Team. SROs are accountable for the delivery of goal outcomes. Goal plans are in place to support the successful delivery of our goals. Plans provide a roadmap of how the SRO intends to deliver on the goal over ten, four and one-year horizons. The plans include the deliverables that the Ministry will prioritise over the next four years, and associated activities and resources required, to deliver on the outcomes and results in the goal.

Drawn from the priority deliverables, the ‘top ten’ priorities have been identified for 2018/19. These receive greater governance oversight to ensure they are successfully delivered.

Goal risk registers are also in place. These include the key risks that have the potential to impact on the goal and treatments to manage the risks.

Business planning cascades the Strategic Framework into unit business plans and individual performance and development plans.

The Ministry is implementing a refined approach to monitoring performance against the Strategic Framework. The approach will drive delivery of the priority deliverables through quarterly monitoring and assess the impact the Ministry is making over the longer horizon annually. The goal risk registers will also be reviewed each quarter.

The Ministry will establish an evaluation function extending beyond the New Zealand Aid Programme in 2018/19, to evaluate the wider organisation’s delivery of results and value to New Zealand.

Delivery of New Zealand Aid Programme and Pacific foreign policy

Complementing Ministry-wide planning, long-term strategies for the Pacific have been developed to provide guidance for New Zealand’s foreign policy for all of our major bilateral partners in the region. The Ministry is updating country plans, forward aid plans and joint commitments to reflect a more integrated approach to development cooperation and foreign policy in the Pacific.

A business case approach has been adopted to improve design and implementation of development activities. The approach promotes planning and investing for outcomes, ensuring early collaboration between stakeholders, and evidence-based decision-making.

Cross-group and cross-agency governing boards are being established to support governance of the New Zealand Aid Programme and Pacific foreign policy. These boards will assess business cases and monitor the risk and performance of our programmes.
Organisational improvement programme

The Ministry has an organisational improvement programme under way to ensure we continuously lift our performance and agility in delivering on our strategic goals.

The three organisational improvement priorities for 2018 are:

• implementing our refreshed organisational values,
• implementing our Diversity and Inclusion Strategy to deliver a more diverse workforce and inclusive workplace, and
• improving our engagement with New Zealand stakeholders.

The Ministry is also implementing a continuous improvement programme to transform the delivery of the New Zealand Aid Programme and New Zealand’s Pacific policy.

Work is continuing on improving the quality and timeliness of New Zealand’s aid delivery. We are building business intelligence and programme management tools, applying Lean principles to aid management processes and methodologies, and improving early engagement with implementing partners.

Release and dissemination of publicly available information

We want to be seen as an effective communicator in releasing and disseminating our information proactively and publicly, where possible. We will seek to achieve this by releasing high-value public data for reuse, and making more of our other information publicly available, in accordance with the Declaration on Open and Transparent Government.

Diversity and Inclusion

The Ministry’s ten-year Diversity and Inclusion Strategy is designed to grow the diversity of our workforce and the inclusiveness of our workplace. The Ministry aspires to be a workplace that values and utilises diverse and inclusive thinking, people and behaviours. We want our staff to reflect the diversity of New Zealand and the countries we work in. At the core of our ambition is a focus on leadership, talent, training and development, and flexible work options. We want to demonstrate to our global partners and to New Zealanders that the Ministry represents the aspirations of the country we represent: a tolerant, diverse, inclusive and welcoming society.

Asset portfolio

The Ministry’s $642 million asset base comprises property (84%), information and communications technology assets (14%) and motor vehicles (less than 2%).

The Ministry actively manages a portfolio of 286 owned and leased properties around the world to support the Ministry’s goals.

Asset investment management

The Ministry’s Long Term Investment Plan 2019 will outline the Ministry’s investment direction over the next ten years in line with the Ministry’s Strategic Framework. It includes planned investments in capital and capital-like assets and the financial impact of these intentions.

This will integrate the functional-level strategies such as the Global Property Asset Report and the Workplace Strategy, Information Systems Strategic Plan and Security Strategy.

A new cross-functional prioritisation framework, based on an orthodox approach to portfolio prioritisation, is intended to improve the quality and transparency of investment management.

All capital investment decisions over $250,000, whether for replacement or refurbishment of an existing asset or investment in a new asset, are approved by the delegated authority following endorsement by the Resources Committee. The Better Business Case model is used for major investment proposals.

We will continue to improve our investment management systems and processes.
The Ministry’s property asset management framework is based on a suite of three, tiered asset management plans:

- Global Property Asset Report
- Regional Asset Management Plans
- Post Asset Management Plans.

This framework offers a consistent and transparent approach to asset management, planning and life-cycle management. The asset management strategy is based on three enduring asset management principles that link to the Ministry’s Strategic Framework:

- Increase fit-for-purpose and operational alignment of every asset toward a target state determined by operational requirements
- Build resilience into property assets and adapt to new ways of working and changing operational priorities
- Reduce the whole-of-life cost of ownership through robust asset management disciplines and performance monitoring.

Asset management improvement initiatives include development of an integrated asset management policy, and greater alignment of assets and performance standards with business strategy through footprint planning. This is supported by the recent implementation of an Asset Information Management System with all asset information in one place available globally.

### Information and communications technology

The Ministry’s Information Systems Strategic Plan describes the future direction of investment in information and communications technology assets. It seeks to develop and deliver a portfolio of initiatives that digitally enable the Ministry to meet its business needs.

The Ministry uses a balanced scorecard framework to ensure the tools, solutions and services provided meet the ongoing needs of the Ministry. ICT investment priorities centre on replacing obsolescent assets, and delivering new services that support the Ministry better to deliver its strategic and organisational capability goals.

### Investment plan

The Ministry is planning to invest capital of over $626 million over the period of our 10 year plan. Approximately 76% of forecast investment is in Property ($477 million), and a quarter is in ICT software and hardware ($149 million).

Asset management improvement initiatives include development of an integrated asset management policy, and greater alignment of assets and performance standards with business strategy through footprint planning. This is supported by the recent implementation of an Asset Information Management System with all asset information in one place available globally.

### Major capital projects planned or under way 2018–2022

The following table lists major capital expenditure projects that are planned or under way over the next four years. ‘Major’ is defined as IT and business system projects over $1 million and property projects over $4 million.

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<td><strong>Property Projects</strong></td>
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<td>New posts</td>
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<td>Stockholm</td>
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<td>Leased chancery relocation fit-outs</td>
<td>Addis Ababa</td>
<td>Moscow</td>
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<td>Chancery building construction</td>
<td>Honiara</td>
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<tr>
<td>Chancery refurbishment/infrastructure upgrade</td>
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<td>New post</td>
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<td>Official Residence upgrades</td>
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<td>Staff housing</td>
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<td>Information Technology and Business System Projects</td>
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<td>Information Technology and Business Systems</td>
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<td>Information Technology Network Maintenance Programme</td>
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<td>Information Technology Software Maintenance Programme</td>
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<td>Information Technology Systems Maintenance Programme</td>
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<td>Expense Management System (Phase 2)</td>
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<td>Financial Management Information System centralisation/upgrade</td>
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<td>Integrated and upgraded Aid Management System - Enquire (Release 2)</td>
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<td>Integrated and upgraded Aid Management System - Enquire (Release 3)</td>
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<tr>
<td>Data centre - Ozone</td>
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<td>Human Resources Information System upgrade</td>
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<td>Video conferencing project (Phase 1)</td>
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### Forecast details of departmental capital expenditure for the period 2018–2022

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<tr>
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<th>2018/19 $000</th>
<th>2019/20 $000</th>
<th>2020/21 $000</th>
<th>2021/22 $000</th>
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<tr>
<td>Buildings</td>
<td>30,636</td>
<td>23,254</td>
<td>14,214</td>
<td>27,497</td>
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<tr>
<td>Plant and equipment</td>
<td>5,174</td>
<td>4,582</td>
<td>3,449</td>
<td>3,203</td>
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<tr>
<td>Furniture and fittings</td>
<td>20,949</td>
<td>28,493</td>
<td>19,962</td>
<td>19,231</td>
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<tr>
<td>Motor vehicles</td>
<td>1,603</td>
<td>1,855</td>
<td>1,462</td>
<td>1,251</td>
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<tr>
<td>Computer hardware</td>
<td>4,343</td>
<td>4,654</td>
<td>3,467</td>
<td>3,006</td>
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<tr>
<td>Computer software</td>
<td>9,968</td>
<td>6,168</td>
<td>5,240</td>
<td>3,050</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>72,673</strong></td>
<td><strong>69,006</strong></td>
<td><strong>47,794</strong></td>
<td><strong>57,238</strong></td>
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