



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

Pūrongo ā-Tau Annual Report

2022-23



Our purpose

The Ministry acts in the world to build a safer, more prosperous and more sustainable future for New Zealanders.

Te Tiriti o Waitangi

Te Tiriti o Waitangi is at the core of what we do and how we work. The Treaty/Te Tiriti and its principles are woven into our approach to foreign policy.

Our values

Our values guide how we interact with people inside and outside of the Ministry. They also reflect to our global partners and to New Zealanders the qualities of the country we represent: a tolerant, diverse, inclusive, and welcoming society.

Tā mātou kaupapa

Ko tā te Manatū nei he mahi ki te ao hei hanga i te anamata he haumaruru ake, he taurikura ake, he toitū ake mō te hunga nō Aotearoa.

Te Tiriti o Waitangi

Ko te Tiriti o Waitangi kei te iho o ā mātou mahi, o te āhua o tā mātou mahi hoki. Kua whirihia te Tiriti me ōna mātāpono ki tō mātou aronga ki te kaupapa here ā-ao.

Ō mātou uara

E ārahi ana ā mātou uara i tā mātou pāhekoheko ki ngā tāngata ki roto, ki waho hoki i te Manatū. E whakaaturia ana hoki ki ō mātou hoa ā-ao, ki te hunga nō Aotearoa anō hoki, ngā āhuatanga o te motu e whakakanohitia ana e mātou: arā, he pāpori manawanui, he mea kanorau, he mea whakauruuru, he mea rāhiri anō hoki.



Impact

We achieve for Aotearoa New Zealand, every day, everywhere



Courage

We do the right thing



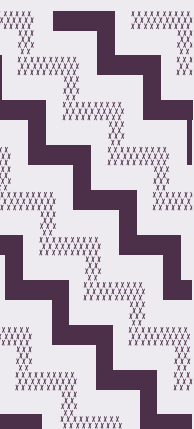
Kotahitanga

We draw strength from our diversity



Manaakitanga

We honour and respect others



The cover pattern 'Poutama' is derived from the tukutuku panels in Te Whare Aorere (the Ministry's Whare inside our Wellington headquarters) and our Pacific region.


Our patterns reflect who we are and where we are in the world. The poutama (steps) represent many things in the Māori world. In the cosmological sense, it represents the path taken by Tane Mahuta to the uppermost heaven in his quest for the baskets of knowledge. In the secular sense, it represents the steps taken with education, advancement, planning and success.

Welcome to our 2022-23 report

This document contains two reports that collectively provide information on the performance of the Ministry of Foreign Affairs and Trade. The Annual Report details our performance during the 2022–23 financial year in meeting our Strategic Goals. The report on the International Development Cooperation (IDC) non-departmental appropriation within Vote Foreign Affairs provides results from across the IDC programme.

The objectives of our Annual Report are to:

- Communicate our purpose and commitments to New Zealand and our stakeholders.
- Recognise the significant achievement of our staff.
- Demonstrate our ability to deliver on tangible outcomes for New Zealand.
- Report on our performance in delivering our strategic priorities and other key achievements.
- Demonstrate our commitment to accountable and transparent governance.
- Meet the statutory requirements in accordance with the Public Finance Act 1989.



Ministry of Foreign Affairs and Trade Annual Report 2022–23

P2

This document provides an overview of the Ministry of Foreign Affairs and Trade's operations and performance for the 2022–23 financial year.

Presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.



Annex 2: Minister of Foreign Affairs' report on the International Development Cooperation non-departmental appropriation within Vote Foreign Affairs 2022–23

P207

This document provides results from across the International Development Cooperation (IDC) programme.

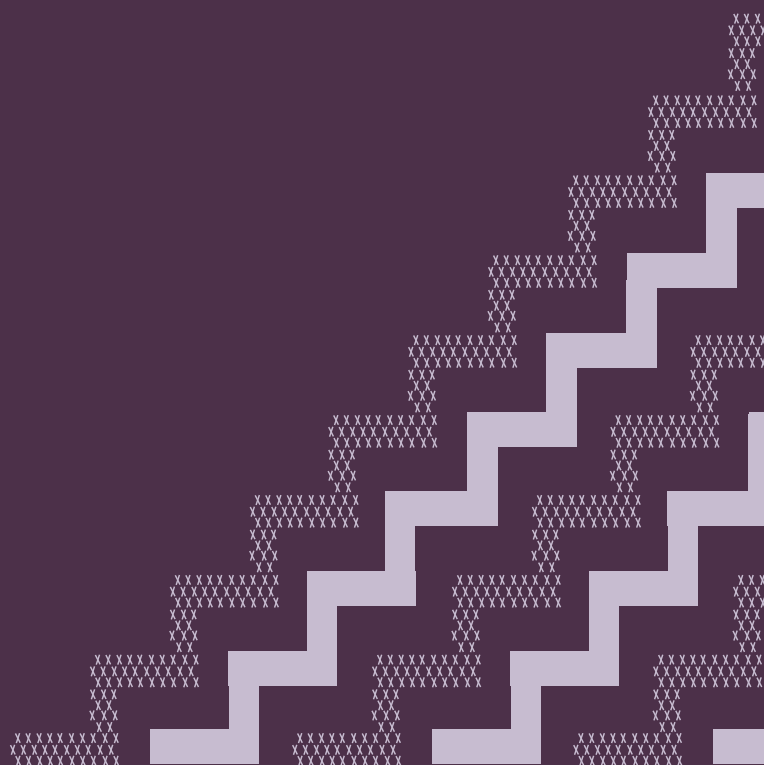
Presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.



Ministry of Foreign Affairs and Trade Annual Report 2022–23

This Annual Report details our performance during the 2022–23 financial year in meeting our strategic goals.

It describes our achievements over the past year and the challenges we have faced.



Contents

Nga Ihirangi






Report structure	5
Who we are	5
The Treaty of Waitangi/Te Tiriti o Waitangi	6
Our history at a glance	8
SUMMARY OF OUR YEAR	13
Chief Executive foreword	14
Our highlights – Ā mātou mahi hira	18
The Ministry at a glance – He paku tirohanga ki Te Manatū	20
A shifting strategic context – He horopaki rautaki nekeneke	21
Our Strategic Framework	22
OUR GOALS AND PERFORMANCE	25
At a glance	28
Budget significant initiatives	31
01 International Rules & Institutions	33
02 Economic Returns & Resilience	41
03 Indo-Pacific	47
04 Pacific	52
05 Climate Change & Environment	62
06 Security & Safety	68
07 International Relationships	74
08 NZ Connections	80
09 Organisational Foundations	91
ORGANISATIONAL HEALTH AND CAPABILITY	97
Diversity, equity, and inclusion	98
Health, safety, and well-being	102
Organisational sustainability	104
STATEMENTS AND SCHEDULES	108
STATEMENT OF RESPONSIBILITY	109
STATEMENT OF PERFORMANCE	110
Our Outcome Indicators	115
Our Output Measures	118
How we performed against our output measures	119

FINANCIAL STATEMENTS DEPARTMENTAL	<u>145</u>
Non-departmental Statement of Performance	<u>171</u>
Our Legal Responsibilities	<u>186</u>
INDEPENDENT AUDITOR’S REPORT	<u>188</u>
ADDITIONAL INFORMATION	<u>193</u>
Diplomatic Immunity Cases	<u>194</u>
Asset Performance	<u>195</u>
Our Structure and Governance	<u>198</u>
GLOSSARY	<u>201</u>
ANNEX 1: Minister of Foreign Affairs’ report on the non-departmental statement of performance	<u>204</u>

ANNEX 2: MINISTER OF FOREIGN AFFAIRS’ REPORT ON THE INTERNATIONAL DEVELOPMENT COOPERATION NON-DEPARTMENTAL APPROPRIATION WITHIN VOTE FOREIGN AFFAIRS 2022-23	<u>207</u>
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Report structure

Hanganga Pūrongo

-  Summary of our year for 2022–23 can be found on [pages 13 to 23](#). This section provides a snapshot of our highlights and key achievements of the Ministry.
-  Our goals and performance section reports on our performance in delivering our strategic priorities, with case studies demonstrating how we deliver on tangible outcomes. This is on [pages 25 to 95](#).
-  In the Organisational health and capability section on [pages 97 to 106](#), we cover our commitment towards diversity, equity, and inclusion, our staff health, safety, and well-being, and our organisational sustainability.
-  The Statements and schedules section on [pages 108 to 185](#) details how we performed this year against key measures, our expenses, and capital spending against our appropriation.
-  Read Additional information, including our legal responsibilities, our governance and a glossary of key terms used in this report on [pages 193 to 203](#).

Who we are

The Ministry of Foreign Affairs and Trade (MFAT) acts in the world to build a safer, more prosperous, and more sustainable future for all New Zealanders. We hold values that guide the way we interact with people within and beyond the Ministry. These values demonstrate to our regional and global partners, and to New Zealanders, the qualities of the country we represent: a tolerant, diverse, open, inclusive, and welcoming society.

In line with our purpose, we pursue outcomes that protect and advance New Zealand's value and interests:

- A rule-based international system that supports New Zealand's priorities.
- A security environment that keeps New Zealand's people and activities safe.
- International conditions and connections that enable New Zealanders to prosper.
- Global action on sustainability issues that matter to New Zealand.

Ko wai mātou

Ko tā Manatū Aorere he mahi ki te ao hei hanga i te anamata he haumaruru ake, he taurikura ake, he toitū ake mō te hunga nō Aotearoa. Ka whai mātou i ngā uara e ārahi ana i te āhua o ā mātou whakawhiti kōrero ki ngā tāngata i roto, i waho hoki o Te Manatū. Ka whakaatu ēnei uara ki ō mātou hoa ā-motu, ā-ao hoki, me ngā tāngata o Aotearoa, i ngā āhuatanga o te motu e whakakanohitia ana e mātou: he porihanga ngāwari, he kanorau, he tuwhera, he kauawhi, manaaki hoki.

E hāngai ana ki tō mātou take, e whai ana mātou i ngā hua ka whakahaumaruru ai, ka kōkiri ai i te uara, i ngā pānga o Aotearoa:

- Arā he pūnaha ā-ao pūtaka-ture e tautoko ana i ngā whakaarotau o Aotearoa.
- He taiao haumaruru e mau ai te haumaruru o te hunga nō Aotearoa, o ngā mahi anō hoki.
- Ngā āhuatanga ā-ao me ngā hononga e mātua whakarite ana kia puāwai ngā tāngata o Aotearoa.
- He mahi ā-ao mō ngā take toitū e whaitake ana ki a Aotearoa.



Manatū Aorere (MFAT) took another step in strengthening its Tiriti o Waitangi partnerships by signing a Memorandum of Understanding (MOU) with the Federation of Māori Authorities (FOMA).

From left to right: Deputy Chair Liz Mellish MNZM, MFAT Chief Executive and Secretary Chris Seed, and Deputy Chief Executive Policy Ben King. Credit: MFAT.

The Treaty of Waitangi

The Treaty of Waitangi/Te Tiriti o Waitangi¹ sets out a partnership framework between Māori and the Crown, and the Treaty/Te Tiriti and its principles are woven into our approach to foreign policy.

As the Ministry is a public service department, in accordance with the Public Service Act 2020 the Ministry supports the Crown in its relationships with Māori under the Treaty of Waitangi/Te Tiriti o Waitangi. The Ministry has ongoing commitments to deliver on our obligations as a Treaty/Te Tiriti partner with authenticity and integrity, including through appropriate engagement with Māori, strengthening partnerships, and ensuring that Māori rights and interests are actively identified, and that appropriate steps are taken to protect them.

1 Te Tiriti in this document refers to all versions of Te Tiriti o Waitangi – in te reo Māori and English.

Te Tiriti o Waitangi

E whakatakotoria ana e te Tiriti o Waitangi² tētahi pou tarāwaho houruatanga i waenga i a ngāi Māori me te Karauna, ā, e tukuna ana te tūāpapa mō tō Aotearoa aronga ki te kaupapa here ā-ao.

Nā te mea he tari ratonga tūmatanui te Manatū, e ai ki te Public Service Act 2020, e tautoko ana te Manatū i te Karauna i roto i ōna hononga ki a ngāi Māori ki raro i te Tiriti o Waitangi. Kei te Manatū he takohanga haere tonu hei whakatinana i ā mātou kawenga hei hoa Tiriti i runga i te ngākau tūturu, i te ngākau tapatahi hoki, kei roto nei ko te tūhononga tika ki a ngāi Māori, ko te whakapakari i ngā houruatanga, ko

2 I tēnei tuhinga e kōrero ana Te Tiriti ki ngā putanga katoa o Te Tiriti o Waitangi – ki te reo Māori, ki te reo Ingarihi anō hoki.

The Treaty/Te Tiriti and New Zealand’s bicultural experience also help to shape our unique national identity. The Ministry’s work is guided by values that derive from Te Ao Māori – manaakitanga³, kotahitanga⁴, kaitiakitanga⁵, and whanaungatanga⁶.

In this way, the Treaty/Te Tiriti integrated into our established ‘International Foreign Policy’ framework offers a unique foreign policy foundation, where respect and equality between peoples and countries are recognised, and where relationships are exercised in ways that affirm kāwanatanga and tino rangatiratanga.

The Māori-Crown relationship therefore shapes and informs the goals outlined in the [Ministry’s Strategic Framework](#) (see p. 22).

Throughout the year, the Ministry continued to reflect Māori views and interests in our work. The establishment of Te Hurumanu Māori Partnership Group was a significant development (see [Case study: Te Hurumanu Māori Partnership Group](#), p. 89).

The Ministry continued to deepen its engagement with Treaty partner representative groups – Ngā Toki Whakarururanga, Te Taumata, FOMA, and the National Iwi Chairs Forum – on trade policy and specific trade agreements. This resulted in significant and ground-breaking coverage of Māori interests and provisions within the recently concluded Free Trade Agreements (FTAs) with the United Kingdom (UK) and European Union (EU), as well as other bilateral, regional, and multilateral processes. We continue to refine through our engagement approach a model that strengthens Māori partnerships and leverages Te Ao Māori perspectives across foreign policy domains.

In the past year, the Ministry has continued its efforts to strengthen its capacity to be an effective Treaty partner, drawing on Mātauranga Māori in our work. As part of our work, the Ministry has committed to actions in a range of areas, including leadership, structure, capability, governance, decision-making, and strategic planning.

te whakarite kia tautohu hohetia ngā tika me ngā pānga o ngāi Māori, ā, kia mahia he mahi hei tiaki i ērā.

He mea āwhina hoki te Tiriti me te wheako kākano rua o Aotearoa hei auaha i tō tātou tuakiri ā-motu ahurei. E arahina ana te mahi a te Manatū e ngā uara ka ahū mai i te ao Māori – arā, te manaakitanga⁷, te kotahitanga⁸, te kaitiakitanga⁹, me te whanaungatanga¹⁰.

Mā tēnei huarahi, ka tāpae ake Te Tiriti i tētahi anga kaupapahere tuawhenua, e whakanuia nei te whakaute me te manarite i waenga i ngā iwi me ngā whenua, ā, ka whakatinanahia hoki nga hononga mā ngā tikanga e whakaū ana i te kāwanatanga me te tino rangatiratanga.

Nō reira e hangaia ana, e whakamōhiohia ana hoki e te hononga Māori-Karauna ngā whāinga e whakatakotoria ana ki tā te [Manatū Poutarāwaho Rautaki \(tirohia ngā whārangī, p.22\)](#).

Putā noa i te tau, i whakaaturia tonutia e te Manatū ngā uara Māori me ngā pānga Māori ki ā mātou mahi. Ko te whakatūnga o a Te Hurumanu Māori Partnership Group tētahi whanaketanga nui ([tirohia te Whakapūaho: Te Hurumanu Māori Partnership Group, whārangī, p.89](#)).

I whakahōhonutia tonutia e te Manatū tana tūhononga ki ngā rōpū whakakanohi i ngā hoa Tiriti – arā, ki a Ngā Toki Whakarururanga, ki a Te Taumata, ki a FOMA, ki te National Iwi Chairs Forum hoki – mō te kaupapa here tauhokohoko, mō ētahi whakaaetanga tauhokohoko anō hoki. Nā konei te pāhotanga hira, tino hou hoki mō ngā pānga Māori me ngā ritenga ki roto i ngā Fair Trade Agreements (FTAs) kātahi anō ka oti ki a Peretānia (UK), ki te Kotahitanga o Uropi (EU) hoki, tae atu ki ētahi atu tukanga ā-arorua, ā-takiwā, ā-arorau anō hoki. Kei te whakapakari tonu mātou, mā tō mātou aronga tūhononga, tētahi tauira e whakakaha ai i ngā houruatanga Māori, ā, ka whakapikihia ngā tirohanga o te ao Māori puta noa i ngā whaitua kaupapa here ā-ao.

I te tau kua hipa, kua haere tonu ā te Manatū mahi hei whakapakari i tōna raukaha kia tū hei hoa Tiriti whaihua, me te aro ki te mātauranga Māori ki ā mātou mahi. Hei wāhanga o ā mātou mahi, kua ū te Manatū ki ngā mahi ki ētahi kaupapa, pērā i te ārahitanga, i te hanganga, i te raukaha, i te mahi kāwana, i te whakatau, i te whakamahere ā-rautaki anō hoki.

3 Manaakitanga – Process of showing respect, generosity and care for others.

4 Kotahitanga – Unity, togetherness, solidarity, collective action.

5 Kaitiakitanga – Guardianship, stewardship, trusteeship.

6 Whanaungatanga – A relationship through shared experience and working that provides people with a sense of belonging.

7 Manaakitanga – Te tukanga o te whakaatu i te whakaute, i te mākohakoha, i te aroha ki ētahi atu.

8 Kotahitanga – Te kotahitanga, te ngātahitanga, te mahi

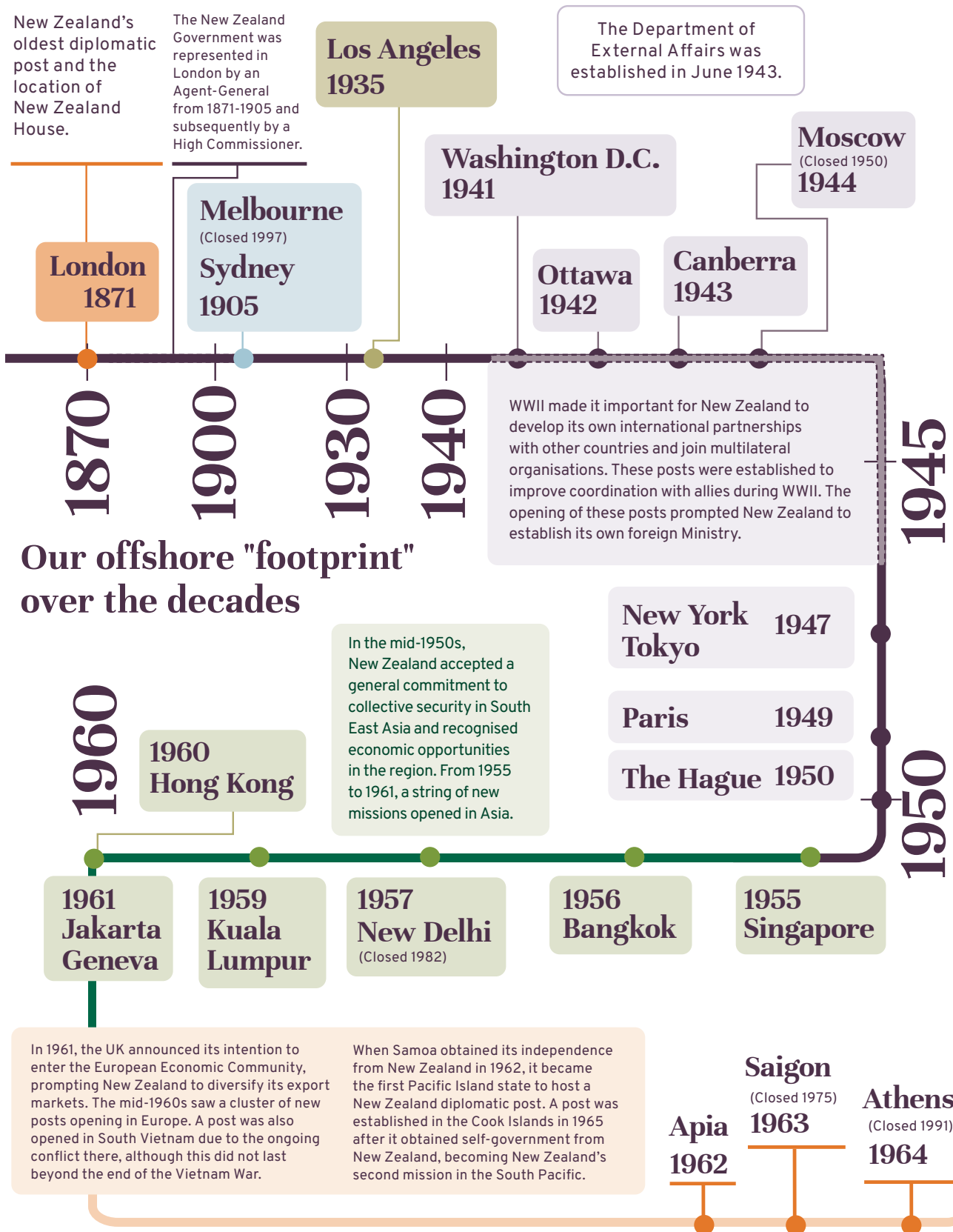
9 Kaitiakitanga – Te whāomoomo, te tiakitanga, te tarahitanga. ngātahitanga.

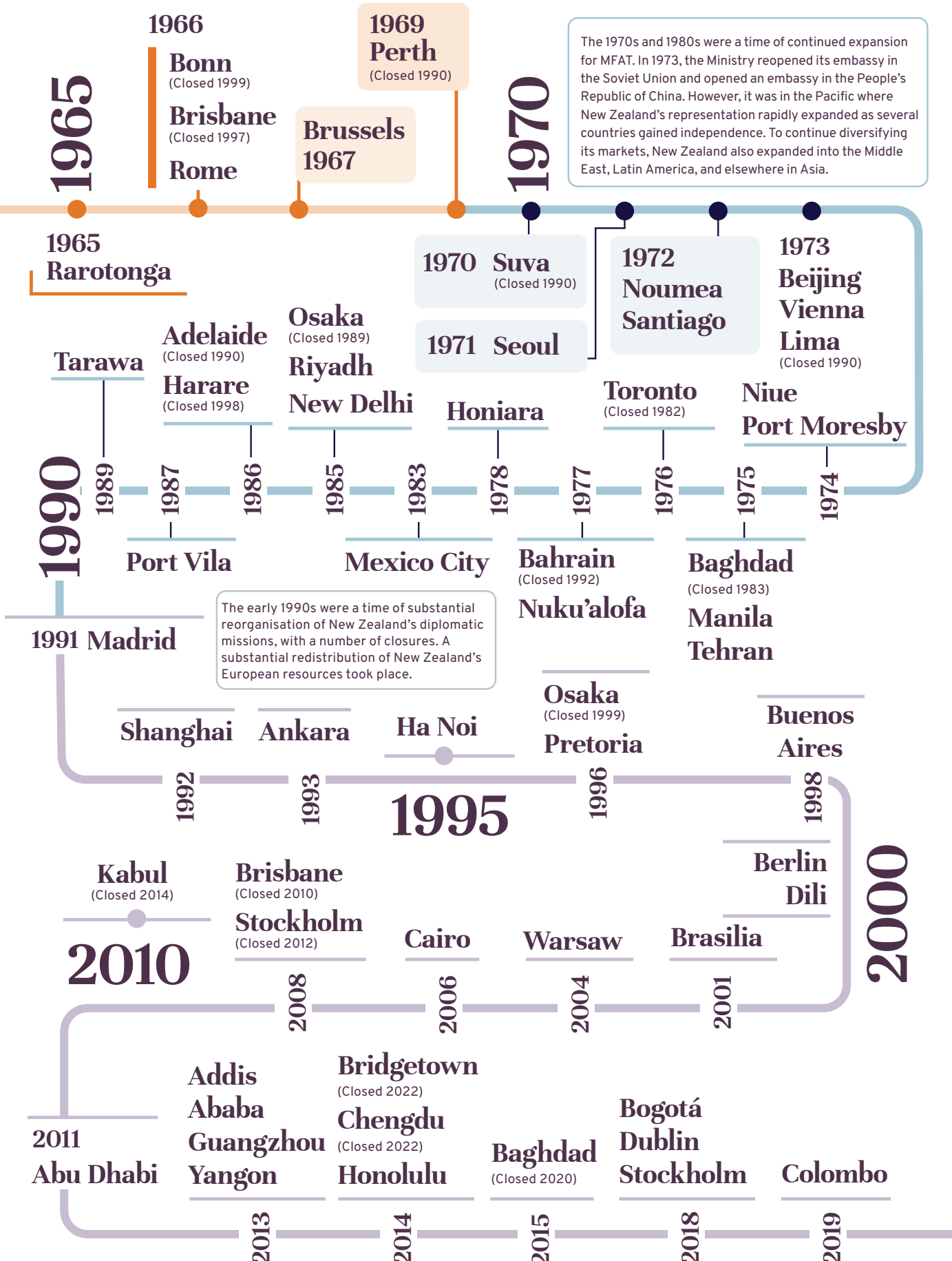
10 Whanaungatanga – He hononga nā te wheako ngātahi me te mahi ngātahi ka tuku ai i te wairua o te whai wāhi ki te hunga.

Our history at a glance

He paku tirohanga ki tō mātou hītori

The Ministry strides into its 80th year in 2023. Today, the New Zealand Government has relationships with governments all over the world. Our network of diplomatic posts means we have a presence across 58 posts and accredited to 119 other countries, supported by 1,771 people in the Ministry. Here is a quick glance at MFAT's key events and our post network development over the decades.





The 1970s and 1980s were a time of continued expansion for MFAT. In 1973, the Ministry reopened its embassy in the Soviet Union and opened an embassy in the People's Republic of China. However, it was in the Pacific where New Zealand's representation rapidly expanded as several countries gained independence. To continue diversifying its markets, New Zealand also expanded into the Middle East, Latin America, and elsewhere in Asia.

The early 1990s were a time of substantial reorganisation of New Zealand's diplomatic missions, with a number of closures. A substantial redistribution of New Zealand's European resources took place.

Following changes to our operating model in 2012, our network expanded rapidly, with six new posts opening in two years: Addis Ababa, Bridgetown, Chengdu, Guangzhou, Honolulu and Yangon.

MFAT Key events

Ngā Huihuinga Matua a MFAT

1940

1943 Department of External Affairs Established by Act of Parliament

1945 New Zealand becomes a founding member of the United Nations (UN)

1947 Establishment of the South Pacific Commission

Founded by Australia, France, New Zealand, Netherlands, United States and United Kingdom which administered territories in the Pacific Islands region at the time

1950

1951 ANZUS Treaty concluded on defence and security cooperation between New Zealand, Australia and United States. The signatories pledged to 'act to meet the common danger'.



Colombo Plan for Cooperative Economic Development in South and Southeast Asia launched

1954-55 New Zealand elected to the United Nations Security Council for the first time

1960

1962  Western Samoa Independence

1965  Cook Islands becomes self-governing in free association with New Zealand



New Zealand Australia Free Trade Agreement signed (NAFTA)

1959-60 The Antarctic Treaty signed by New Zealand and 11 other signatories in 1959. New Zealand ratifies Antarctic Treaty in 1960 (claim to the Ross Dependency)



1966 Re-elected to the UN Security Council

1970

1971 Inaugural meeting of the Pacific Islands Forum (PIF) in Wellington



1970 The Department of External Affairs becomes stand-alone, and renamed The Ministry of Foreign Affairs

1972  Establishment of diplomatic relations with People's Republic of China

1973 United Kingdom joined the European Economic Community (now European Union)

1974  Niue becomes self-governing in free association with New Zealand

1975  New Zealand accepted as a dialogue partner with the Association of Southeast Asian Nations

1980

1982

Commissions for the Conservation of Antarctic Marine Living Resources (CCAMLR) was established by international convention with the objective of conserving Antarctic marine life



United Nations Convention on the Law of the Sea (UNCLOS) signed

1985

The South Pacific Nuclear-Free Zone (SPNFZ) Treaty of Rarotonga signed

1983

New Zealand and Australia signed the Closer Economic Relations Treaty replacing NAFTA



1990

1988

The Ministry was renamed to the Ministry of External Relations and Trade (MERT)

1986

Uruguay Round of General Agreement on Tariffs and Trade (GATT) launched

GATT remained in effect until 1995, when the World Trade Organisation (WTO) was established and became its successor

1989

Asia Pacific Economic Cooperation (APEC) formed

1993

The Ministry was renamed to Ministry of Foreign Affairs and Trade (MFAT)
Served third term on UN Security Council

Cairns Group formed

Its members have continued to push for liberalisation of global trade in agricultural goods, with an aim to achieving free and fair trade that provides real and sustainable benefits for the developing world

1995



New Zealand hosted Commonwealth Heads of Government Meeting (CHOGM) First held in 1971 (biennial meeting). Leaders from each country come together to decide the policy and activities of the Commonwealth

2000

1999



New Zealand hosted APEC Leaders' meeting in Auckland

New Zealand participated in the United Nations Transitional Administration in East Timor (UNTAET)

1997

New Zealand facilitated key Bougainville talks which led to a peaceful outcome and reconciliation

2004



Boxing day tsunami Our second largest consular response

2003



The Regional Assistance Mission to Solomon Islands (RAMSI) was formed at the request of the Solomon Islands Government

This was led and funded by New Zealand and Australia with membership from all Pacific Islands Forum countries. RAMSI has been helping the Solomon Islands lay the foundation for long-term stability, security and prosperity

2010

2008



New Zealand-China Free Trade Agreement concluded

2018



The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) signed and entered into force

2019



Christchurch Call to Action to eliminate terrorist and violent extremist content online (Christchurch Call) was adopted

2020

2020



COVID-19 pandemic resulted in the Ministry's largest and most complex ever consular response, which involved assisting New Zealand citizens and permanent residents to return home

2020

Regional Comprehensive Economic Partnership (RCEP) (signed 2020 / entered into force 2022)

2021

New Zealand hosted first virtual APEC Leaders' Meeting due to COVID-19 pandemic and travel restrictions

2022



New Zealand-European Union Free Trade concluded

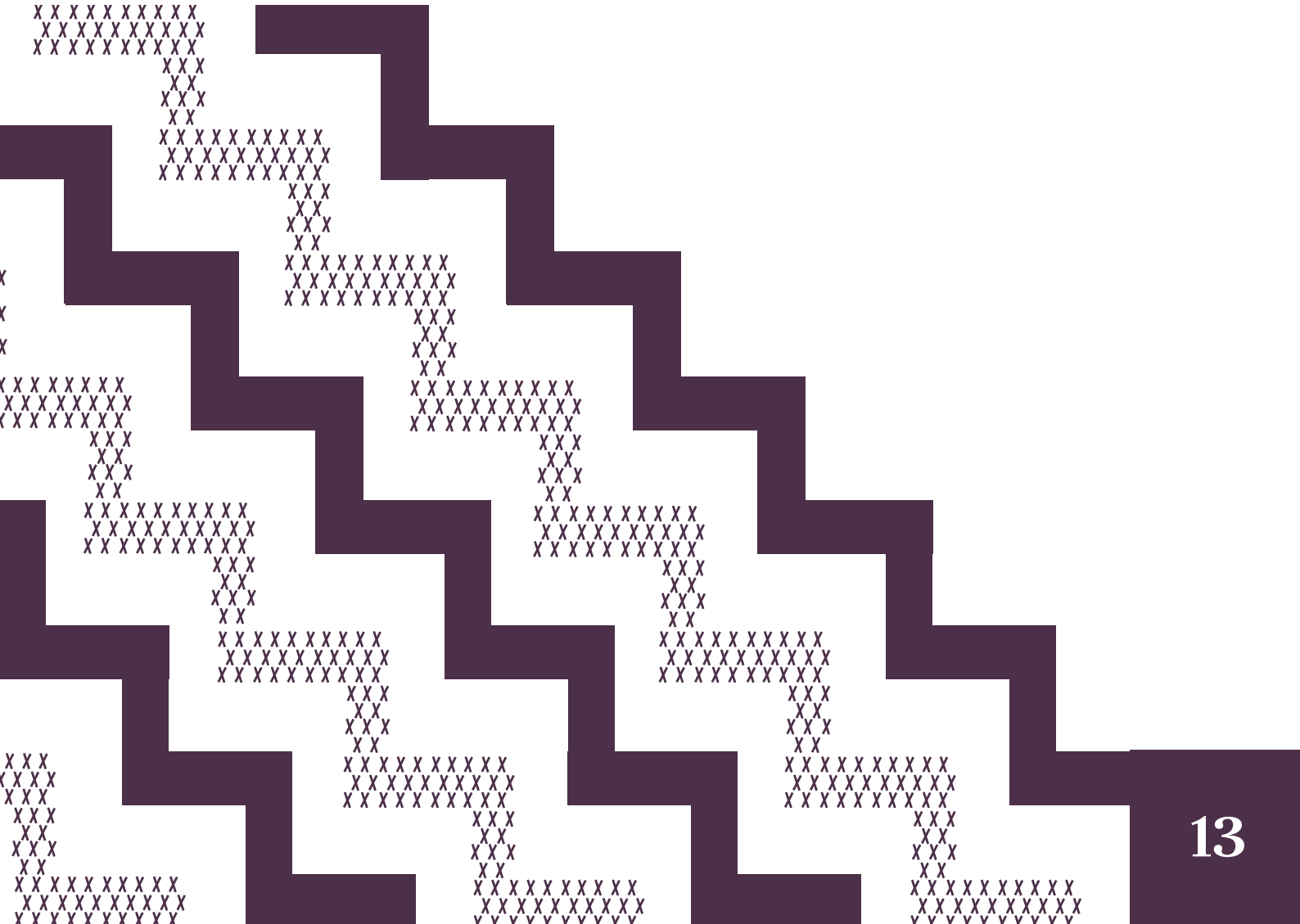
2023



New Zealand-United Kingdom Free Trade entered into force (concluded 2022)

Summary of our year

He whakarāpopototanga o tō mātou tau





Chief Executive's foreword

The world is changing at a rapid pace. Over the past year escalating geopolitical tensions, growing climate change impacts, and the ongoing effects of the COVID-19 pandemic have made for an increasingly complex international environment for the Ministry of Foreign Affairs and Trade to navigate.

In my view, the Ministry has continued to deliver on its purpose to act in the world to build a safer, more prosperous, and more sustainable future for New Zealanders. Through the hard work and commitment of our people at home and throughout our network of 58 diplomatic posts worldwide, we have delivered significant and concrete outcomes for Aotearoa New Zealand.

In advancing New Zealand's independent foreign policy, the Ministry reflects New Zealand's bicultural context and our multicultural society. Our foreign policy priorities and approach are informed by our national identity and our geographic place in the world. We are guided by our values, are connected to and part of the Pacific, and work closely with diplomatic partners and regional and international institutions to progress things that matter to New Zealand.

This report sets out the Ministry's performance for the year 2022–2023 against the Strategic Intentions 2021–2025. It also reports on progress against the Government's goals of: supporting New Zealand families and businesses through difficult economic conditions; investing in the public services New Zealanders rely on;

Tā te Tumu Whakarae Kupu Whakataki

He tino tere te huri haere a te ao. I te tau kua hipa nā ngā whakatete tōrangapū ā-whenua, nā ngā pānga o te panoni āhuarangi e tipu haere ana, nā ngā pānga haere tonu o te urutā KOWHEORI_19, i puta te taiao ā-ao matatini ake kia whakaterahia e Manatū Aorere.

Ki ahau nei, kua whakatinanatia tonutia e te Manatū tōna take ki te mahi ki te ao hei hanga i te anamata he haumarua ake, he taurikura ake, he toitū ake mō te hunga nō Aotearoa. Nā te pukumahi, nā te ngaio, nā te ngākau titikaha o ā mātou tāngata ki te kāinga, ā, huri noa i tā mātou kōtuitui o ngā tūnga whakahangahanga e 58 huri noa i te ao, kua tukuna e mātou ngā hua ā-kiko nui mō Aotearoa.

I tā mātou kōkiri i te kaupapa here ā-ao motuhake o Aotearoa, e whakaaturia ana e te Manatū te horopaki kākano rua o Aotearoa, me tō tātou pāpori kākano maha. E whakamōhiotia ana o mātou whakaarotau me tō mātou aronga kaupapa here ā-ao e tō tātou tuakiri ā-motu, e tō tātou wāhi matawhenua i te ao hoki. E arahina ana mātou e o mātou uara, e honoa ana ki Te Moana-nui-a-Kiwa, he wāhanga hoki o reira, ā, he tata te mahi ngātahi ki ngā hoa whakahangahanga, ki ngā whakahaere ā-takiwā, ā-ao anō hoki hei kōkiri i ngā kaupapa e whaitake ana ki a Aotearoa.

E whakatakatoria ana e tēnei pūrongo te ekenga a te Manatū mō te tau 2022–2023 ki ngā Takune Rautaki 2021–2025. Ka pūrongo hoki te kokenga ki ngā whāinga o te Kāwanatanga o: te tautoko i ngā whānau, i ngā pakihia nō Aotearoa mā roto i ngā āhuatanga ā-oahoha taumaha; te haumi ki ngā ratonga tūmatanui e whirinakihia ana e te hunga nō Aotearoa; te whakaterere i te whakaora ā-oahoha me te whakatakoto i ngā tūāpapa mō te anamata; me te whakarato i te ārahitanga kaha, he haepapa hoki.

accelerating the economic recovery and laying foundations for the future; and providing strong and responsible leadership.

While the pre-COVID pace of diplomacy has resumed, many of the assumptions that have underpinned our foreign policy for decades are being challenged – from globalisation, to the effectiveness of some multilateral institutions, to the benign nature of our Pacific neighbourhood. We live in a world where the existing rules and norms of the international system are being challenged, eroded or disregarded.

Russia's illegal invasion of Ukraine continues as a stark example of this. The extent of the measures taken by New Zealand to condemn Russia's illegal invasion, and support Ukraine's self-defence, has been unprecedented and our contributions have been welcomed by Ukraine and our international partners. The Ministry has continued to lead the delivery of a wide-ranging suite of sanctions under the landmark Russian Sanctions Act 2022.

Despite these challenges the past year has seen significant success across the environment, trade and development agendas.

In terms of trade, significant outcomes contributed to the government priority of accelerating our post-COVID economic recovery. These included the entry into force of the New Zealand-United Kingdom Free Trade Agreement and the signature of the New Zealand-European Free Trade Agreement. Both Agreements established significant outcomes in terms of market access, on environment and labour issues, and set new benchmarks such as dedicated chapters on Māori Trade and Economic Cooperation. The Ministry-led Trade Recovery Strategy 2.0 looks to position New Zealand to best seize opportunities, while reacting to the increasing risk and disruption on the horizon.

As part of our commitment to plurilateral trade arrangements and the rules-based international system, New Zealand took on the role of chair and host of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) for 2023. Meanwhile, New Zealand joined the Indo-Pacific Economic Framework for Prosperity (IPEF), a next-generation regional trade and investment initiative.

On the environment, the conclusion of the new United Nations treaty on marine biodiversity of areas beyond national jurisdiction in early March 2023 was a major multilateral achievement, while the UN General Assembly delivered a unanimous decision to request an Advisory Opinion on climate

Ahakoia kua hoki mai te tere o te whakahangahanga i mua i te KOWHEORI, e werohia ana ngā tini whakaaro kua whakapūtaka mai i tā mātou kaupapa here ā-ao i roto i ngā tini tekau tau – mai i te whakaaotanga, ki te whaihua o ētahi whakahaere arorau, ki te āhua mārire ā-rautaki o tō tātou wāhi i Te Moana-nui-a-Kiwa. E noho ana tātou ki te ao e werohia ana, e ngāhorohoro ana, e takahia ana rānei ngā ture me ngā tikanga o te pūnaha ā-ao.

Ko tā Rūhia ekenga turekore ki Ukareinga tētahi tauira mārakerake o tēnei. Ko te whānui o ngā mahi kua mahia e Aotearoa hei whakahē i tā Rūhia ekenga turekore, hei tautoko hoki i te wawaonga ake o Ukareinga, kua kore i kitea i mua atu, ā, kua rāhiritia ā mātou takoha e Ukareinga, e ō tātou hoa ā-ao anō hoki. Kua arahina tonutia e te Manatū te whakatinanatanga o tētahi huinga whānui o ngā whiunga ki raro i te Russian Sanctions Act 2022 whakahirahira.

Ahakoia ēnei wero he nui te angitu kua kitea i te tau kua pahure ake i ngā kaupapa mō te kaupapa here ā-ao, mō te tauhokohoko, mō te taiao, mō te whakawhanaketanga, mō te whakakore rākau anō hoki.

Mō te tauhokohoko, he mea tautoko ngā hua nui ki te whakaarotau o te kāwanatanga mō te whakatere i tā tātou whakaora ā-oahoha whai muri i te KOWHEORI. I roto i ēnei kōwhiri ko te tūnga mai o te New Zealand-United Kingdom Free Trade Agreement me te waitohutanga o te New Zealand-European Free Trade Agreement. Nā aua Whakaaetanga e rua ngā hua nui i whakatū mō te āheinga māketē, mō ngā take ā-taiao, ā-mahi hoki, ā, i whakatakoto hoki ngā pae hou pērā i ngā upoko e arotahi ana ki te Tauhokohoko Māori me te Mahi Ngātahi ā-Oahoha. E whai ana te Trade Recovery Strategy 2.0 e arahina ana e te Manatū ki te whakatū i a Aotearoa kia tino pai ai te pupuri i ngā āheinga, i te wā tonu e urupare atu ana ki te pikinga haere o te tūraru me te whakatōhenehene e tata mai ana.

He wāhanga o tā mātou takohanga ki ngā whakaritenga hokohoko aromaha me te pūnaha ā-ao pūtaka-ture, i riro i a Aotearoa te tūnga o te heamana, o te kaimanaaki hoki i te Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) mō te tau 2023. I taua wā hoki, i uru atu a Aotearoa ki te Indo-Pacific Economic Framework for Prosperity (IPEF) arā ko tētahi kaupapa mō te hokohoko me te haumitanga ā-takiwā mō te reanga whai muri.

Mō te taiao, he whakatutukitanga arorau nui te whakaoti i te tiriti hou a te Kotahitanga o Ngā Iwi o te Ao mō te kanorau koiora ā-moana mō ngā wāhi kei tua atu i te mana ā-motu i te timatanga o te marama o Māehe, i te tau 2023, ā, nā te UN General Assembly i tuku tētahi whakatau, nā rātou katoa i whakaae hoki, hei tonu ki tētahi Whakapae Tohutohu mō te panoni āhuarangi mai i te International Court of Justice. I runga i te kite i te wawe o ngā pānga panoni āhuarangi ki te takiwā nei, e tukuna ana e Aotearoa tana ūnga ki te tuku i te \$1.3 piriona hei pūtea āhuarangi ki ngā whenua e whanake mai ana ā roto i ngā tau e whā, ā, nā tātou hoki i nonoi kia whakamātāmuahia Te Moana-nui-a-Kiwa mō tētahi pūtea hei

change from the International Court of Justice. Recognising the urgency of climate change impacts in the region, New Zealand is rolling out its commitment to provide \$1.3 billion in climate finance to developing countries over four years, and pushed for the Pacific priority of a fund to address loss and damage at the major annual United Nations Framework Convention on Climate Change (UNFCCC) conference (COP27).

On development, amongst the broader outcomes outlined in this report, New Zealand's Pacific Resilience Approach is enabling development cooperation that supports national priorities, is inclusive, and delivers on local aspirations. The OECD Development Assistance Committee this year commended our efforts to collaborate with Pacific partners and tailor our development cooperation to their needs.

Achieving progress on disarmament and non-proliferation has always been difficult, but is proving particularly challenging in the current global security context. New Zealand continues to play an active role in efforts to uphold and strengthen existing obligations and commitments, including on nuclear disarmament and cluster munitions, and to support the development of new rules and norms on issues such as autonomous weapons systems and the peaceful use of outer space. Reflecting recommendations made in the 2021 independent review of New Zealand's export control regime, robust public consultation and Cabinet agreement, the Ministry has also implemented a range of progressive measures to strengthen the regime and give effect to our commitment to being a responsible exporter of controlled goods.

The past year has seen a shift back to in-person international connections and meetings, and leader and ministerial-led diplomacy. Over the past year, the Ministry supported over 50 outward visits by the Governor-General, Prime Minister, Deputy Prime Minister and portfolio Ministers, and over 40 'Guest of Government' incoming visits from across our network of international relationships. This has enabled the delivery of strong outcomes for New Zealand.

To take just one example, New Zealand and Australia are this year celebrating the 40th year anniversary of the Closer Economic Relations Agreement (CER), with its Single Economic Market architecture that is fundamental to New Zealand's economic health and stability. Australia's announcement in April of a direct pathway to citizenship for New Zealanders living in Australia was warmly welcomed, significantly improving the rights of New Zealanders living there.

We have also remained active in our wider region, working closely with the ASEAN membership in pursuit of a shared vision for an open, inclusive, stable and prosperous Indo-Pacific, and look

anganui ki te ngaronga me te whakakino ki te hui ā-tau nui, i te United Nations Framework Convention on Climate Change (UNFCCC) (COP27).

Mō te whakawhanaketanga, i waenga i ngā hua whānui ake e whakatakotoria ana ki tēnei pūrongo, ko tā Aotearoa Pacific Resilience Approach e whakaahei ana i te mahi ngātahi mō te whakawhanaketanga e tautoko ai i ngā whakaarotau ā-motu, he mea whakauruuru, ā, e whakatinana ana i ngā tūmanako o te hunga piritata. I tēnei tau i mihi mai te OECD Development Assistance Committee ki ā mātou mahi hei mahi ngātahi ki ngā hoa nō Te Moana-nui-a-Kiwa me te āta whakahāngai i ā mātou mahi ngātahi mō te whakawhanaketanga ki ō rātou hiahia.

Mai rā anō kua uaua te whakatutuki i te ahunga mō te whakakore rākau, mō te here i te horapa haere hoki, engari he uaua kē atu i te horopaki whakahaumarutanga ā-ao o nāianei. Kei te tū tonu a Aotearoa hei mahi hohe i ngā mahi hei pupuru, hei whakapakari i ngā kawenga, i ngā takohanga o nāianei, kei roto nei ko te whakakore rākau karihi me ngā pōma pūtoitanga, hei tautoko hoki i te whakawhanaketanga o ngā ture hou, o ngā tikanga hou mō ngā take pērā i ngā pūnaha rākau aunoa me te whakamahi i te ātea i runga i te rangimārie. E whakaatu ana i ngā marohi i tukuna ki te arotake motuhake i te tau 2021 o tā Aotearoa whakaritenga whakahaere hoko whakawaho, i te akoako tūmatanui aumangea, i te whakaaetanga a te Rūnanga o te Kāwanatanga, kua whakatinana hoki te Manatū i ētahi mahi whakahuri hei whakapakari i te whakaritenga, hei whakatinana hoki i tō mātou takohanga ki te tū hei kaituku whakawaho haepapa o ngā rawa e whakahaeretia ana.

Nō te tau kua hipa te hokinga atu ki te hui kanohi ki te kanohi mō ngā tūhononga, me ngā hui ā-ao, mō te whakahangahanga e arahina ana e te kaiārahi, e te manatū anō hoki. I te tau kua hipa, kua tautoko te Manatū i te neke atu i te 50 toronga ki tāwāhi o te Kāwana-Tianara, o te Pirimia, o te Pirimia Tuarua, o ngā Minita ā-kaupapa anō hoki, ā, i te neke atu i te 40 toronga mai he 'Manuhiri a te Kāwanatanga' mai i te whānuitanga o tō tātou kōtuitui o ngā hononga ā-ao. Nā konei i whakaahei te tukunga o ngā hua kaha mō Aotearoa.

Hei tiro ki te taurira kotahi noa iho, i tēnei tau e whakanui ana a Aotearoa me Ahitereiria i te huritau e 40 o te Closer Economic Relations Agreement (CER), me tana hanganga Single Economic Market e pūtaketake ai ki te hauora me te ūnga ā-oahoa o Aotearoa. I rāhiritia maiohatia tā Ahitereiria whakapuaki i a Āperira mō te ara tōtika ki te kirirarautanga mō te hunga nō Aotearoa e noho ana ki Ahitereiria, nā konei i kaha whakapai ake i ngā tika o te hunga nō Aotearoa e noho ana i reira.

Kua hohe tonu mātou ki tō tātou takiwā whānui ake, e mahi ana ki ngā mema o ASEAN hei whai i te wawata ngātahi mō te Indo-Pacific he tuwhera, he whakauruuru, he ū, he taurikura anō hoki, ā, e hīkaka ana mātou ki

forward to celebrating the 50th anniversary of the New Zealand – ASEAN relationship in 2025.

The impact of the Ministry's work on the lives of New Zealanders is perhaps most keenly felt when our citizens find themselves in difficulty overseas. Over the past year a return to international travel and a number of significant geopolitical events have created significant demand for consular support.

Domestic engagement remains fundamental to ensuring we can best represent New Zealand's interests and values abroad. The Ministry continued to deepen its engagement with Treaty partner representative groups, and established Te Hurumanu partnership group to work alongside me, and the senior leadership team to bring a Tirohanga Māori perspective to our mahi. As part of a broader outreach, the Ministry recorded more than 579 trade policy and trade-related engagements with Treaty partners and stakeholders, including business, civil society, academia, and the general public.

Our people, and their commitment, manaakitanga, and drive are the reason the Ministry is able to deliver strong outcomes for New Zealand and New Zealanders. We have continued to focus as an organisational priority on delivering a workplace where every person feels they belong, and are included and supported. We have also continued to modernise our information and digital services to ensure the system remains fit-for-purpose to enable and empower our staff in their day-to-day work.

We live in a rapidly changing world and that is going to keep impacting on how the Ministry does its business. As we adjust to new post-COVID-19 realities, I want to acknowledge the Ministry's people – onshore and offshore – and their families. They continue to work with great enthusiasm to re-connect New Zealand to the world, while also engaging at home to ensure the Ministry is the best workplace it can be. This service ethos is what allows the Ministry to build a safer, more prosperous, and more sustainable future for New Zealanders.

te whakanui i te huritau e 50 o te hononga Aotearoa - ASEAN hei te tau 2025.

Ka āta rangona pea te pānga o tā te Manatū mahi ki ngā ao o te hunga nō Aotearoa ina tau he raru ki ā tātou kirirarau i a rātou i tāwāhi. I te tau kua hipa nā te hokinga atu ki te hāereere ā-ao, nā ētahi pānga tōrangapū ā-whenua nui hoki i puta te hiahia nui ki te tautoko a ā tātou āpiha e noho ana i tāwāhi.

He mea waiwai tonu te tūhononga ā-taiwhenua hei whakarite kia tino pai ai tā mātou whakakanohi i ngā pānga, i ngā uara hoki o Aotearoa ki tāwāhi. I te whakahōhonu tonu te Manatū i tana tūhononga ki ngā rōpū whakakanohi hoa Tiriti, ā, i whakatū i te rōpū houruatanga a Te Hurumanu hei mahi ki tōku taha, i te rōpū ārahitanga mātāmua hoki hei tō mai i te tirohanga Māori ki ā mātou mahi. Hei wāhanga o te toronga ake whānui ake, i tuhia e te Manatū te neke atu i te 579 o ngā tūhononga kaupapa here ā-tauhokohoko, hāngai-tauhokohoko rānei ki ngā hoa Tiriti me te hunga whai pānga, tae atu ki te pakihi, ki ngā whakahaere i waho i te kāwanatanga, ki te hunga pūmātauranga, ki te marea anō hoki.

Ko ā mātou tāngata, me tō rātou ūnga, tō rātou manaakitanga, tō rātou ānga hoki te take e āhei ana te Manatū ki te tuku i ngā hua kaha mō Aotearoa, mō te hunga nō Aotearoa anō hoki. Kua aro tonu mātou hei whakaarotau ā-whakahaere ki te tuku i te wāhi mahi e rongō ai tēnā me tēnā i te whai wāhitanga mai, ā, ka whakaurua, ka tautokona. Kua whakahou tonu mātou i ā mātou ratonga mōhiohio, matihiko hoki hei whakarite ka tika-mō-te-take tonu te pūnaha, hei whakaahei, hei whakamana hoki i ā mātou kaimahi i ā rātou mahi o ia rā.

E noho ana tātou i tētahi ao tere hurihuri, ā, ka pā tonu tērā ki tā te Manatū mahi i tana mahi. I a tātou e urutau ana ki ngā āhuatanga tūturu hou whai muri i te KOWHEORI-19, e hiahia ana ahau ki te mihi ki ngā tāngata a te Manatū – ki konei, ā, ki tāwāhi anō hoki – me ō rātou whānau. Kei te mahi tonu rātou i runga i te ngākau hihiri hei tūhono anō i a Aotearoa ki te ao, i te wā tonu e tūhonohono atu ana i te kāinga hei whakarite ko te Manatū te wāhi mahi tino pai ka taea. Nā tēnei wairua whakarato e tuku te Manatū nei ki te hanga i te anamata he haumarua ake, he taurikura ake, he toitū ake mō te hunga nō Aotearoa.

Chris Seed
Secretary of Foreign Affairs and Trade
Hekeretari o Manatū Aorere

Our highlights

Ā mātou mahi hira


In line with our purpose, the Ministry delivers value to New Zealanders and contributes to their well-being. We do this in line with our four value propositions for New Zealanders


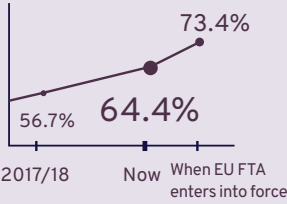







MFAT Impact delivered for New Zealand 2022–23

Te Pānga MFAT kua tukuna mō Aotearoa 2022-23


Safety and Security | Te haumaruru me te haumarutanga

 <h4>Terrorism and Cyber activity</h4> <p>Co-hosted 4th Christchurch Call Leaders' summit with France.</p> <p>An international coalition of governments and tech companies that are committed to eliminate terrorist and violent extremist content online</p>  <h4>Promoting an end to war</h4> <p>Pursued efforts on promoting an end to Russia's illegal invasion of Ukraine, ensure accountability and defend relevant international rules and norms</p>	 <h4>Consular Services</h4> <p>3,185 distressed New Zealanders overseas who received consular services</p> <hr/> <p>49,310 consular advice enquiries responded</p> <hr/> <p>25 consular emergencies responded to</p>	<h4>Export controls</h4>  <p>Review and enhancement of New Zealand's export controls regime to ensure responsible export of controlled goods, implemented in 2023</p> <hr/> <h4>Disarmament</h4>  <p>International adoption of the Political Declaration on Strengthening the Protection of Civilians from the Humanitarian Consequences arising from the use of Explosive Weapons in Populated Areas (EWIPA) in late 2022</p>
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Prosperity | Te taurikura

 <h4>Free Trade Agreements</h4> <p>Exports covered by FTAs</p> 	 <h4>UK FTA</h4> <p>Entered into force May 2023</p> <p>\$37 million will be saved immediately on elimination tariffs alone</p> <hr/> <p>99.5% of New Zealand's good exports duty-free from the very outset</p> <hr/> <p>↑ GDP \$810m p.a.</p>	 <h4>EU FTA</h4> <p>Concluded in 2022 and established a clear pathway for imminent signature of the Agreement</p> <hr/> <p>↑ GDP \$1.4b p.a. realised by 2035</p>	<h4>Market Intelligence</h4>  <p>133 reports published</p> <hr/> <p>133,000 + page impressions</p>
 <h4>Negotiations Concluded</h4> <ul style="list-style-type: none"> UK Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) accession Indo-Pacific Economic Framework (IPEF) Supply Chains Agreement 	<h4>Trade Innovation</h4>  <p>Republic of Korea's accession to Digital Economy Partnership Agreement (DEPA)</p> <hr/> <p>\$423m estimates worth of non-tariff barriers resolved</p> 	 <p>89% positive feedback</p>	



Influence | Te pānga

Visits supported

41

Inwards visits – Guest of Government

54

Prime Minister and Portfolio Ministers overseas outward visits, of which

39 were bilateral visits



OECD Ministerial

May 2023

New Zealand was Vice-Chair in the Organisation for Economic Cooperation and Development (OECD) Ministerial in May, influenced the OECD adopting a new proactive programme of strategic engagement, and was key to establishing work programmes on Economic Coercion and Indigenous Trade



Dr John Barker elected

as Director-General of the International Organisation of Vine and Wine (OIV)



Ambassador Gender Equality (Pacific)/Tuia Tāngata

Louisa Wall, results in heightened interest in issues relating to Sexual Orientation, Gender Identity, Gender Expression and Sex Characteristics (SOGIESC) in the Pacific



Australia pathway to citizenship

The most significant improvement in the rights of New Zealanders living in Australia in a generation

300,000

New Zealanders living in Australia will be eligible to apply



Pacific resilience supported through Statements of Partnerships signed at political level:

Vanuatu

Timor Leste



Kaitiakitanga



Climate Finance

New Zealand committed to providing:

\$1.3b climate finance to developing countries between 2022 and 2025

This includes \$800 million in new funding

At least 50% to support the Pacific

At least 50% to support Climate Change Adaptation (the rest for mitigation)



Marine protection

The Ministry established itself as an influential player in the

Biodiversity Beyond National Jurisdictions

treaty negotiations concluded in 2023 which help address emerging threats to and use of biodiversity



New Zealand's early announcement of

\$20m

to fund loss and damage at COP 27

helped secure a historic decision on a fund and funding arrangements to address loss and damage from climate change – an outcome sought by Pacific Island countries for 30 years



Conditional moratorium on deep-sea mining

New Zealand supported this in areas beyond national jurisdiction until a robust Mining Code is agreed, ensuring effective environmental protections for 30 years



Scott Base Redevelopment

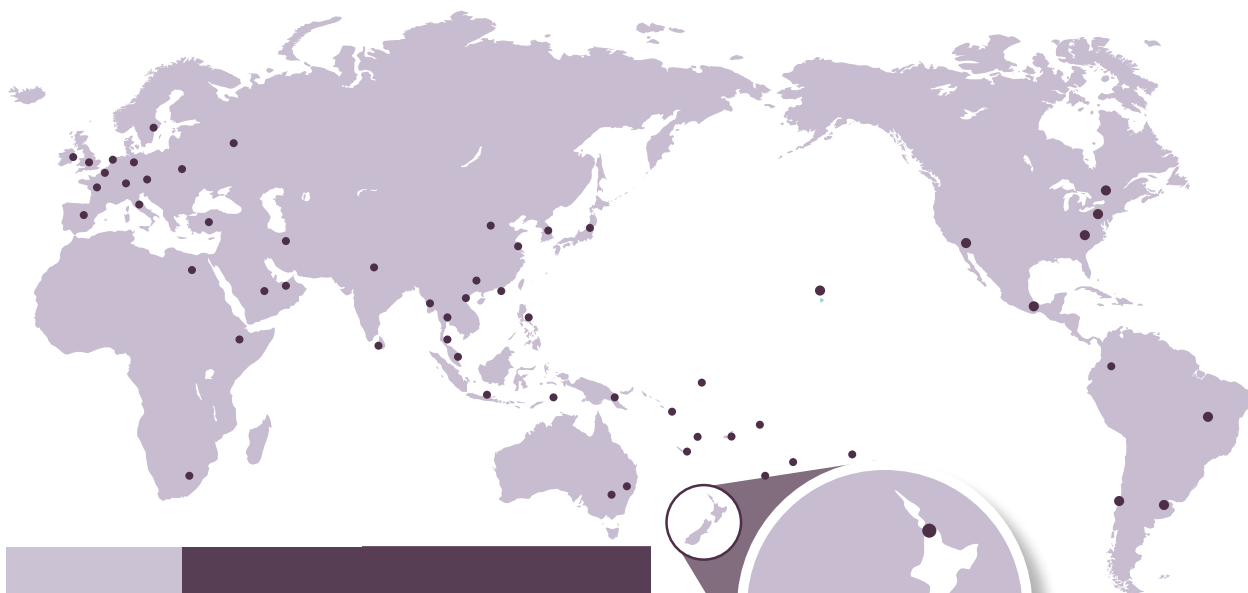
New Zealand remains committed to the protection and sustainable management of Antarctica

Good progress is being made, and is on track to be completed by 2028. The Ministry has worked closely with Antarctica New Zealand to ensure Scott Base remains fit for purpose

The Ministry at a glance

He paku tirohanga ki Te Manatū

MFAT locations around the world and in NZ



MFAT supports

4 Ministerial portfolios



13 NZ Inc agency partners offshore



32 pieces of legislation administered



270 Missions/consular posts resident in or accredited to New Zealand



MFAT's global network comprised of:

58
posts



52
countries



119 accreditations to other countries

70 Honorary Consuls

Vote Foreign Affairs Expenditure for 2022-23

Total
\$1,680 million

Departmental **\$523 million**

Departmental capital **\$27 million**

International Development Cooperation **\$971 million**

A shifting strategic context

He horopaki rautaki nekeneke

The Ministry's 2023 Foreign Policy Strategic Assessment 'Navigating a shifting world – Te whakatere I tetahi ao hurihuri' foresees a far more challenging period ahead for advancing and defending New Zealand's interests and values in the international realm.

The Assessment makes the case that the present – let alone the future – does not and will not look like the recent past. It points to a global outlook of increased complexity, heightened strategic tension, and growing levels of disruption and risk. It identifies the impacts of climate change and environmental degradation as significant and undeniable, and technological development as moving at a rapid pace. It also anticipates a world that is less open, less prosperous, less secure, and less free.

Russia's ongoing illegal war against Ukraine has had compounding implications for global peace, security, and economic stability, which impacts New Zealand. The war sparked a global energy price shock of a level not seen since the oil crisis of the 1970s, which had a major impact on global food supplies, and contributed significantly to inflationary pressures.

The global recovery from the COVID-19 pandemic has remained a work in progress, contributing to ongoing difficult economic conditions that drag on international cooperation and global growth.

Throughout the devastation wrought by Cyclone Gabrielle, New Zealand was also served with a reminder of the increasing volume and intensity of extreme weather events in our Pacific region, and the urgency of climate action.

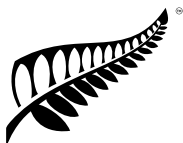
These recent examples of disruption and change are confronting, and sit within a set of broader shifts in the international order that will affect New Zealand's place in the world in the period ahead.

The three 'Big Shifts' identified in the Ministry's Strategic Assessment are:

1. A shift from rules to power – a shift towards a 'multipolar world', characterised by a period in which rules are more contested and relative power between states assumes a greater role in shaping international affairs.
2. A shift from economics to security – a shift in which economic relationships are reassessed in light of increased military competition in a more securitised and less stable world.
3. A shift from efficiency to resilience – a shift in the drivers of economic behaviour, where building greater resilience and addressing pressing social and sustainability issues becomes more prominent.

New Zealand will therefore need to navigate a wider array of global threats and increased risks within a fundamentally different strategic context. Foreign policy will need to change to reflect this new reality, and MFAT will need to understand where the challenges and opportunities lie for New Zealand.

New Zealand's influence and impact in this shifting world will come from: its ability to marshal its foreign policy efforts and resources behind the set of issues that really matter to New Zealand; having the right people in the right places; amplifying its voice through engagement across the rules-based international system; and working with international partners and regional and international institutions.



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
MANATŪ AORERE

Strategic Framework Te anga rautaki



TŌ TĀTOU KAUPAPA

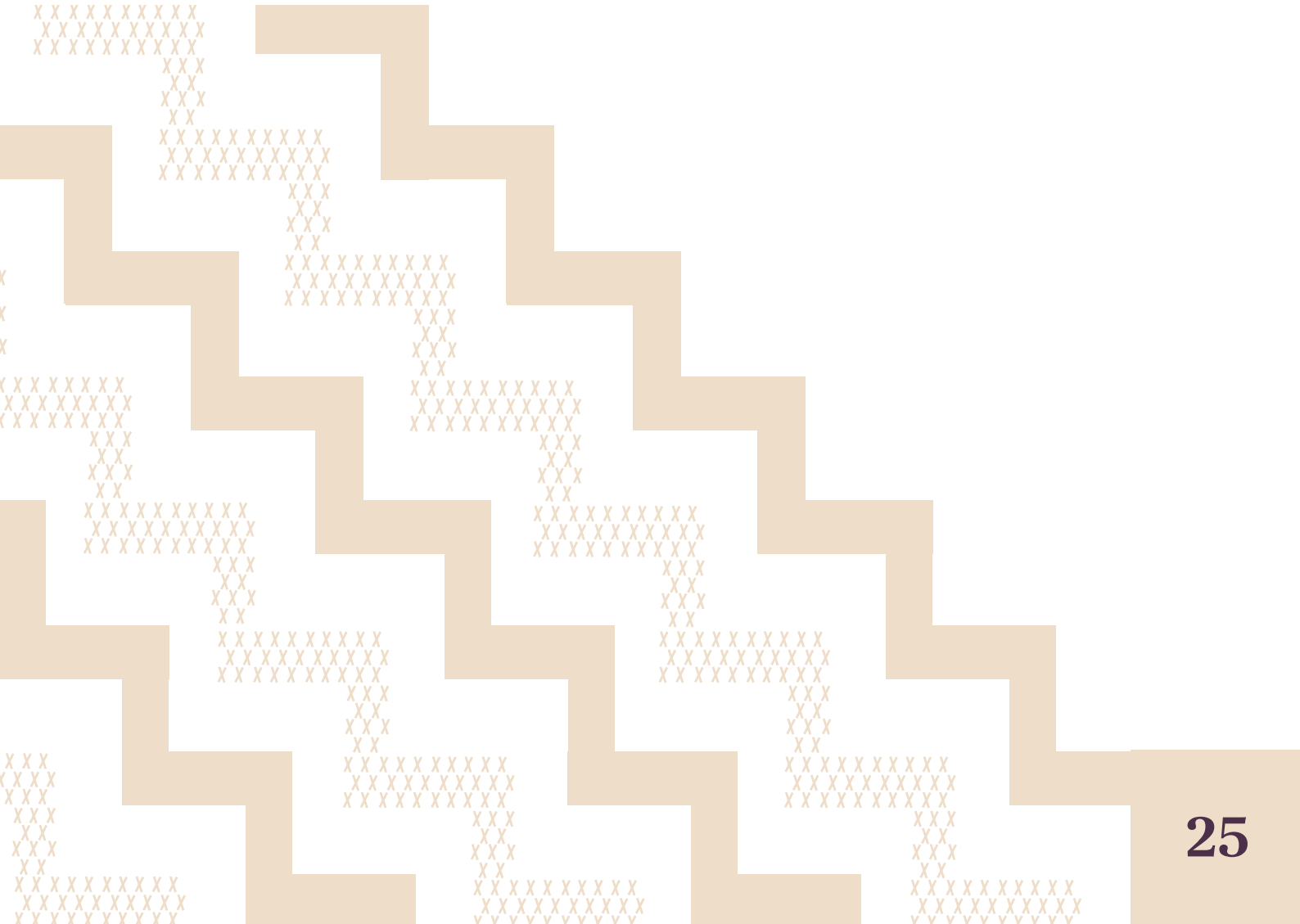
Kia hāngai ake e te Manatū he ao-haumarū, ao-tōnui, ao-pūmau, ki te oranga tonutanga mō Aotearoa whānui

OUR PURPOSE

The Ministry acts in the world to build a safer, more prosperous and more sustainable future for New Zealanders



Our Goals and performance Ā Mātou Whāinga me te ekenga



Reporting against our Strategic Framework

The content of the Strategic Framework is set out in the Ministry's Strategic Intentions 2021–2025. The Strategic Intentions identify nine Goals (seven Strategic Goals and two Organisational Capability Goals) and Outcomes that express the impact the Ministry is aiming to achieve over a 10-year period. This is delivered through a combination of 'Priority Deliverables' over a rolling four-year period.


In 2022–23, we reported against 23 'Priority Deliverables', reduced from the 46 'Priority Deliverables' originally set out in the Strategic Intentions 2021–2025. This was the result of the Ministry's reprioritisation exercise to concentrate its efforts on the most important deliverables. Of the 23 reduced 'Priority Deliverables', some were already achieved (for example, running the campaign to secure the election of New Zealand's candidate to the International Law Commission in November 2021), with others being absorbed into 'Business As Usual' (for example, delivering enduring outcomes for New Zealand from APEC, including a strong contribution to regional economic recovery).

How we assess and measure progress






The Annual Report is based on the Ministry's End of Year Goal Assessment, which consists of a qualitative assessment at the Goal and Outcome level. Case studies are used to provide background and additional context around the Ministry's achievements under each Goal.

Work continues to ensure that the Indicators used by the Ministry add measurement value to the qualitative assessment against Outcomes, and are supported by evidence. Consequently, not all Outcomes have an Indicator and some Outcomes have multiple Indicators. Commentaries are included, where appropriate, to help explain the Results.

The Indicators do not have targets. A symbol is used to represent the future trend the Ministry would like to see. This is stated as Desired Trend in the report:

 DESIRED DOWNWARD TREND	 CURRENT LEVEL MAINTAINED
 DESIRED UPWARD TREND	 AIM TO ACHIEVE EVERY YEAR (where relevant)

To track the Ministry’s progress against the Desired Trend, the Overall Trend is compared against the Desired Trend to see if the Ministry’s progress is on track, partially on track, off track or to be determined (due to fluctuation). The Overall Trend is obtained by analysing data between 2019–20 and 2022–23. A symbol is used to represent the Overall Trend for the Results:

 <p>TRENDING DOWNWARDS</p>	 <p>CURRENT LEVEL MAINTAINED</p>	 <p>TREND NOT APPLICABLE FLUCTUATION</p>
 <p>TRENDING UPWARDS</p>		 <p>ACHIEVED / MET</p>


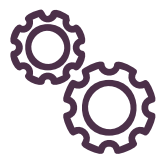


Our service performance information

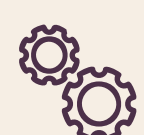





We also track our performance through output measures. These measures have performance targets, which we either achieve or do not achieve. In most cases, our performance in 2022–23 is measured by comparing our achievements against the results from previous years – see [page 111](#) for more information.






















Our financial and asset performance show how effectively and efficiently we managed our resources to deliver results – see [page 145](#) for financials, and [page 195](#) for asset performance.

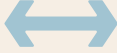













At a glance

Below is a dashboard view on how we track our progress against our Outcome Indicators. Refer to individual Goals section for more information.

KEY	
 ON TRACK The Ministry's progress (Overall Trend) is on track in meeting the Desired Future Trend	 PARTIALLY ON TRACK The Ministry's progress is partially on track in meeting the Desired Future Trend
 OFF TRACK The Ministry's progress (Overall Trend) is off track in meeting the Desired Future Trend	 TREND TBD - FLUCTUATION The Ministry's progress is to be determined in meeting the Desired Future Trend due to fluctuation

Outcome Indicators We made a difference in areas that helped us achieve our Goals	Desired Trend	Our progress
Maintain or increase volume of concessional financing from Asian Development Bank and World Bank to the Pacific	 DESIRED UPWARD TREND	 PARTIALLY ON TRACK
	 CURRENT LEVEL MAINTAINED	
Subscription to global disarmament treaties	 DESIRED UPWARD TREND	 ON TRACK
FTAs cover 75% of New Zealand goods and services exports by 2028	 DESIRED UPWARD TREND	 ON TRACK
Estimated trade value of non-tariff barriers resolved	 DESIRED UPWARD TREND	 ON TRACK

Outcome Indicators We made a difference in areas that helped us achieve our Goals	Desired Trend	Our progress
Effective provisions on environment and labour standards in New Zealand FTAs	 AIM TO ACHIEVE EVERY YEAR	 ON TRACK
The benefits identified for the hosting of APEC in 2021 are realised	 AIM TO ACHIEVE EVERY YEAR	 ON TRACK
Measures of Sustainable Development Goal progress in Pacific Island countries	 DESIRED UPWARD TREND	 TREND TBD - FLUCTUATION
Growth rate of GDP (% per year) for Pacific bilateral partners	 DESIRED UPWARD TREND	 TREND TBD - FLUCTUATION
Proportion of New Zealand responses to natural disasters in the Pacific that are launched within mandated timeframes	 CURRENT LEVEL MAINTAINED	 ON TRACK
Proportion of key tuna fish stocks within biologically sustainable levels in the Pacific (Sustainable Development Goal: 14.4.1)	 CURRENT LEVEL MAINTAINED	 ON TRACK
Government Effectiveness Index in bilateral partner countries	 DESIRED UPWARD TREND	 ON TRACK
Evidence of partnerships between New Zealand and Pacific bilateral partners strengthened	 AIM TO ACHIEVE EVERY YEAR	 ON TRACK
Government policies to mitigate the risk from emerging security issues contain clearly articulated international engagement priorities	 AIM TO ACHIEVE EVERY YEAR	 ON TRACK
85% or more respondents are satisfied with the quality of consular services	 DESIRED UPWARD TREND  CURRENT LEVEL MAINTAINED	 OFF TRACK

Outcome Indicators We made a difference in areas that helped us achieve our Goals	Desired Trend	Our progress
80% of consular survey respondents are aware of SafeTravel	 CURRENT LEVEL MAINTAINED	 OFF TRACK
New Zealanders' confidence in engaging with Asian cultures increases	 DESIRED UPWARD TREND	 ON TRACK
Ratings for leadership and collaboration from NZ Inc agencies	 DESIRED UPWARD TREND	 ON TRACK
Confidence of Māori in their partnership with the Ministry	 DESIRED UPWARD TREND	 ON TRACK
MFAT staff who are able to apply Mātauranga Māori in their mahi	 DESIRED UPWARD TREND	 OFF TRACK
Stakeholder satisfaction with the Ministry's effectiveness representing New Zealand interests is maintained	 DESIRED UPWARD TREND	 OFF TRACK
Domestic stakeholders' satisfaction with engagement with the Ministry	 DESIRED UPWARD TREND	 OFF TRACK
Understanding of MFAT's role and what it delivers for New Zealanders	 DESIRED UPWARD TREND	 ON TRACK
Visit numbers and user satisfaction with MFAT's websites and social media platforms	 DESIRED UPWARD TREND	 ON TRACK
Timeliness of response to Official Information Act (OIA) requests and ministerial correspondence	 DESIRED UPWARD TREND	 PARTIALLY ON TRACK

Budget significant initiatives

Ngā kaupapa hira ā-tahua

The initiatives listed below were considered material and significant to the Ministry and our stakeholders. They align to the Ministry’s Strategic Framework and form part of our priority deliverables.

Pacific Property System Projects			
Name of policy initiative	Appropriation	Budget year funded	Location of performance information
Enhancing Pacific Property	Act in the world to make New Zealanders safer and more prosperous – MCA Ministry of Foreign Affairs and Trade – Capital injection	Budget 2020	Annual Report 2020-21 p. 46 Annual Report – 2022-23 p. 93 (under Outcome 2)

Note: This is part of the investment made to ensure the Ministry has the required capability and capacity to deliver on its Strategic Goals. The funding over the planning horizon to 2023-24 will provide the physical infrastructure needed to support the desired policy direction of the Pacific Reset. This is an operating expense budget of \$14.6 million over the first four years and \$47.8 million in capital.

The Pacific Property System Projects is a programme of work across the Pacific to construct new chancery buildings and staff houses, upgrade infrastructure, and enable a shift to a centralised, outsourced facilities management system.

International Development Cooperation — Ngā Hoe Tuputupu-mai-tawhiti

Name of policy initiative	Appropriation	Budget year funded	Location of performance information
Increasing New Zealand's international assistance to ensure strong governance and inclusive development	Act in the world to make New Zealanders safer and more prosperous – MCA International Development Cooperation	Budget 2020	Annual Report 2020–21 p. 133
Aotearoa New Zealand's International Climate Finance Commitment 2022–2025	International Development Cooperation – MYA International Development Cooperation – Annual Appropriation Departmental Multi-Category Expenses and Capital Expenditure: Act in the world to build a safer, more prosperous, and more sustainable future for New Zealanders Management of New Zealand's International Development Cooperation	Budget 2022	Annual Report 2021–22 p. 137 Cabinet's commitment to supporting developing countries adapt to the environmental, economic, and social impacts of climate change, with a focus on the Pacific. These commitments are set out in New Zealand's International Climate Finance Strategy (see Note 1) Climate Emergency Response Fund (CERF) reporting (see Note 2)

Note 1:

- Cabinet Minute: CAB-21-MIN-0410 – Aotearoa New Zealand's International Climate Finance Commitment 2022–2025, 11 March 2022 <https://www.mfat.govt.nz/assets/OIA/PR-2021-0410-New-Zealands-International-Climate-Finance-Commitment.pdf>
- New Zealand's International Climate Finance Strategy <https://www.mfat.govt.nz/assets/OIA/OIA-2021-22/PR-2022-0327-Aotearoa-New-Zealand-International-Climate-Finance-Strategy.pdf>

Note 2: CERF reporting on the Treasury website provides aggregated spend reporting against the budget profiles in the original Cabinet paper.

www.treasury.govt.nz/information-and-services/nz-economy/climate-change/climate-emergency-response-fund

Note 3: The Ministry delivers development cooperation through New Zealand's IDC programme – Ngā Hoe Tuputupu-mai-tawhiti (translation: 'The paddles that bring growth from afar').

IDC is an Multi Year Appropriation approved on a triennium basis. The policy initiative "increasing New Zealand's international assistance to ensure strong governance and inclusive development" from Budget 2020 (\$50.2 million) belongs to the triennium period 2018–19 to 2020–21 (\$2.3 billion).

The initiative "Aotearoa New Zealand's International Climate Finance Commitment 2022–25" from Budget 2022 totals \$800 million over four years to December 2025, of which \$450 million belongs to the triennium period 2021–22 to 2023–24.

International Rules & Institutions

Ngā Ture me ngā Whakahaere ā-Ao

01



UN General Assembly 77th session. Credit: The UN

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

New Zealand continues to be an active participant in the rules-based international system and is committed to upholding international rules and norms, and to facing global challenges alongside our diverse range of multilateral partners.

The promotion and protection of international rules and the multilateral institutions that underpin them is a core tenet of New Zealand's foreign policy. The system is the framework of rules, norms, and institutions that has governed relations between states since the end of World War II. It is underpinned by principles, such as the peaceful settlement of disputes, respect for sovereignty and territorial integrity, the promotion of sustainable development, and respect for fundamental human rights. New Zealand's size and geographical location means that it relies on fair and consistent international rules for its security and prosperity. Multilateral institutions and processes enable collective action on shared global challenges, and provide New Zealand and its Pacific neighbours with a voice and influence on priority issues that they could not achieve in any other way.

An increasingly complex international environment is continuing to challenge multilateral institutions and the underlying rules-based system, which both rely on a commitment to cooperation to be effective. However, while the system is becoming more complex, significant outcomes are still being achieved, notably in the environment, trade, climate change, and development agendas.

Outcome 1:

New Zealand has used international rules and institutions to progress national interests

Despite the challenges posed by mounting geostrategic tensions, the rules-based international system has demonstrated that it can still deliver significant outcomes for both New Zealand and the global community.

The Ministry has worked effectively to defend challenges to New Zealand's international legal rights. The Ministry has also continued to lead New Zealand's dispute settlement proceedings under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) regarding Canada's implementation of its dairy tariff rate quotas. A panel was composed in March 2023 to hear the dispute, with a hearing held in Ottawa in June 2023. The outcome of the dispute is due to be confirmed in September 2023.

New Zealand remains active in discussions at the WTO to advance our economic and wider interests, including on agriculture, where we have stressed the importance of addressing agricultural trade distortions. An Agreement on Fisheries Subsidies was concluded in June 2022, and the Ministry has led efforts to bring it into force domestically. The Ministry has also led efforts to complete domestic Parliamentary Treaty Examination processes for the WTO Joint Statement Initiative on Services Domestic Regulation (concluded in December 2021). It has also worked with partners in Geneva to allow amended schedules to enter into force and give effect to this outcome. Separately, New Zealand has also participated in plurilateral negotiations under the WTO Joint Statements for E-commerce and Investment Facilitation for Development.

New Zealand has continued to condemn Russia's actions against Ukraine, actively sought to counter Russia's impact on the international rules-based system, and continues to provide support to Ukraine (see *Case study: Defending*

the International Rules-Based System by Resisting Russian Aggression in Ukraine, p. 39).

New Zealand is actively contributing to efforts to strengthen the global health architecture for pandemic prevention, preparedness, and response. The Ministry is leading New Zealand's engagement in international negotiations on a new 'pandemic treaty', and is supporting the Ministry of Health in the current review of the WHO's International Health Regulations (Sir Ashley Bloomfield is acting as co-chair). New Zealand also provided a contribution of \$2 million to the newly established Pandemic Fund.


The Ministry continues to support multilateral institutions to deliver results under the 2030 Agenda for Sustainable Development, particularly in the Pacific. New Zealand supported WHO efforts to increase access to COVID-19 treatments in the Pacific, and supported UNICEF to address the adverse impact of the pandemic on the determinants of health, especially childhood nutrition. New Zealand has continued to facilitate Pacific engagement in UN processes and mechanisms, and was elected co-chair of the preparatory process for the 2024 UN Conference on Small Island Developing States.


New Zealand engaged constructively in the governing bodies of international financial institutions, including the World Bank Group and the Asian Development Bank. This continues to bear fruit for enhanced engagement in the Pacific (see above). International financial institutions face growing challenges in responding to multiple needs and crises, while maintaining focus on delivering on their core mandates.

Significant progress was made in developing and maintaining rules and norms that respond to emerging global challenges. New Zealand has continued to take a leading role in efforts to protect the sovereign rights and resource base of Pacific Island countries in the face of climate change-related sea-level rise. This included co-funding and playing an active role in a Pacific Regional Conference on Sea-Level Rise to examine how to preserve statehood and protect persons. As a member of the Core Group supporting Vanuatu's request to the International Court of Justice (ICJ) for an Advisory Opinion on Climate Change, New Zealand played an influential role in securing a unanimous vote from the UN General Assembly to submit the question to the Court.

Indicator:	Desired Trend
Maintain or increase volume of concessional financing from the Asian Development Bank and World Bank to the Pacific	 DESIRED UPWARD TREND
Reason for choosing this Indicator	or
MFAT works to influence international financial institutions to provide additional funding in areas aligned to New Zealand's interests and values. The Asian Development Bank focuses on Asia, while the World Bank has a global focus.	 CURRENT LEVEL MAINTAINED

Progress

ASIAN DEVELOPMENT BANK	2022-23	2021-22	2020-21	2019-20	Overall Trend
New financing commitments, including co-financing, in the Pacific totalled	USD\$1,308 million	USD\$1,276 million	USD\$1,098 million	USD\$797.6 million	 DESIRED UPWARD TREND
Active loan and grant projects	82	82	86	-	
Loan and grant portfolio in the Pacific totalled	USD\$3,070 million	USD\$3,012 million	USD\$3,283 million	-	

THE WORLD BANK	2022-23	2021-22	2020-21	2019-20	Overall Trend
Total net commitments in the Pacific	USD\$121.8 million	USD\$1,094 million	USD\$482.5 million	Existing levels of funding maintained	 TRENDING DOWNWARDS
<p>The net commitments were substantially down year on year. This was due to:</p> <p>(i) the abnormally high level of net commitments in 2021-22 resulting from the shortening of IDA19¹¹; and</p> <p>(ii) the effects of COVID-19 travel restrictions on project preparation the year before.</p> <p>This is expected to return to normal levels in the next financial year.</p>					
Total net portfolio and number of active operations in the Pacific	USD\$2,741 million 90 active operations	USD\$3,064 million 104 active operations	USD\$2,063 million 86 active operations	-	
The reduced number of operations resulted from portfolio rationalisation aimed at improving project implementation.					

11 <https://ida.worldbank.org/en/replenishments/ida19-replenishment>



New Zealand at the 77th UN General Assembly. The Permanent Mission of New Zealand to the UN in New York displaying copies of the 2022–23 edition of the UN Handbook. This is a valued annual publication that remains one of New Zealand's longest standing contributions to the UN since 1961.

Left to right (back): Wendy Mackevics, Jonell Cabochan, Ella Ewen, Theresia Tong, Norhan El-Sanjak.

Left to right (front): Elizabeth de Jonge and Eliran Oz.

Credit: Twitter @ NZUN

Outcome 2:

New Zealand has helped protect and strengthen international rules and the effectiveness of the multilateral system

Russia's illegal, unjustified, and unprovoked invasion against Ukraine represents one of the most serious challenges to the international rules-based system since World War II. New Zealand has continued to make an active contribution to the global response to Russia's brutal invasion by: providing support to Ukraine to meet humanitarian needs and enable it to defend its sovereignty and territorial integrity; implementing targeted sanctions against members of the Russian Government; condemning the invasion and countering Russian narratives and disinformation in international forums; and supporting efforts to hold Russia accountable in international legal bodies (see *Case study: Defending the International Rules-Based System by Resisting Russian Aggression in Ukraine*, p. 39).

New Zealand has long advocated for the improvement of international multilateral institutions through reform and robust governance, to ensure they remain relevant, coherent, effective, and

efficient. We continue to be a strong supporter of the UN Secretary-General's programme of UN reform, known as 'Our Common Agenda', which seeks to renew and refresh the rules-based international system. New Zealand co-chaired the UN resolution setting the parameters for the 2024 Summit of the Future in New York, which will consider ways to lay the foundations for more effective global cooperation that can deal with today's challenges, as well as new threats in the future.

New Zealand continues to engage actively on human rights in international forums, seeking to embed human rights and inclusive development across the UN agenda. We have demanded action to address the most egregious human rights situations. We co-sponsored and lobbied for a Human Rights Council resolution on the Marshall Islands' nuclear legacy, created a Special Rapporteur on the human rights situation in Russia, and promoted LGBTQIA+ rights through the Gender Equality Ambassador's participation in the Equal Rights Coalition global summit and in Sydney World Pride. The Ministry has also supported international efforts to counter the use of arbitrary detention.

Domestic implementation of New Zealand's international obligations remains an important focus for New Zealand and the Ministry. MFAT led the preparation of a national report for New Zealand's Universal Periodic Review to the Human Rights Council, which will take place in April 2024. Consultation included public hui in six cities and towns across the country, as well as two online consultations and the consideration of written submissions. The Ministry also supported domestic agencies in participating in reviews of New Zealand's implementation of its obligations under the Conventions on the Rights of Persons with Disabilities and the Rights of the Child.

Supporting the protection and promotion of human rights in the Pacific is a particular priority for New Zealand. The Ministry entered a five-year partnership with the Asia Pacific Forum of National Human Rights Institutions, to help strengthen human rights infrastructure in Asia and the Pacific by supporting the establishment and sustainability of these institutions.

New Zealand continues to actively support the rules-based multilateral trading system (*also see Goal 2: Economic Returns & Resilience, p.41*). We have continued to advocate for WTO reform, including as a member of the Ottawa Group, which advocates for meaningful, realistic, and pragmatic reforms to the WTO. To maintain the efficacy of the rules-based trading system, and for members to continue to have access to an independent appeal process for dispute settlement, New Zealand and a number of other WTO Members set up a separate appeal system for trade disputes, the Multi-Party Interim Arbitration Arrangement (MPIA), in March 2020. New Zealander Dr Penny Ridings is one of 10 Arbitrators on the MPIA panel. In November 2022, the MPIA considered its first case on appeal.

New Zealand was successful in having its candidate, Dr John Barker, elected as Director-General of the International Organisation of Vine and Wine (OIV) for the 2024–2028 term. The OIV is an intergovernmental organisation responsible for the scientific and technical aspects of viticulture and winemaking. Dr Barker is the first Director-General to be elected from a Southern Hemisphere wine-producing country. His election will enhance New Zealand's profile

in the global wine industry, and ensure we are well placed to influence strategic debates on key issues affecting regulation of the sector.

New Zealand continued to support the effectiveness of the multilateral climate change regime, and has advocated for an approach that would limit global warming to 1.5° degrees, based on the best available science (*see also Goal 5: Climate change & environment, p.62*).

New Zealand constructively engaged as a member of the OECD Development Assistance Committee, including during this year's peer review of our development cooperation. We are improving the transparency of our development cooperation, including through membership of the International Aid Transparency Initiative, which requires regular publication of data in line with an agreed standard.

New Zealand remains active across the disarmament agenda, particularly on nuclear disarmament, despite increasing strategic tensions and Russia's illegal invasion of Ukraine stifling progress in key multilateral forums. New Zealand works hard to uphold and strengthen existing rules and norms, for example on cluster munitions, and is also contributing to the development of new disarmament norms, including on lethal autonomous weapon systems, and responsible behaviour in outer space. New Zealand's contribution to cyber initiatives is outlined under Goal 6: Safety and Security. Significant multilateral outcomes were also achieved on biodiversity and marine biodiversity, as outlined under Goal 5: Climate Change & Environment.

Indicator:

Desired Trend

Subscription to global disarmament treaties



Reason for choosing this Indicator

The Ministry works to influence global disarmament, as indicated by the desired increase in the number of state parties subscribing to global disarmament treaties.

Progress

ASIAN DEVELOPMENT BANK	2022-23	2021-22	2020-21	2019-20	Overall Trend
Treaty of the Prohibition of Nuclear Weapons	68 states parties	61 states parties	55 states parties	38 states parties	
Arms Trade Treaty	113 states parties	111 states parties	110 states parties	106 states parties	
Convention on Cluster Munitions	111 states parties	110 states parties	110 states parties	108 states parties	
Comprehensive Nuclear-Test-Ban Treaty	177 states parties, with Solomon Islands and Timor-Leste ratifying from the Pacific region	172 states parties, with Tuvalu ratifying from the Pacific region	168 states parties	Four Pacific Island Countries (PICs) yet to ratify	
Treaty on the Non-Proliferation of Nuclear Weapons	No change	No change	No change	10 PICs do not have an Additional Protocol in place	

We continued to promote disarmament treaties and to speak in support of disarmament norms. Ministerial engagement raised the profile of disarmament issues with key bilateral partners and in multilateral engagements.



Distribution of food and hygiene parcels to the villages of Zalyznychne and Nova Hnylytsia in the Kharkiv region of Ukraine in cooperation with Ukrainian Red Cross volunteers. New Zealand made a contribution of \$3 million to the International Committee of the Red Cross (ICRC) 2023 Ukraine appeal. Credit: Tetiana Oliinyk/ICRC

Defending the International Rules-Based System by Resisting Russian Aggression in Ukraine

Russia's illegal and unprovoked full-scale invasion of Ukraine on 24 February 2022 represented one of the most serious challenges to the international rules-based system since World War II.

Over the past year, New Zealand continued to play an active role in the global response to Russia's ongoing aggression, working to defend relevant international rules and norms, ensure accountability, and ultimately promote an end to the war. It has done so by speaking up in international forums to counter Russian narratives and disinformation, and helping to hold Russia to account in international legal bodies, while providing practical support for Ukraine and implementing sanctions in response to Russia's actions.

Since Russia's invasion of Ukraine, New Zealand has provided more than \$83 million in assistance. This includes \$15 million to address the humanitarian impacts of the conflict through support for both refugees and those remaining in Ukraine. A special visa category has assisted family members of Ukrainian New Zealanders. We have also provided supplies, equipment, materials, logistics, and training to assist Ukraine in defending its sovereignty and territorial integrity. More than \$543 million in new assistance was committed during 2022–23.

The regulatory regime established under the Russia Sanctions Act in March 2022 has been effectively implemented, and sanctions have been progressively applied to an expanding number and range of targets. Successive rounds of sanctions – 22 to 30 June 2023 – have kept pace with Russia’s illegal actions and with the responses of our partners, with more than 1,550 individuals and entities sanctioned to 30 June 2023. Bilateral trade with Russia has plummeted since the invasion and the implementation of our sanctions regime, with exports falling by 72.8 percent and imports by 93.3 percent.

New Zealand is supporting efforts to hold Russia to account for its illegal actions through the International Criminal Court (ICC) and the International Court of Justice (ICJ). It has provided more than \$2.6 million in additional funding to the ICC’s Office of the Prosecutor and its Trust Fund for Victims, to ensure legal accountability and justice for victims in Ukraine. This included through the ICC’s investigations into Russian President Vladimir Putin and his Commissioner for Children’s Rights, Mariya Lvova-Belova, for the unlawful deportation of thousands of Ukrainian children to Russia. The effect of these arrest warrants has been significant, constraining President Putin’s ability to travel without risking arrest. In June 2022, New Zealand was also one of the first countries to file an intervention in Ukraine’s case against Russia in the ICJ, which challenges Russia’s spurious claims of genocide to justify its invasion. On 5 June 2023, the Court noted New Zealand’s intervention, and the case will now proceed to oral hearings later in 2023.

New Zealand has also joined other countries in condemning Russia’s war of aggression in a range of settings, including the Prime Minister’s address to the UN General Assembly in September 2022 and relevant international and regional organisations. In doing so, it has emphasised the negative implications for core principles of the international rules-based system, including respect for sovereignty and the UN Charter’s prohibition on the use of force against the territorial integrity or political independence of other states. It has also highlighted the invasion’s devastating impacts on the people of Ukraine, including through Russia’s targeting of civilians and civilian infrastructure, as well as on the international community by driving global inflation and food insecurity.

These actions show that the international legal system is responding effectively, and reinforce the key principles of international law that Russia has sought to undermine.

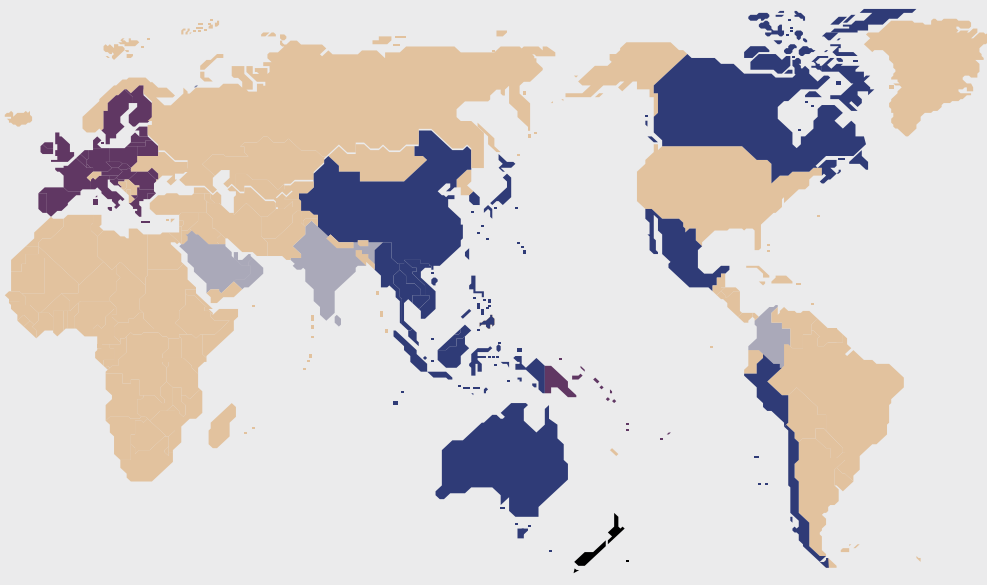


Economic Returns & Resilience

Ngā Whakahokinga me te Aumangea ā-Ohaoha

02

Percentage of New Zealand goods and services exports covered by FTAs in year ending June 2023



FTAs in force

65.6% of NZ's total exports
Exported \$63.33 billion of total goods and services to FTA in force with partners (including UK but not EU).

FTAs concluded

6.0% of NZ's total exports
Exported \$5.83 billion of total goods and services to FTA negotiation concluded with partners (just the EU27).

FTAs in negotiation

3.6% of NZ's total exports
Exported \$3.5 billion of total goods and services to FTA partners still under negotiation (just Colombia, GCC and India).

FTAs in force, concluded

71.7% of NZ's total exports
Exported \$69.16 billion of total goods and services to FTA concluded with partners (including EU).

FTAs in force, concluded or under negotiation

75.3% of NZ's total exports
Exported \$72.65 billion of total goods and services to all FTA partners including those still under negotiation (including Colombia, GCC and India).

Grow sustainable economic returns and resilience from trade, investment and other international connections

As a trade-dependent economy, geographically distant from export markets, New Zealand is a firm supporter of free and open trade. We have one of the most open market economies in the world.

New Zealand's trade policy is designed to deliver for all New Zealanders and contributes to addressing global and regional issues of concern. The Ministry's intention is for trade policy to work alongside other government policies to support sustainable and inclusive economic development.

Implementation of New Zealand's Trade Recovery Strategy 2.0 has come at a time of growing risk, uncertainty, and pressure in the global economic and trade environment. Building agility and resilience into New Zealand's trade and policies that support trade is now more important than ever.

Outcome 1:

New Zealand's trade policy has been a key enabler of economic recovery from the COVID-19 pandemic, diversified market access, and increased export earnings and resilience to future shocks

The Ministry has delivered significant achievements in the past year, despite a challenging global environment. These achievements have directly contributed to protecting or improving market access for a wide range of goods and services exports in a diverse range of markets.

The New Zealand–United Kingdom Free Trade Agreement (NZ–UK FTA) (see *Case study: New Zealand–United Kingdom Free Trade Agreement*, p.46) entered into force in May 2023, making 99.5 percent of New Zealand goods exports to the UK duty-free from day one. The agreement will eventually mean the elimination of all tariffs on New Zealand exports to the UK.

Negotiations on the New Zealand–European Union Free Trade Agreement (NZ–EU FTA) were concluded on 30 June 2022 (with the Agreement subsequently signed on 9 July 2023). Signature paves the way for the legal procedures needed to bring the Agreement into force. The Agreement provides commercially meaningful market access outcomes and raises the bar on inclusivity, trade, and the environment. Once the Agreement enters into force, New Zealand goods and services exports covered by FTA will rise to 73.4 percent, close to the target of 75 percent by 2028.

The CPTPP has continued to expand, with accession requests now received from the UK, China, Chinese Taipei, Ecuador, Costa Rica, Uruguay, and Ukraine (with the UK having subsequently acceded to the CPTPP in July 2023). New Zealand assumed the role as chair of the CPTPP Commission in January 2023 and has leveraged this role successfully, with several major meetings hosted during the reporting period. The lengthening list of accession requests demonstrates the value of this Agreement and, more broadly, concerted open plurilateralism in practice.

New Zealand is working actively in Geneva to bring the WTO Joint Statement Initiative on services domestic regulation into force with around 70 other WTO Members. The initiative is aimed at increasing

the transparency, predictability, and efficiency of authorisation procedures for service providers in foreign markets. Entry into force is currently being blocked by a small number of WTO Members.


New Zealand has had considerable success in developing and implementing digital trade rules that enable our businesses to succeed. Resolution of complex legal issues will clear the way for Republic of Korea's accession to the Digital Economy Partnership Agreement (DEPA), which is expected to formalise in mid-July. Adding a G20 economy to the Agreement, will be a significant outcome. Importantly, DEPA maintains a balance in digital trade rules between the free flow of data and trust and respect for legitimate public policy objectives. It also includes appropriate structures to consider emerging digital issues, such as Artificial Intelligence (AI), alongside other partners.

The Ministry has worked actively with other NZ Inc agencies to resolve five non-tariff barriers to trade between 1 July 2022 and 30 June 2023. These are measures other than tariffs that countries and economies use to restrict trade, such as licences, quotas, and restrictive requirements. These barriers cover approximately \$423 million worth of trade. Efforts by MFAT and the Ministry for Primary Industries (MPI) resulted in Malaysia conducting an audit of New Zealand halal certification bodies. Malaysia's halal requirements are some of the strictest in the world and the audits were crucial to ensuring that New Zealand exporters do not lose access to a valuable growing market.

Also, following the inclusion of New Zealand by the US Committee on Foreign Investment on its 'excepted foreign state list' in January 2022, the US confirmed in February 2023 that New Zealand had received 'final excepted' status. Receipt of this status provides New Zealand investors with preferential treatment when investing in the US market, and puts our firms on a level playing field with investors from Australia, Canada, and the UK, which is particularly welcome given the US's increased requirements for screening investments in sensitive areas.

Indicator:	Desired Trend
FTAs cover 75% of New Zealand goods and services exports by 2028	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
<p>New Zealand is a trade-dependent economy aiming to increase our Gross Domestic Product (GDP), and we are a firm supporter of free and open trade with one of the most open market economies in the world. FTA coverage is important as an increase in this is proportional to the increase of New Zealand's GDP.</p>	


Progress

	2022-23	2021-22	2020-21	2019-20	Overall Trend
FTA coverage	65.6% Note: NZ-UK FTA now entered into force. NZ-EU FTA concluded.	64.6% Note: UK is 2.7% and EU is 6.1% but is not in force.	64.5%	61%	 TRENDING UPWARDS

FTA coverage continues to trend upwards, making good progress towards the Indicator of FTAs covering 75% of New Zealand goods and services exports by 2028.

Indicator:	Desired Trend
Estimated trade value of non-tariff barriers resolved	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
<p>The Ministry helps New Zealand exporters by promoting increased market access and better commercial conditions for our businesses. Resolving non-tariff barriers is an Indicator for this.</p>	

Progress

	2022-23	2021-22	2020-21	2019-20	Overall Trend
Estimated trade value	NZD\$423 million	NZD\$354 million	NZD\$190 millions	NZD\$195 million	 TRENDING UPWARDS
Number of non-tariff barriers resolved	5	15	17	-	

Non-tariff barriers with a high commercial materiality have been resolved in 2022-23. Year on year, this is trending upwards and is in line with what the Ministry set out to achieve for the Indicator.



CPTPP 2023 chair New Zealand hosted senior trade officials from 10 economies at a CPTPP trade policy meeting in Auckland in April 2023. Credit: Twitter @MFATNZ

Outcome 2:

Trade and investment have grown in a way that is sustainable and benefits all sectors of New Zealand society and enjoys wider public support

Over the past year, the Ministry continued to ensure trade agreements and initiatives advanced New Zealand’s sustainability objectives, and supported our businesses to transition to and succeed in a low-emissions global economy.


Following the Minister of Trade and Export Growth’s endorsement of the refreshed Trade Recovery Strategy in June 2022, the Ministry has focused efforts this past year on implementing it in four key areas: sustainable and inclusive trade; trade and export lift; architecture; and resilience. The four interrelated pillars are underpinned by the overarching Trade for All Agenda that seeks to ensure trade delivers for all New Zealanders. Progress has been made across all four pillars of the Strategy, with goods exports growing to \$72 billion (higher than pre-COVID-19 levels) and services exports to \$22 billion (17 percent below pre-COVID-19 levels).

At the OECD, a new proactive programme of strategic engagement and leverage, particularly in the Trade Committee, is yielding strong early results. Forward work programmes on economic coercion and indigenous trade are now progressing, with New Zealand playing a key role in their establishment. New Zealand vice-chaired the 2023 OECD Ministerial Council Meeting, themed ‘Securing a resilient future: shared values and global partnerships’, which allowed us to highlight and pursue our Indo-Pacific and trade interests.

Significant progress was achieved in implementing the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA), including finalisation of the governance framework for the IPETCA Partnership Council. This will be comprised of indigenous representatives and officials, and will oversee the implementation of the IPETCA. The IPETCA is a world-first international instrument aimed at strengthening the economic inclusion of Indigenous Peoples through trade and investment, addressing indigenous trade issues, and raising awareness of indigenous economies across the globe, while increasing economic cooperation between Indigenous Peoples.

Indicator:	Desired Trend
Effective provisions on environment and labour standards in New Zealand FTAs	 AIM TO ACHIEVE EVERY YEAR
Reason for choosing this Indicator	
<p>New Zealand is a trade-dependent economy, and we are a firm supporter of free and open trade with one of the most open market economies in the world. Effective provisions on environment and labour standards in New Zealand FTAs are important in the provision of FTA. It is an indication of the quality of the FTA.</p>	

Progress

		Overall Trend
2022-23	<p>Domestic consultations to refresh Trade and Environment and Trade and Labour Frameworks completed. We continued to seek and secure Trade and Sustainable Development outcomes as part of FTA negotiations. This is a strong component of both the NZ-UK and NZ-EU FTA and is a core rationale for the Agreement on Climate Change, Trade and Sustainability negotiations. The NZ-UK FTA, for example, includes an article on sustainable agriculture. For the first time ever in an Environment chapter, both sides also acknowledge the perspective of Māori on the environment, and the chapter includes Māori concepts such as kaitiakitanga and mauri. The NZ-EU FTA (not in force) includes a range of provisions including on the Paris Agreement, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and so on.</p>	 ACHIEVED / MET

Outcome 3:

International connections have supported New Zealand businesses to compete better in the global economy

To support New Zealand's international trade and business engagement, the Ministry supported four Prime Ministerial and ministerial trade missions over the past year (including a Māori trade mission to Singapore), led by the Minister of Trade and Export Growth.

The Ministry also supported businesses by continuing to ensure comprehensive market analyses were available, including through publishing 133 'Market Intelligence' reports. These reports were avidly read by businesses, with more than 133,000 page views of the 'MFAT Market Intelligence' section of the Ministry's website in the past year. There were also over 34,000 recorded searches conducted on the Ministry's online Tariff Finder and 429 visits to the Services Exporter Tool.

The Ministry continued to work to ensure New Zealand continued to benefit from stable air and marine connections, for example, remaining engaged with the aviation sector as international air passenger capacity recovered to around 80 percent of pre-pandemic levels.



Minister of Trade and Export Growth Damien O'Connor and UK Secretary of State Anne-Marie Trevelyan at the NZ-UK FTA signing ceremony. Credit: MFAT.

New Zealand–United Kingdom Free Trade Agreement

In May 2023, the NZ-UK FTA came into force. It is a high-quality, comprehensive FTA with real benefits for all New Zealanders.

The market access package in the NZ-UK FTA is one of the very best New Zealand has secured in an FTA. The UK will eliminate all tariffs on New Zealand exports, with duties immediately removed on 99.5 percent of current trade, saving exporters approximately \$37 million each year. The Agreement includes new guarantees of market access and more certainty for our services exporters, investors, and for Kiwi businesses wanting to access the UK's Government procurement market. It also includes commitments in the area of digital trade to assist our growing tech sector. Overall, the deal will boost New Zealand's GDP by between \$700 million and \$1 billion, making a real difference to the prosperity of New Zealanders.

The Agreement contains the broadest set of outcomes for Māori that New Zealand has negotiated in an FTA – recognising the importance that Māori placed on this Agreement. This includes: prioritisation of early tariff elimination on a range of goods of interest to Māori; Māori perspectives and concepts in the Environment chapter; and a Māori Trade and Economic Cooperation chapter that will create a platform for cooperation on a range of issues important to Māori. These outcomes would not have been possible without close engagement between officials and Treaty partners throughout the negotiations.

As the first FTA launched and concluded under our Trade for All agenda, Trade for All principles and priorities were embedded in New Zealand's approach to the negotiations and are reflected in the outcomes. This includes dedicated chapters on Trade and Gender supporting women's economic empowerment, Trade and Development, Consumer Protection, Small and Medium-Sized Enterprises, Trade and Labour, and Anti-Corruption.

This is our first bilateral trade agreement to include a specific article on climate change. It includes provisions towards eliminating environmentally harmful subsidies, such as harmful fossil-fuel subsidies, and prohibiting fisheries subsidies that lead to overfishing. Over 290 environmentally beneficial products have been prioritised for tariff elimination.

The Agreement further strengthens our relationship with the UK by creating stronger bilateral trade and investment ties. As a piece of architecture, the FTA also creates an enduring link that draws the UK towards our region and makes a contribution to an open, rules-based system that goes beyond bilateral trade.

The successful outcomes achieved in the NZ-UK FTA are testament to the strong collaborative effort of several agencies under intense circumstances, with negotiations coinciding with the onset of the COVID-19 pandemic. Despite these challenges, negotiators managed to deliver an FTA that sets high-quality precedents in international trade rules, reflecting the strength of cooperation between government agencies and with Treaty partners and key stakeholders.



From left to right: Minister Nanaia Mahuta with Japanese Foreign Minister Yoshimasa Hayashi, Indonesian Minister Retno Marsudi and her spouse, US Secretary of State Antony Blinken, Cambodian Minister Prak Sokhonn and Australian Minister Penny Wong at the ASEAN-led Ministerial Meeting Gala Dinner in Cambodia in August 2022. Credit: Twitter@NanaiaMahuta.

Embed New Zealand as an active and integral partner in shaping an Indo-Pacific order that delivers regional stability and economic integration

New Zealand's essential economic and security interests are grounded in the Indo-Pacific – our wider home region and where our largest trading partners are. Stability, security, and prosperity in this region, supported by effective regional architecture, are enduring national interests.

The region is a central stage for growing geostrategic competition. Supply chain disruption and impacts from Russia's invasion of Ukraine have aggravated pre-existing challenges, including for economic resilience, human development, and regional cohesion.

New Zealand engages with and supports Indo-Pacific regional organisations, and works with a broad network of partners on shared interests in the region. It is important that New Zealand continues to engage actively to help shape an Indo-Pacific order that delivers regional stability and economic integration in a sustainable and inclusive way.

Alongside this, frequent bilateral engagement with our partners in South East Asia has served to reinforce New Zealand's interests and objectives in key regional architecture.

Outcome 1:

The existing Indo-Pacific architecture has delivered greater regional prosperity and security outcomes that advance our interests

New Zealand’s commitment to peaceful, open, and inclusive regionalism underpinned by the rule of law is evident in its advocacy, engagement, and diplomacy with the various elements of the wider Indo-Pacific architecture. Positive flow-on effects from New Zealand’s hosting of APEC 2021 have continued to underline our engagement in the Indo-Pacific region as an active, reliable, and committed partner.


New Zealand supported Thailand’s key deliverable as host of APEC 2022, the Bangkok Goals on climate change and sustainability, as a natural extension of our efforts as host the year before. In November 2022, APEC economies strongly welcomed the Prime Minister’s announcement of \$5.65 million toward APEC climate work. Increasing global strategic competition and a lack of consensus within APEC on Russia’s invasion of Ukraine have continued to pose challenges to New Zealand’s APEC objectives. However, the first half of 2023 has been focused on leveraging the focus on

sustainability and inclusion to drive forward New Zealand’s priorities in climate change, women’s economic empowerment, and Indigenous Peoples’ participation in trade.


New Zealand continues to support the East Asia Summit (EAS) as the leading leader-level regional forum for strategic dialogue. While adoption of Leaders’ Statements by consensus was not possible, the Summit was constructive. The Prime Minister delivered a strong intervention calling for continued support for the EAS as a powerful avenue for dialogue and an incubator of regional solutions.

New Zealand has supported a number of trade initiatives in the region, including the establishment of the Secretariat of the Regional Comprehensive Economic Partnership, and playing a leadership role in the upgrade of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).

New Zealand continues to substantively and constructively engage with a variety of bilateral partners, within and outside the region, and in doing so, advocates for cooperative approaches to regional issues that are aligned with an inclusive, stable, and prosperous region.

Indicator:	Desired Trend
The benefits identified for the hosting of APEC in 2021 are realised	 AIM TO ACHIEVE EVERY YEAR
Reason for choosing this Indicator	
The Ministry received funding to enable the planning and delivery of the year-long APEC hosting in 2021. This Indicator is to demonstrate that the benefits identified from the hosting are realised.	

Progress

		Overall Trend
2022-23	Our work in APEC continues to be guided by the strategic objectives of our host year. Key areas of focus this year include: <ul style="list-style-type: none"> • Demonstrating the relevance of APEC – maximising APEC’s convening power, norms, and capacity-building in areas that support the region’s economic recovery and growth. • Demonstrating New Zealand’s partnership with Māori and inclusive approach by connecting Indigenous Peoples to the work of APEC – leading IPETCA work (as set out under Goal 2) and embedding inclusion principles across our work streams. 	 ACHIEVED / MET



MFAT officials (from the Services, Investment, and Digital Unit and Trade Law Unit) participating in the AANZFTA upgrade negotiations at the ASEAN Secretariat, Jakarta. From left to right: Tom Barker, Rory MacDonald, Nicolasa Fuller, Hayley Kim, Sam Rea, and Tiger Huang. Credit: MFAT.

Outcome 2:

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

New Zealand has worked to bolster the Indo-Pacific region’s wider trade and economic architecture, including through engagement in the Indo-Pacific Economic Framework (IPEF), a 14-country coalition representing 40 percent of global GDP. New Zealand has participated in four in-person IPEF negotiation rounds, which have resulted in the significant achievement of concluding negotiations for an IPEF Supply Chain Agreement that will provide a new framework for regional collaboration on supply chain resilience. New Zealand has sought ambitious outcomes in several other areas, including on non-tariff barriers, especially in agriculture, environmentally harmful subsidies, digital trade, and the intersection between trade, investment, and climate change. New Zealand is

co-chairing, with Australia, negotiations on an ‘Inclusivity chapter’ under the Framework, and seeking language reflecting indigenous interests across the trade agenda.

Alongside engagement in the existing regional architecture that has a history of delivering for the region, New Zealand has also continued to engage with like-minded partners through a range of other channels. This includes, for example, the meeting of NATO’s partners from the Indo-Pacific and the second EU Ministerial Forum on the Indo-Pacific and through hosting a number of visits to New Zealand.

Outcome 3:

Levels of integration and engagement with ASEAN have delivered significant benefits to New Zealand in economic and security terms

In an increasingly challenging geopolitical landscape, New Zealand has sought to ensure its cooperation initiatives and assistance have contributed to ASEAN's centrality and ability to support an open, inclusive, stable, and prosperous Indo-Pacific region. We have continued to effectively implement our Plan of Action with the organisation. This Plan reflects our shared ambition for a deeper, stronger, and mutually beneficial ASEAN-New Zealand Strategic Partnership, with a focus on areas where ASEAN and New Zealand have expertise and mutual interests. Over the past year, this has included launching the first ASEAN-New Zealand Trade Academy, re-launching the Young Business Leaders Initiative, and co-chairing with Indonesia the first 'ASEAN Outlook on the Indo-Pacific' workshop on marine plastic debris.

New Zealand has continued to be an active participant across ASEAN Regional Forum work streams, including co-chairing the intersessional meeting on counter-terrorism and transnational crime. We have continued to engage actively in the ASEAN Defence Ministers' Meeting Plus, at both ministerial and officials levels, as part of our efforts to strengthen security and defence cooperation for peace, stability, and development in the region.

All 2022–23 action items under the ASEAN New Zealand Plan of Action specific to development cooperation initiatives have been successfully delivered, and total combined aid flows exceeded \$105 million. Thematically, these initiatives span peace and stability, agriculture, renewable energy, scholarships and training, disaster resilience, climate change response, socioeconomic recovery from COVID-19 impacts, and efforts to narrow the development gaps between ASEAN Member States. We have also supported Timor Leste's progress towards ASEAN accession.

The year 2023 saw the resumption of New Zealand-based Manaaki New Zealand Scholarships study, which has further strengthened New Zealand's connections with the region. Two ASEAN programmes providing English language training for officials were completed, with 58 participants in total, plus additional short courses delivered. One hundred and forty-three pipeline tertiary scholars from ASEAN and Timor-Leste arrived to take up studies in New Zealand over the past year. In partnership with the ASEAN Humanitarian Assistance Centre and GNS Science, the Ministry also supported a regional leadership programme in disaster management. We also continue to support the civil society Young Leaders programmes in Eastern Indonesia and Mindanao in the Philippines.

New Zealand's support for the Global Community Engagement and Resilience Fund's work in the Philippines and Sri Lanka contributed to improved security in participating communities. Demining work in Cambodia and Lao PDR resulted in a total of 63 km² of land cleared and the removal of 44,167 unexploded ordnances (UXOs). There were 57,157 beneficiaries who can now access safe land for productive use.

We opened the first solar lab under the New Zealand–Indonesia Maluku Access to Energy Support (NZMATES) in the Maluku region to increase solar photovoltaic training opportunities. The ASEAN regional Climate Smart Agriculture Initiative implemented by MPI delivered its inventory programme, established measurement hubs, and created an Indigenous Research Network supported by Tūwharetoa in New Zealand.

Peace and prosperity in South East Asia

New Zealand’s long-standing support for peace and security in South East Asia focuses on securing a more peaceful future in conflict-affected areas to create the conditions for development and prosperity.

In the South East Asia region, communities in Myanmar are particularly impacted by land contaminated by mines, with new mines continuing to be laid. In the case of Cambodia and Lao PDR, communities are dealing with the harmful legacy of explosive remnants of war (ERW) from past conflicts. New Zealand has been a long-standing supporter providing funding and training for mine and ERW clearance to reduce the risk of injury and casualties and free up land for productive use. In the last year, a total of 63 km² of land was cleared and 44,167 UXOs were destroyed.

In Cambodia, UNDP’s mine clearance initiative cleared and released 34.25 km² of land, which was more than double the annual target achievement (15.50 km²). There were 57,157 direct beneficiaries, including 27,154 (48 percent) women and 1,066 (2 percent) people with disabilities who can now access safe land for productive use. Land value has increased by an average of 265 percent in these provinces, with USD\$2 million in income generated from the sale of agricultural produce grown on



A technical demining team member undertakes a metal detection survey of agricultural land contaminated with explosive remnants of war in Lao PDR. Credit: UXO Lao.

the cleared land during 2022. Also, 3,216 landmine survivors received rehabilitation services over the past year. In Lao PDR, 29 km² of UXO contaminated land was cleared in just six months of reporting and 13,149 UXO items were destroyed.

In Myanmar, assistance has continued despite an increasingly conflict-affected operating environment, with an estimated 1.9 million people internally displaced and 25 million (45 percent of the 56 million population) living in poverty. New Zealand's focus is on alleviating food insecurity, supporting livelihoods, and fostering social cohesion. We are exploring further support for mine awareness and mine victim assistance in the coming months.

With technical support from New Zealand demining experts, the ASEAN Regional Mine Action Centre has been established to provide policy and standards and capacity development for countries in the region.

A further dimension has been in the Philippines, supporting work through the United Nations Population Fund (UNFPA) to strengthen gender responsive governance and peacebuilding in Mindanao. This activity achieved the reintegration of 74 female ex-combatants of the Bangsamoro Islamic Women Auxiliary Brigade (BIWAB) through retraining as social service work professionals focused on the needs of women and girls.

The Global Community Engagement and Resilience Fund (GCERF) supports the efforts of local Non-Governmental Organisations (NGOs) to address the causes of terrorism and violent extremism in the Philippines, especially in the Mindanao region, where development has been hindered by civil unrest over several decades. New Zealand has provided funding to promote social cohesion through a contestable fund that provides funding to grassroots NGOs, including engaging youth through a culture of peace training sessions and intercultural youth exchanges.



Demining specialists in Cambodia train rats to detect unexploded ordnance in Siem Reap Province. Credit: Nathan Williams, ARMAC



New Zealand's Governor-General Dame Cindy Kiro and her delegation being welcomed onto Atupare Marae by Te Ui Ariki with a Kiriti Maro Tai ceremony. Credit: MFAT.

Promote a peaceful, prosperous and resilient Pacific in which New Zealand's interests and influence are safeguarded

New Zealand is a Pacific country. We share a past, a whakapapa, and a future with our Pacific whanaunga. We have a deep shared interest in reinforcing the breadth, depth, and durability of regional resilience, cohesion, prosperity, and stability.

New Zealand's Pacific Resilience Approach provides a framework for our approach to working in the Pacific and demonstrates our respect for the sovereignty of Pacific countries. Through our engagement, we work with Pacific countries to support them to chart their own resilience journeys, using local and culturally relevant approaches, and strengthening the capacity of the partners we work with.

The Pacific region is facing an array of challenges and changes – climate, social, environmental, economic, and security. Governments are still facing headwinds in managing their economic recovery in the wake of COVID-19. New Zealand shared concerns about increasing strategic competition in the Pacific region.

Outcome 1:

New Zealand has supported Pacific island countries to weather the storm of COVID-19 and resume a pathway to enduring economic and social wellbeing

Pacific countries have continued to support their own livelihoods despite COVID-19 impacts, and benefited from trade, labour mobility, and other safe people movement around the region.

The past year saw New Zealand disburse \$592.2 million in International Development Cooperation (IDC) funding to the Pacific; 61 percent of the total IDC spend. As borders re-opened in the region, New Zealand provided \$73.5 million of additional fiscal crisis funding to Pacific countries. The additional emergency budget support assisted Pacific economics with the lingering economic impacts of the COVID-19 pandemic, at the same time as additional fiscal pressures were emerging caused by rising inflation. This support aligns with our Pacific Resilience Approach, demonstrating our respect for the sovereignty of Pacific countries, and allowing Pacific governments to respond flexibly and rapidly to issues in line with their own objectives, priorities, and interests.

Following the re-opening of borders, New Zealand adjusted its Pacific regional trade policy approach with renewed focus on supporting businesses to reconnect with partners, customers, and key markets. Several immigration changes reinforced this approach, such as prioritisation of the Pacific during border re-opening and the eligibility of business travellers to carry three-year multiple entry visas, and increasing ease of travel for the tourism industry.

Border re-opening also paved the way for a full resumption of the Recognised Seasonal Employer (RSE) scheme. Over 15,650 Pacific RSE workers took up opportunities in New Zealand, representing the highest number of annual arrivals since the Scheme's inception. The RSE Worker Training programme Phase II (known as Vakameasina) successfully adapted and recovered from the impacts of COVID-19, with 1,787 workers enrolled in, or completing, courses in 2022–23. Vakameasina continues to expand their course offerings. The most popular are essential learning (digital literacy, health, nutrition, financial capability, sexual health, and human rights), cooking and hospitality, and small business and budgeting.

The Ministry of Health's IDC-funded Polynesian Health Corridors programme has been the main conduit for New Zealand's provision of public health support to Polynesian countries, particularly during their COVID-19 responses. The programme delivered wrap-around support for COVID-19 vaccines and therapeutics roll out, including: the donation of adult and paediatric vaccines and therapeutics; the provision of rapid antigen tests (RATS); training on vaccine administration and drug safety; public health advice and clinical guidance; adverse event monitoring; and surge laboratory personnel.

New Zealand funding, through the International Planned Parenthood Federation and its local member associations in nine Pacific countries, increased access to contraception, sexual and gender-based violence services, and cervical cancer screening and treatment. A total of 527,554 sexual and reproductive health services were delivered in the Pacific in 2022. Member associations resumed breast and cervical cancer screening services, which were severely interrupted during the pandemic.

Work undertaken by New Zealand's Tuia Tāngata Ambassador for Gender Equality (Pacific), Louisa Wall, resulted in heightened interest in issues relating to Sexual Orientation, Gender Identity, Gender Expression and Sex Characteristics (SOGIESC) in the Pacific. Outcomes included: engagement with the Pacific Council of Churches; participation of eight Pacific representatives at Sydney World Pride 2023, including LGBTQIA+ rights activists from Fiji, Tonga, the Cook Islands, and Vanuatu; and increased engagement with the UN system on SOGIESC related rights.

Improving access of Pacific learners to high-quality, equitable, and relevant education is a core focus for New Zealand. The establishment of NCEA in Tokelau was a significant cross-agency success, as is a new partnership under the Inclusive Education programme to improve access to specialist education for children and young people with disabilities in the Cook Islands, Niue, and Tokelau. The Support to the Pacific Community (SPC) Education Quality and Assessment programme has delivered a shift in the education system, as it connects essential education data to administration hierarchies at ministry, provincial, and school levels.

Fourteen member countries were supported to administer, code, and capture data for the Pacific Islands Literacy and Numeracy Assessment, with 40,000 learners participating. New Zealand also signed a new 10-year partnership with the University of the South Pacific.


New Zealand continued its focus on strengthening economic governance to ensure Pacific countries are able to manage continuing COVID-19 impacts and sustain the responsible use of resources. In 2022-23, we provided \$21.7 million in general budget support to the region. This included a programme of reform-linked general budget

support, focusing on strengthening economic governance across Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Tuvalu.

The Ministry's Pacific Infrastructure Technical Assistance Facility has continued to assist Pacific governments to access high-quality construction finance by proving the technical and economic viability of infrastructure projects. The Pacific Regional Infrastructure Facility, a partnership of New Zealand, Australia, the US, and the Asian Development Bank, has delivered new or updated National Infrastructure Investment Plans for Kiribati, Tonga, Tuvalu, Fiji, and Niue.

Indicator:	Desired Trend
Measures of Sustainable Development Goal progress in Pacific Island countries	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
The Ministry has committed to support Pacific countries to resume a path towards achieving the Sustainable Development Goals ¹² (SDGs). This Indicator demonstrates at an aggregate level the extent to which Pacific countries are making progress towards SDG Indicators and links to achievement of Pacific Goal Outcome 1.	

Progress


	Number of goals with improving trends against the total number of goals with data available:	Overall Trend
2022-23	Overall, 3/12 countries show an improving trend for at least 50% of the goals*	 TREND NOT APPLICABLE FLUCTUATION
2021-22	Overall, 8/12 countries show an improving trend for at least 50% of the goals*	
2020-21	Overall, 6/9 countries show an improving trend for more than 50% of the goals* (Data excludes Cook Islands, Niue or Tokelau, and COVID-19 impacts)	
2019-20	Overall, 5/9 countries show an improving trend for more than 50% of the goals* (Data excludes Cook Islands, Niue, Tokelau, and COVID-19 impacts)	
*Where data is available		

¹² The SDGs are a collection of 17 interlinked objectives, adopted by the UN in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. Countries have committed to prioritise progress for those who are furthest behind.

Detailed breakdown of Sustainable Development Goals in Pacific Island countries:

	Federated States of Micronesia	Fiji	Kiribati	Marshall Islands	Nauru	Palau	Papua New Guinea	Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu
2022-23	0/9	6/14	4/11	1/7	4/10	6/9	0/15	5/14	3/14	6/12	5/10	3/13
2021-22	6/9	11/16	6/11	3/8	5/9	5/8	6/15	8/16	5/14	11/12	5/9	6/15
2020-21	-	8/14	6/9	-	-	-	4/14	8/15	4/14	9/12	4/9	8/14
2019-20	-	10/14	4/9	-	2/8	-	3/14	10/15	4/14	9/12	2/7	9/14

Indicator:	Desired Trend
Growth rate of GDP (% per year) for Pacific bilateral partners <small>(Source: Asian Development Outlook)</small>	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
New Zealand supports the sustainable economic growth of Pacific countries. This Indicator is a standardised measure of improvement in economic prosperity and links to achievement of Pacific Goal Outcome 1.	

	2022-23	2021-22	2020-21	2019-20	Overall Trend
Growth rate of GDP – % per year	3.3%	5.2%^	-0.6%	New indicator	 TREND NOT APPLICABLE FLUCTUATION

^This figure varies from the value reported in 2020-21 (3.9%) due to revision of source data by the Asian Development Bank.

Outcome 2:

Partnership with New Zealand has enabled a stable, secure, resilient and well-governed region

As the global outlook becomes increasingly disrupted, New Zealand is committed to ensuring the Pacific has the capability to address trans-boundary security threats. Our support to Pacific national and regional law enforcement agencies is intended to build capacity and capability to respond to these threats, with aligned initiatives that enable policing, customs, and immigration networks to strategise, undertake regional training, share intelligence, and collaborate. This will ultimately contribute to better governance and stronger democracies.

A key achievement for the Pacific Islands Forum Sub-Committee on Regional Security was the development of the PIF Regional Transnational Organised Crime Disruption Strategy 2023-2027. Pacific partners continue to seek New Zealand's support in trans-boundary security, evidenced

through joint scoping of new phases of the Pacific Islands Prevention Policing programme, the Pacific Detector Dog programme, Customs Sector Development and the Hakili Matagi Immigration Support programme. Funding through the Airport Security Equipment project is improving Pacific aviation security, with new x-ray and other security equipment procured or ordered for airports in Niue and Kiribati.

The Ministry continued to support Pacific governments to lead their own responses to natural disasters. Category 4 Tropical Cyclones Judy and Kevin hit Vanuatu within 72 hours of each other in March 2023, causing damage to 80 percent of the country. New Zealand supported the Vanuatu National Disaster Management Office by providing a package of assistance aligned with Vanuatu's post-disaster priorities. This included humanitarian relief supplies, psychosocial support, NZ Disaster Response Partnership, NGO responses, and early recovery activities, with a total value of \$3 million.

Pacific countries were also supported to strengthen their disaster risk management through funded capacity-building initiatives to National Disaster Management Offices in Niue, the Cook Islands, Tokelau, Samoa, and Tonga. This included: support to Kiribati during a severe drought; public tsunami awareness activities in the Cook Islands; and training in Tonga on damage assessment processes. The Ministry also provided funding to continue strengthening emergency management coordination at the Pacific regional level through the Pacific Islands Emergency Management Alliance.


New Zealand remains focused on ensuring Pacific countries have increased resilience to natural hazards and the intensifying impacts of climate change. New Zealand's scaled-up climate investments in the Pacific are guided by Tuia te Waka a Kiwa – our international Climate Finance Strategy (released August 2022).


Increased investment includes a new programme of country-flexible finance, which has supported Pacific countries to scale-up delivery of their climate change priorities, with initial disbursements to the Cook Islands and Tonga completed in June 2023. Identifying Pacific countries' capacity support requirements is a continuing priority to enable the government systems required to plan and lead investments aligned to their climate change priorities.


New Zealand continues to support a range of activities to increase the sustainable management of Pacific natural resources and address critical issues facing the region, including coastal fisheries management, food security, climate change, labour standards on fishing vessels, and increasing economic benefits from tuna fisheries. Regional capacity-building programme Te Pātuitanga Ahumoana a Kiwa successfully delivered programmes in fisheries management and monitoring, control, and surveillance in partnership with regional agencies. Ecosystem-based climate adaptation was also supported through a range of initiatives, such as a rat eradication programme under way at the request of the community on Palmerston Atoll (Cook Islands) through the Pacific Regional Invasive Species Management Support Services.


New Zealand has focused on strengthening resilience in the region through improved governance with three priority work streams: strengthening transparency and accountability; public sector capacity and capability building; and improving access to justice. The Ministry's support of the Teieniwa Vision on Pacific Unity against Corruption and the Global Corruption Barometer Pacific Reports have helped spotlight corruption as a serious national and regional issue. The Pacific Justice Sector programme has helped strengthen Pacific jurisdictions, including through a court performance management toolkit, training, and the production of bench books.


Support for regional organisations to be effective and well governed is a key focus. The Pacific Community's (SPC's) mandate as the principal science and technical organisation in the Pacific remains highly relevant to the priority needs of Pacific countries. New Zealand's support includes a significant new climate change investment (\$30 million), reflecting our commitment to work with and through the regional architecture. The IDC programme also provides core funding to the Oceania Customs Organisation, the Pacific Islands Chiefs of Police, and the Pacific Immigration Development Community. The partnership between these three regional bodies has been strengthened through a Partnership Arrangement aimed at working together for increased impact, and with the addition of the Forum Fisheries Agency during the year.


Indicator:	Desired Trend
Proportion of New Zealand responses to natural disasters in the Pacific that are launched within mandated timeframes	
Reason for choosing this Indicator	
New Zealand has a Cabinet-level mandate to respond to natural disasters in the Pacific within 24 hours (Polynesia) and 48 hours (Melanesia). The Ministry leads all Pacific responses. This measure demonstrates the extent to which we have fulfilled this mandate and links to achievement of Pacific Goal Outcome 2.	

	% within mandated timeframes:	Number of responses launched	Response name	Overall Trend
2022-23	100%	1	Tropical Cyclones Kevin and Judy – Vanuatu	
2021-22	100%	1	Hunga Tonga-Hunga Ha’apai volcano – Tonga	
2020-21	100%	4	1. Water insecurity Kiribati 2. Tropical Cyclone Yasa 3. Tropical Cyclone Ana 4. Tropical Cyclone Harold	
2019-20	100%	4	1. Tropical Cyclone Sarai 2. Tropical Cyclone Tino 3. Tropical Cyclone Harold 4. Fiji Flooding	

Indicator:	Desired Trend
Proportion of key tuna fish stocks within biologically sustainable levels in the Pacific (percentage)	
<small>(Sustainable Development Goal Indicator: 14.4.1)</small>	
Reason for choosing this Indicator	
A sustainably-managed, healthy fishery is fundamental to food and income security for Pacific Island countries and territories. The Western and Central Pacific region accounts for over 50% of the global tuna catch. This SDG indicator assesses whether the Pacific’s tuna stocks are maintained within sustainable levels. New Zealand’s support for sustainable tuna fisheries in the Pacific contributes to maintenance of a 100% result for this Indicator and links to achievement of Pacific Goal Outcome 2.	

	Proportion of key tuna fish stocks	Overall Trend
2022-23	100% (4 out of 4 key tuna stocks)	
2021-22	100% (4 out of 4 key tuna stocks)	
2020-21	100% (4 out of 4 key tuna stocks)	
2019-20	100% (4 out of 4 key tuna stocks)	

Indicator:	Desired Trend
Government Effectiveness Index in bilateral partner countries (percentile ranking) in bilateral partner countries	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
The World Bank Group Government Effectiveness Index demonstrates overall governance effectiveness for individual countries by measuring the quality of public services, civil service, policy formulation and implementation, and the credibility of government commitment to improving or maintaining these aspects. Results against this measure demonstrate the progress made by Pacific states towards more effective and accountable institutions and better public services, which the Ministry supports through our development and foreign policy engagement in the region. The Indicator links to achievement of Pacific Goal Outcome 2.	

	Government Effectiveness Index average rank*	Number of bilateral partner countries showed improving trend in the past 10 years*	Overall Trend
2022-23	41.5 across 12 bilateral partner countries where data was available	9/12 countries in the past 10 years (2012-2021)	 TRENDING UPWARDS
2021-22	44.7^ across 12 bilateral partner countries where data was available	9/12 countries in the past 10 years (2011-2020)	
2020-21	39.5 across 12 bilateral partner countries where data was available	6/12 countries in the past 10 years (2010-2019)	
2019-20	33 across 11 bilateral partner countries where data was available	7/10 countries in the past 10 years (2009-2018)	

*Source: World Bank

^ This figure varies from the value reported in 2020-21 (41.8) due to a revised source data being published. World Bank: "Changes over time in a country's score on the WGI reflect a combination of three factors (i) changes in the underlying source data, (ii) the addition of new data sources for a country that are only available in the more recent period, and (iii) changes in the weights used to aggregate the individual sources."

Outcome 3:

A Pacific strategic environment conducive to New Zealand's interests and values has been preserved and our influence as a preferred and prominent partner maintained

Throughout 2022-23 New Zealand continued to work to ensure that strong and collaborative Pacific partnerships enable effective shared responses to the Pacific region's challenges. The Minister of Foreign Affairs had in-person and virtual engagements with Pacific counterparts and other senior Pacific leaders in the region. The Fiji Prime Minister's visit to New Zealand in June 2023 showcased the strength and depth of the bilateral relationship following Fiji's recent election. New Zealand's hosting of the Conference of Education

Ministers in March 2023 was an important opportunity to collectively progress regional education challenges.


Funding to the Pacific Islands Forum (PIF) Secretariat supports sustainability of the organisation and its ability to coordinate delivery of regional priorities. New Zealand's funding support to Fiji, followed by the Cook Islands, as Forum chair, enabled amplification of Pacific voices globally through the hosting of Leaders' Meetings in Fiji and through multilateral forums. In July 2022, PIF Leaders endorsed the 2050 Strategy for the Blue Pacific Continent. The Strategy represents a vision for "a resilient Pacific Region of peace, harmony, security, social inclusion, and prosperity that ensures all Pacific people can lead free, healthy and productive lives."

Given the importance of regional unity, New Zealand has, with Forum Members, continued to invest in upholding regional unity, including through active engagement in Forum processes and support for Pacific-led outcomes. New Zealand will continue to play an engaged role in the implementation of the Suva Agreement, which acts as a political commitment to reform the Forum.

Supporting increased Pacific resilience remains an All-of-Government priority. We worked alongside Pacific countries to manage a range of contemporary challenges, including climate change, food security, cyber issues, and geostrategic competition. We also have regular policy discussions with a number of Pacific partners (bilaterally and in a regional context) on issues of shared concern.

Australia remains our indispensable partner in the Pacific, but others remain keenly interested in stepping up their engagement in the region. We continue to encourage long-term, sustained investment in Pacific priorities as the best way to engage with the region. In our engagements with countries external to the Pacific, New Zealand encouraged all partners to take an approach that works within existing arrangements, supports existing architecture, and is led by Pacific partners.

Indicator:	Desired Trend
Evidence of partnerships between New Zealand and Pacific bilateral partners strengthened	 AIM TO ACHIEVE EVERY YEAR
Reason for choosing this Indicator	
Strong and constructive partnerships between the Ministry and Pacific bilateral partners are critical to the achievement of effective shared responses to the region's challenges. This Indicator (based on internal assessment of proactive and reactive engagements with individual countries) demonstrates progress against Pacific Goal outcome 3.	

New Zealand and Pacific bilateral partnerships assessed as:					Overall Trend
	Extremely strong and constructive	Very strong and constructive	Somewhat strong and constructive	Functional but could be improved	
2022-23	3/12	3/12	4/12	2/12	 AIM TO ACHIEVE EVERY YEAR
2021-22	3/12	2/12	7/12	-	
2020-21	-	6/12	6/12	-	
2019-20	-	7/12	5/12	-	



Minister of Foreign Affairs Nanaia Mahuta in Samoa visiting Poutasi village. Credit: Twitter@NanaiaMahuta

Honouring our partnership with the Pacific by keeping New Zealand’s Pacific diaspora informed and engaged through *kanohi ki te kanohi*

New Zealand has deep and long-standing connections to the Pacific through whakapapa, language, shared history, and culture. Pacific peoples have made a significant contribution to our country for more than a century — economically, socially, politically, and culturally.

Ensuring that the Pacific diaspora in New Zealand are informed about the Government’s work and priorities is an essential part of honouring that connection and our commitment to building genuine partnerships based on the values of mahi tahi and kotahitanga. This is why the Ministry has, since 2021, undertaken an annual ‘Pacific Update’ outreach to Pacific diaspora communities across New Zealand.

These engagements have allowed the Ministry to provide updates on its key priorities in the Pacific region. Feedback from the Pacific diaspora has influenced the Ministry’s work; enabled us to obtain insights and feedback on how the Ministry can best partner with the Pacific to address common challenges and opportunities; and highlighted the connection between New Zealand’s domestic and foreign policies. They are delivered in close collaboration with the Ministry’s relevant partners, including Ministry for Pacific Peoples (MPP), Ministry of Business, Innovation and Employment (MBIE), New Zealand Trade and Enterprise (NZTE), and Pacific Trade Invest (PTI) New Zealand. This year, the Ministry was also pleased to partner with several Pacific Community organisations that work closely with the Pacific diaspora in their local communities.



MFAT Chief Executive Chris Seed and Ministry for Pacific Peoples (MPP) Chief Executive Gerardine Clifford-Lidstone signed a new MOU committing to delivering improved outcomes for Pacific peoples in New Zealand and across the Pacific region. Credit: Twitter@MFATNZ



Director Felicity Bollen with the MFAT and MBIE team together with South Waikato District Mayor Gary Petley and members of the Tokoroa Pacific Community. Credit: MFAT.

This year's outreach was undertaken across nine locations, reaching over 500 stakeholders. The International Development Cooperation programme, scholarships, Pacific research, youth development, efforts to address climate change, RSE Scheme, and immigration settings were topics of particular interest.

In addition to this annual outreach, the Ministry also facilitates targeted consultations with the Pacific diaspora on domestic policies that impact on the

Pacific region. These are delivered in partnership with relevant NZ Inc partners, and this past year have included talanoa on New Zealand's Adoption Law Reforms, National Security Strategy, Defence Policy Review, and climate financing.

Our approach to engagement has and will continue to provide the Ministry with rich insights, new partnerships, fresh ideas, and inspiration to help refine our approach and demonstrate our manaakitanga with Pasifika communities.



MFAT, MBIE and the MPP team together with Waitaki District Deputy Mayor Hana Halalele and members of the Oamaru and Timaru Pacific Community. (Note: In attendance, but not in the photo, was Waitaki District Mayor Gary Kircher). Credit: MFAT.

05 Climate Change & Environment Te Panoni Āhuarangi me te Taiao



Former New Zealand Prime Minister Jacinda Ardern's Antarctica visit in November 2022. Credit: Mike Scott, New Zealand Herald.

Promote sustainable international solutions to climate change, global environment and natural resource challenges that impact on New Zealand

The devastating impacts of climate change and environmental degradation are increasingly being felt at home, in the Pacific, and across the globe. International cooperation and ambitious action are needed more than ever to tackle these challenges.

New Zealand is also committed to effective stewardship of the oceans and the protection of global biodiversity. We have a particular interest in and kaitiaki responsibilities for ensuring that the Pacific and the Southern Oceans and Antarctica are effectively governed, sustainably managed, and environmentally resilient.

The difficult international operating environment has slowed progress on some environmental priorities, and geopolitical tensions are negatively affecting some multilateral processes. However, despite these headwinds, strong environmental outcomes have been achieved, particularly on protecting biological diversity, and supporting the decarbonisation of international shipping. Another historic outcome for the Pacific, strongly supported by New Zealand, has been on loss and damage in UN climate negotiations.

Outcome 1:

The global response to climate change reflects New Zealand's ambitions, including for Pacific climate resilience

With action on climate change more urgent than ever, New Zealand continues to press for outcomes in international negotiations, to ensure the global response is ambitious and reflects the need for Pacific climate resilience, including through engagements with bilateral partners.

New Zealand continued to support the effectiveness of the multilateral climate change regime, and continues to advocate for an approach that would limit global warming to 1.5° degrees, based on the best available science as set out by the Intergovernmental Panel on Climate Change (IPCC). New Zealand is working with partners to encourage greater ambition and to support effective implementation. It has also engaged constructively in support of Indigenous Peoples' participation in international climate processes, including by co-chairing the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform.

New Zealand continues to advocate for ambitious global action on climate change mitigation. At COP27 in Sharm El Sheikh, Egypt, New Zealand sought to influence decisions on a new mitigation work programme, including by co-facilitating relevant negotiations at the meeting. Progress was also made on a number of significant rules and technical items. New Zealand's early announcement of \$20 million to fund loss and damage at COP27 helped secure a historic decision on a fund and funding arrangements to address loss and damage from climate change, an outcome sought by Pacific Island countries for 30 years.

New Zealand continues to work with Pacific Island countries to amplify their collective voice in multilateral processes on climate change. This has included support for the Moana Blue Pacific Pavilion at COP27, and for Pacific negotiators to participate in COP27 and in meetings of the International Maritime Organization (IMO) in June 2023.

To support Pacific climate resilience through multilateral support and finance, the Ministry has made good progress in delivering on New Zealand's \$1.3 billion climate finance

commitment, with \$1.04 billion already programmed. New Zealand contributed \$15 million to the Adaptation Fund and \$23.5 million to the eighth replenishment of the Global Environment Facility. We continued to deliver on our commitment to build capacity and capability in the Pacific, and to access climate finance from multilateral institutions, with our long-term advocacy contributing to the Green Climate Fund adopting a simplified approvals process for approval of certain small-scale projects.

Several large-scale climate finance activities were approved for delivery in the Pacific, including several projects in partnership with the Pacific Community worth \$55 million in new funding over three years. This included \$30 million for the Pacific Community's Climate Change Flagship programme, and \$25 million to develop climate science for enhanced Pacific tuna access.

To ensure robust and effective guidelines for environmental integrity are in place, and to enable credible options for international carbon trading, the Ministry supported the Ministry for the Environment in developing a Plan for International Cooperation on Mitigation. While development on the Plan is ongoing, engagement with international partners to identify potential sources of offshore emissions reductions continues.

New Zealand continues to lead and engage actively in global initiatives that demonstrate how trade can support climate and broader environment and sustainability objectives. Negotiations have concluded on the first chapter of the Agreement on Climate Change, Trade and Sustainability, focused on Eco-Labeling. The NZ-UK FTA entered into force, setting a new standard for Environment chapters in trade agreements. Negotiations were concluded on a NZ-EU FTA (with signature to occur in July 2023), which will deliver significant outcomes on environmental issues. New Zealand also remains actively engaged in negotiations on the Clean Economy Pillar and the Environment chapter of the Trade Pillar under the Indo-Pacific Economic Framework.

In the IMO, New Zealand worked with Pacific countries to secure agreement on a revised greenhouse gas (GHG) emissions reduction strategy that keeps the 1.5° degrees temperature goal within reach.



Minister of Climate Change James Shaw at COP 27 in Egypt in November 2022. Credit: Twitter@MFAT

To ensure our international engagement on climate issues reflects the views and values of New Zealanders, the Ministry led public consultations to inform an updated international climate negotiation mandate. This included social media outreach, three online forums, and consideration of more than 100 written submissions.

Outcome 2:

Antarctica and New Zealand's place in it are protected

New Zealand remains committed to the protection and sustainable management of Antarctica. The Scott Base Redevelopment is making progress and is on track to be completed by 2028. A significant programme of preparatory work was completed in the 2022–23 summer season, with the Detailed Design phase for the main base completed in November. The Ministry has worked closely with Antarctica New Zealand to ensure Scott Base remains fit-for-purpose.

The Ministry has worked with close partners to maintain the effectiveness of the Antarctic Treaty System in the face of growing geopolitical tensions. New Zealand has been active and influential in the meetings of the Antarctic Treaty System, including at the Antarctic Treaty Consultative Meeting, the annual meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), and at the special meeting of CCAMLR on marine protected areas to support the effective governance of Antarctica.

New Zealand continues to be well coordinated with Ross Sea partners. Our Antarctic Gateway relationships with the US, Italy, and the Republic of Korea have been reaffirmed by bilateral meetings and are supported by the Ministry's cooperation with the Christchurch City Council and Christchurch NZ, as well as Antarctica New Zealand's logistics cooperation with those countries. Christchurch continues to be the gateway of choice for the Ross Sea region, with programme plans in place for the coming season.

Outcome 3:

International stewardship of oceans, especially Pacific and Southern Oceans, has improved

Illegal, Unreported, and Unregulated (IUU) fishing threatens the sustainability of global fish stocks. Significantly, it undermines efforts to manage fisheries sustainably, undercuts endeavours to conserve marine biodiversity, and deprives countries of the economic returns that are their right. New Zealand remains committed to eliminating IUU fishing in the Southern Ocean. To strengthen international support on this issue, New Zealand joined the IUU Fishing Action Alliance (a coalition of states committed to combating IUU fishing) in March 2023, with strong support from a range of non-state actors.

The amount of plastic in our seas, soils, and waterways is a growing global problem causing harm to the environment, including marine life, and to human health. New Zealand is participating in global negotiations to establish an international legally binding instrument to end plastic pollution, advocating for an effective global regime that covers the full life-span of plastics, from extraction and production to disposal. Our proposals on fossil-fuel subsidy reform and the need for indigenous participation have been well received by Pacific countries and others.

Despite efforts to challenge the basis of the moratorium on commercial whaling at the 68th meeting of the International Whaling Commission in October 2022, New Zealand worked with others to ensure there was little appetite for this and the moratorium remains firmly in place. While agreement was not possible on a full reform of the Commission's governance structures, a package of budget reforms was agreed to update its financial management procedures. These should place the Commission in a stronger position to avoid financial troubles in the future.

New Zealand progressed its domestic processes to ratify the WTO Agreement on Fisheries Subsidies, which was concluded in June 2022. New Zealand is engaging actively in the negotiations on outstanding elements, including on subsidies for overcapacity and overfishing, with the aim to conclude these elements by World Trade Organisation Ministerial Conference 13 in February 2024.

Outcome 4:

Better international stewardship of biodiversity has halted its global decline and reflected New Zealand's national and regional priorities

In March 2023, a new UN treaty on the conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction was agreed. The new treaty comes under the umbrella of the UN Convention on the Law of the Sea, complementing the existing international legal framework governing biodiversity and providing a framework for halting marine biodiversity loss in the high seas. New Zealand played an active and influential role in the final negotiations.

Following a four-year period of consultations and negotiations, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted in December at the 15th Conference of Parties to the Convention on Biological Diversity. The Framework and resulting work streams are science-based, addressing global biodiversity loss and supporting the sustainable use of resources. New Zealand played an influential role in the final negotiations, chairing one of two major Working Groups and ensured the appropriate reflection of indigenous rights in the outcome. The Ministry is now engaging in Department of Conservation-led interagency work to ensure the effective domestic implementation of the new Framework.



New Zealand delegation to the resumed fifth, and final, negotiating session for Biodiversity Beyond Natural Jurisdiction (BBNJ). From left to right: Luke Roughton (MFAT), Hilary Aryton (Ministry of Primary Industries), Abby Hutchison (ex-MFAT), Alexandra Macdonald (Department of Conservation), Victoria Hallum (MFAT), Barry Weeber (ECO), Zoe Russell (MFAT), Joanna Mossop (Victoria University of Wellington). Credit: MFAT.

Strengthening international stewardship of the oceans and biodiversity: Marine Biodiversity Treaty and 2020 Global Biodiversity Framework

Biodiversity concerns the health of all living things and their ecosystems, and is crucial to the maintenance of human life on earth. However, global biodiversity is increasingly at risk. An estimated 25 percent of the world's animals and plant groups are threatened, and one million species are facing extinction. In New Zealand, more than 4,000 species face extinction, including precious taonga. This is the fastest rate of extinction in human history, and is unprecedented since the extinction of the dinosaurs.

The year 2022–23 saw two breakthrough achievements in the international stewardship of global biodiversity and the oceans.

On 4 March 2023, agreement was reached on a new treaty on the conservation and sustainable use of ocean biological diversity in areas beyond national jurisdiction. The new treaty builds on the existing framework created by the UN Convention on the Law of the Sea (UNCLOS) and is a demonstration of what countries can achieve by working together through the UN.

When UNCLOS was negotiated four decades ago, the importance of biodiversity was not well understood. The new treaty strengthens international stewardship of the oceans and high seas biodiversity by providing tools and systems for their management and protection, including the creation of marine protected areas, and sets clear procedures and requirements for assessing environmental impacts. In doing so, it takes a coherent approach to oceans governance and reinforces the roles of existing institutions, frameworks, and bodies, such as Regional Fisheries Management Organisations and the Antarctic Treaty System.

The treaty also facilitates the full and effective participation of developing countries – including Pacific Island states – in the conservation and sustainable use of marine biodiversity, and in the sharing of knowledge from marine genetic resources.

New Zealand’s negotiating team worked hard to secure these outcomes, including to: ensure effective procedures for establishing marine protected areas; ensure proposals for their establishment could not be blocked; and to include provision for emergency measures to be imposed in response to unexpected disasters. We also chaired negotiations on the Implementation, Compliance and Dispute Settlement chapters, and on the Area Based Management Tools chapter at an earlier stage in the negotiations.

In December 2022, the much-anticipated global deal for nature, the Kunming-Montreal Global Biodiversity Framework (GBF), was adopted by the 15th Conference of Parties (COP15) to the Convention on Biological Diversity (CBD). COP15 was scheduled for 2020, but was postponed due to the COVID-19 pandemic. The GBF replaces the Strategic Plan for Biodiversity 2011–20 and Aichi Targets agreed in 2010.

Our objectives for the GBF were to secure ambitious outcomes containing evidence-based goals and targets that address the drivers of biodiversity loss, as well as strong outcomes on indigenous rights. Our negotiators played active leadership roles, including on the Bureau and by chairing one of two Working Groups at COP15.

The new global goals are ambitious. A key outcome was agreement on the ‘30x30’ conservation target, which aims to ensure 30 percent of terrestrial and inland water, and of coastal and marine areas, are effectively conserved and managed by 2030. This is a significant increase from previous targets, which aimed to protect 17 percent of land and 10 percent of coastal and marine areas. Parties also agreed to mobilise annual funding of USD\$200 billion from all sources (including private) by 2030 to support implementation.

The focus now shifts to effective implementation, to ensure global biodiversity loss is halted and reversed by 2030.

Security & Safety

Te Haumaru me te Haumarutanga



Left to right: The Asia-Pacific Four (AP4). Anthony Albanese (Prime Minister of Australia); Fumio Kishida (Prime Minister of Japan); Jens Stoltenberg (NATO Secretary General); Chris Hipkins (Prime Minister of New Zealand) and President Suk Yeol Yoon (Republic of Korea). Credit: NATO.

Lead New Zealand's international action to advance and protect New Zealanders' safety and New Zealand's security

New Zealand is facing an increasingly complex international security environment, including: escalating global geopolitical tensions; growing strategic competition, particularly in the Indo-Pacific; and instability exacerbated by climate change and food insecurity.

New Zealand has traditionally seen itself as protected from global threats by its geography and a relatively peaceful Pacific region. Our interconnectedness with the world, the changing nature of the region, and the evolution of new threats (including cyber and mis/disinformation), all mean that there is increasing risk to New Zealand's security and the safety of New Zealanders offshore.

As international travel has resumed, the Ministry is committed to securing the safety and security of New Zealanders in the world, including by providing high-quality consular and travel advice and assistance.

Outcome 1:

Reduced risk to New Zealand from trans-border security issues, including terrorism, malicious cyber activity, irregular migration, transnational crime, foreign interference, and weapons proliferation

The global outlook continues to present considerable levels of disruption and risk to New Zealand's security and the safety of New Zealanders offshore. These developments make efforts to advance and protect New Zealanders' safety and security challenging. The Ministry continues, with other government agencies and through our international relationships and international institutions, to protect our security interests.

The Ministry continued to engage with international partners and lead work in support of the Christchurch Call to eliminate terrorist and violent extremist content online (see *Case study: 4th Christchurch Call Leaders' Summit*, p. 73).

New Zealand remains committed to mitigating terrorism risks in the South East Asian region. We continued to actively engage across the Indo-Pacific regional security architecture, including ministerial engagement in the ASEAN Regional Forum and Meetings, where we co-chaired the Counter-Terrorism and Transnational Crime work stream.

New Zealand continued to make substantive contributions to UN negotiations on responsible state behaviour in cyberspace and the draft Cybercrime Treaty. In May 2023, New Zealand's National Cyber Security Centre joined international partners in highlighting malicious cyber activity linked to Russia and, separately, to the People's Republic of China. The release of this information will enable detection and discovery efforts worldwide and contributes to building global norms.

The Ministry continued its work with domestic agencies to strengthen New Zealand's resilience to foreign interference risks. We have continued work to counter risks of economic coercion, including engaging with exposed sectors around contingency planning and identifying where government agencies can support trade diversification. The Ministry has supported international efforts to counter the use of arbitrary detention.

Emerging technologies continue to present New Zealand and its like-minded partners with both opportunities and risks. The Ministry is part of inter-agency groups focused on emerging

technology policy development and responding to national security risks in the procurement of technologies, and we are actively exploring multilateral opportunities for New Zealand to participate in to support efforts to regulate artificial intelligence (AI). Since March 2023, the Ministry has worked with domestic agencies to develop bilateral cooperation with the US on emerging and critical technologies.


New Zealand advocates for an outer space environment that is peaceful, sustainable, safe, and secure. We have continued to participate actively at the UN Committee on the Peaceful Uses of Outer Space, including in negotiations around space sustainability, active debris removal, space resource utilisation, and the impact of space activities on astronomers and other users of the night sky. We have worked closely with Artemis Accords partners, supporting efforts to develop principles to advance a safe and transparent environment that facilitates civil exploration, science, and commercial space activities. In November 2022, New Zealand signed the Space Framework Agreement with the US, strengthening cooperation in the use of outer space for peaceful purposes.

As part of ongoing work to reduce the risk of conflict in space, we have been closely involved in negotiations at the UN Open-Ended Working Group on Reducing Space Threats through Norms, Rules and Principles of Responsible Behaviours.

Export Controls are an essential element of New Zealand's non-proliferation, arms control, and disarmament policies, and of our commitment to being a responsible exporter. In May 2023, enhancements to the Export Controls regime went live, including using revised Assessment Criteria, the adoption of a Purpose Statement, and a Transparency Approach. The regime also published an Annual Report for the first time and released a series of training animations for internal and public use. These, and other internal changes, implement the recommendations of the independent Export Control review released in September 2021. The final outcomes provide greater transparency and enhance understanding of the operation of the regime.

Indicator:	Desired Trend
Government policies to mitigate the risk from emerging security issues contain clearly articulated international engagement priorities	 AIM TO ACHIEVE EVERY YEAR
Reason for choosing this Indicator	
This Indicator reflects that New Zealand’s Government policies are aligned with international engagement priorities, to reduce risk to New Zealand from trans-border security issues, including terrorism, malicious cyber activity, irregular migration, transnational crime, foreign interference, and weapons proliferation.	

Progress

		Overall Trend
2022-23	Met – see narrative	 ACHIEVED / MET

Outcome 2:

New Zealand’s participation in international military and peace support operations mitigates direct security threats, contributes to a more stable global environment, and delivers benefits to our major relationships

New Zealand continues to make a range of contributions to collective security challenges, including: military training and other contributions in support of Ukraine’s self-defence; deployments to long-standing UN peacekeeping missions in the Middle East and Africa; contributions to the enforcement of UN Security Council sanctions against North Korea; security and policing support to the Solomon Islands; and periodic presence operations in key areas of strategic interest (for example, the South China Sea).

New Zealand’s key security partners continue to welcome our contributions. To ensure New Zealand remains well positioned to respond to security challenges, the Ministry continues to work in partnership with the Ministry of Defence and the New Zealand Defence Force in support of the Defence Policy Review process considering resilient and effective defence capabilities.

The IDC programme contributes to peace, security, and stabilisation efforts globally. This is carried out through programmes to: prevent and counter violent extremism via the Global Community Engagement and Resilience Fund’s work in the

Philippines and Sri Lanka; enable the safe return of internally displaced people in Iraq; and reduce threats from explosive remnants of war (ERW) in Iraq and the West Bank.

Outcome 3:

New Zealand’s security partnerships directly contribute to New Zealand’s security

New Zealand’s security partnerships continue to be integral to our security and prosperity, especially in the more challenging strategic environment we face, which includes sharper national security threats. Our membership of the Five Eyes partnership remains fundamental to New Zealand’s security. Over the past year we continued to work closely with Five Eyes partners to share information to address a range of mutual security concerns. The past year has also seen the return of a high pace of in-person, high-level engagement on security issues, including the US Strategic Dialogue and the Five Country Ministerial (FCM) annual meeting hosted in Wellington in June 2023.

New Zealand and Australia, working with other like-minded partners, continue to build security partnerships in the Pacific, and respond to threats, to support the region’s security. The Ministry has coordinated with Police, Customs, and MPI to counter transnational and organised crime in the Pacific region – supporting national and regional security interests.

Through the Ministry-managed Global Security Fund, funding was provided for 11 projects, including in South and South East Asia, North Asia, and the Middle East. Projects covered a range of thematic areas from counter-terrorism, to cyber-security, conflict prevention and resolution, and disarmament.


Outcome 4:

New Zealanders are safer overseas


A return to international travel for many New Zealanders has seen demand resume for the Ministry’s travel advice. Advisories are maintained for over 150 territories, with 124 of these updated over the year (some on multiple occasions in response to in-country events). The Ministry sent over 700 messages to New Zealanders registered on SafeTravel, including in response to disease outbreaks, civil unrest, and weather events.

The increase in international travel has also seen a rise in demand for the Ministry’s consular assistance. The Ministry fielded over 48,000 consular enquiries during the year, with more than 2,700 of these developing into cases requiring management by the Consular Division and posts. The Ministry has also responded to a range of significant events, including: assisting families fleeing violence in Sudan; securing the release of New Zealanders detained in Iran and taken hostage in Papua New Guinea; and working to achieve a peaceful resolution and safe release of New Zealander held in Papua. These responses required complex environments and situations to be carefully navigated, and have been aided by vital cooperation with several international partners.

Indicator:	Desired Trend
85% or more respondents are satisfied with the quality of consular services	 DESIRED UPWARD TREND or  CURRENT LEVEL MAINTAINED
Reason for choosing this Indicator	
<p>A key role for the Ministry is helping New Zealanders be safe when travelling and living abroad, and ensuring they can access consular assistance and emergency advice, when required. Survey respondents being satisfied with the quality of consular services received reflects the successfulness of the Ministry’s consular service.</p>	

	2022-23	2021-22	2020-21	2019-20	Overall Trend
% of respondents are satisfied	75%	58%	68%	75%	 TRENDING DOWNWARDS

Indicator:	Desired Trend
80% of consular survey respondents are aware of SafeTravel	 CURRENT LEVEL MAINTAINED
Reason for choosing this Indicator	
The Ministry recommends that New Zealanders registers their travel details on SafeTravel. Registering means we can send important travel information and provide updates about emergencies, natural disasters, or terrorist attacks. SafeTravel registration is voluntary, and all information provided remains confidential and is held in accordance with the Privacy Act 2020.	

	2022-23	2021-22	Overall Trend
% of respondents are satisfied	63%	75% (new indicator)	 TRENDING DOWNWARDS



MFAT has received a Better Outcomes Award in the 2022 Te Hāpai Hāpori | Spirit of Service Awards. Deputy Secretary Rob Taylor and Middle East and Africa Division Lead Adviser Daniela Rigoli represented the Ministry at the awards presentation dinner and accepted the award on behalf of MFAT and the Afghanistan Response Team. Credit: MFAT.



New Zealand's then Prime Minister Jacinda Ardern, France's Prime Minister Emmanuel Macron and Canada's Prime Minister Justin Trudeau at the Christchurch Call Leader's Summit 2022. Credit: Twitter@MFAT

4th Christchurch Call Leaders' Summit

Then New Zealand Prime Minister Dame Jacinda Ardern and French President Emmanuel Macron hosted other world leaders, chief executives from tech firms, government officials, and civil society representatives in New York for the 4th Christchurch Call Leaders' Summit in September 2022.

Since its launch in 2019, the Call Community has grown each year. Over 120 members across governments, online service providers, and civil society organisations are working to eliminate terrorist and violent extremist content online. Last September's Summit (livestreamed to the broader Call Community) provided leaders with a platform to consider the Christchurch Call Community's priorities, articulate their own priorities, and provide strategic direction for the coming year.

Leaders engaged in a substantive, free-flowing conversation, which considered future challenges and opportunities, including how new technology might impact the Call Community's work. The discussion centred on three topics:

- Incident response, and the ongoing challenge of terrorist and violent extremist content.

- Algorithms, radicalisation, and gender.
- Future focus of the Call, new technology, and youth.

At the Summit, the Christchurch Call Initiative on Algorithmic Outcomes¹³ were announced to better understand the role of AI algorithmic processes in online radicalisation.

Another key outcome was commissioning new streams of work on issues, including new technologies such as the relationship between gender-based online harms and terrorist content, and youth radicalisation online.

Dame Jacinda remains involved in this work after Prime Minister Hipkins appointed her in April 2023 as his Special Envoy for the Christchurch Call¹⁴.

Read more about these topics and the actions leaders have endorsed on the Christchurch Call website¹⁵.

¹³ www.christchurchcall.com/media-and-resources/news-and-updates/christchurch-call-initiative-on-algorithmic-outcomes/

¹⁴ www.beehive.govt.nz/release/jacinda-ardern-appointed-special-envoy-christchurch-call

¹⁵ www.christchurchcall.com/

International Relationships

Ngā Hononga ā-Ao



New Zealand Prime Minister Chris Hipkins meets UK Prime Minister Rishi Sunak in May 2023. Credit: Stuff.co.nz – Peter Livingstone supplied.

Build and leverage targeted international relationships to achieve our goals

Partnerships and relationships are key pillars of New Zealand's foreign policy. New Zealand partners with a diverse range of global partners. We look to expand our points of commonality, minimise our points of difference, and advocate strongly for approaches that reflect our interests and values.

This requires continued, proactive investment in our key relationships. Close coordination with our most important partners remains critical in advancing the safety and prosperity of New Zealanders. The past year was marked by post-pandemic reconnection with partners.

Outcome 1:

Our diplomacy is aligned to changing global realities

Building, maintaining, and investing in New Zealand's international relationships is a core function of the Ministry. In an increasingly complex geostrategic environment, managing New Zealand's bilateral and regional relationships has become more challenging, but also more important. The Ministry maintains a global network of diplomatic posts (see *The Ministry at a glance*, p.20), supports ministerial and other high-level visits, and engages across a range of bilateral, regional, and multilateral contexts.

As the world emerged from the COVID-19 pandemic the importance and value of in-person engagement in building strong relations was reinforced. Prime Ministerial and ministerial visits resumed, together with engagement between senior officials. Ministry staff at posts overseas resumed regular engagements with host country contacts, travelling to cross-accreditations. These have all been critical enablers in allowing the Ministry to defend, secure, and promote New Zealand's international priorities. In 2022–23, the Ministry supported over 50 outward visits by the Governor-General, Prime Minister, Deputy Prime Minister and portfolio Ministers, and over 40 'Guest of Government' incoming visits.

The connections between New Zealand and Australia are deep and broad, underpinned by strong people links. Australia is our indispensable partner across the breadth of our international interests. We coordinate closely with the Australian Government on regional and global issues of common interest, for example, the Pacific and Russia's illegal invasion of Ukraine. There was a high tempo of political-level contact with the Australian Government following Australia's election, including three Prime Ministerial bilateral visits, bilateral visits between Defence, Trade, Home Affairs and Foreign Ministers, as well as the first 2+2 Finance and Climate Ministers meeting.

A shared interest in stability, prosperity, and resilience in the Pacific was a notable reference point in New Zealand's engagements with the United States over the past year. The bilateral

relationship was further energised by the Minister of Foreign Affairs meeting with the US Secretary of State, building on the previous visit by the Prime Minister to the US in 2022. The Ministry coordinated New Zealand's hosting of several senior US officials, including the US Interior Secretary, the NASA Administrator, and the Indo-Pacific Coordinator of the US National Security Council.

New Zealand continued to cooperate with the United Kingdom across the spectrum of foreign policy issues. Achievements over the past year include: the entry into force of the NZ-UK FTA; upgrading the bilateral Working Holiday Scheme; the implementation of a new science dialogue; and diplomatic co-location in the Pacific. These developments were supported by a steady exchange of senior official and politicians.

The signature of the NZ-EU FTA in July 2023 represented a substantial milestone in the relationship. This was energised by robust relationships at both ministerial and senior official levels, a strong relationship architecture, and ministerial and senior official visits in both directions, including by the Minister of Foreign Affairs and the Minister of Trade and Export Growth.

New Zealand continues to maintain its significant and complex relationship with China. The Ministry supported the Prime Minister's trade mission to China in June 2023, focused on reconnection post-COVID-19, both with the Chinese leadership but also the 29-member business delegation. This was supported by the connections made by Matatini champions, Te Whānau ā Apanui.

Focused efforts have been made to grow our bilateral relationships with a broader range of partners, including Singapore, Japan (see *Case study: Visit to Japan by Minister of Foreign Affairs*, p.79), Germany, India, and Indonesia. Our broad and deep engagement with Singapore has continued, with nine ministerial visits over the course of the year. Visits to India by the Ministers of Foreign Affairs and Trade and Export Growth, a visit by India's Foreign Minister Jaishankar to New Zealand in late 2022, and a meeting between the two Prime Ministers, Hipkins and Prime Minister Marape, in Papua New Guinea have generated sustained momentum in that bilateral relationship. The Minister of Foreign Affairs also visited Republic of Korea in May 2023.



New Zealand Prime Minister Chris Hipkins meets Chinese Premier Li Qiang at the Great Hall of the People in Beijing, China.
Credit: Nathan McKinnon, RNZ Pool.

Outcome 2:

The quality of all our relationships enables us to achieve our objectives

The relationships we have invested in over the past year have delivered tangible results for New Zealand and New Zealanders. Strong bilateral, regional and multilateral relationships have underpinned many of the outcomes reported under Goals 1 to 6, from FTA outcomes the conclusion of multilateral agreements. In addition, a number of significant bilateral outcomes were achieved through sustained positive engagement, as outlined in Outcome 1 above.

Additional tangible outcomes were achieved with Australia through the new Pathway to Citizenship for New Zealanders and Australia's revised approach to deportations.

Australia's new direct pathway to citizenship, announced on 21 April 2023 and introduced on 1 July 2023, provides that any New Zealand citizen who has lived in Australia for four years will be able to directly apply for Australian citizenship. This and other changes mean that Australian policy now better reflects our long-standing close people-to-people ties, and is much closer to what New Zealand offers Australians who settle permanently in New Zealand. On deportations, Australia has revised its approach to require decision-makers to give a greater consideration to the length of time spent in that country, and the strength and nature of family ties in Australia, when considering visa cancellation following sentencing of 12 months or more.

Latin American partners have engaged enthusiastically with New Zealand-led inclusive trade architecture. This includes the Global Trade and Gender Arrangement (GTAGA) and the Inclusive Trade Action Group (ITAG), which Costa Rica and Ecuador joined in the past year (joining existing members Chile, Mexico, Peru, and Colombia from the Latin America region). New Zealand's emphasis on values resonates well in the region and leads to greater opportunities for our businesses and communities.

International Development Cooperation, including humanitarian assistance, continued to be delivered to other parts of the world beyond the Pacific, including to Africa, the Middle East, South/South East Asia, Latin America, and the Caribbean. As a small donor outside the Pacific, we work in partnership with like-minded donors to deliver on partner government priorities and to address humanitarian needs that reinforce our international relationships.

The Manaaki New Zealand Scholarship programme offers 1,300 scholarships each year to eligible citizens from more than 75 countries across the Pacific, ASEAN, Latin America, the Caribbean, and Africa. An Alumni programme has been launched to ensure coordinated and consistent engagement with former scholars, as they progress to developing their careers, communities, and countries.

New Zealand's reputation as a principled international citizen was highlighted in its condemnation of Iran following a number of significant human rights violations. Actions taken bilaterally, jointly with other countries, and in multilateral forums included: suspending bilateral engagement mechanisms (including the New Zealand-Iran Human Rights Dialogue); implementing travel bans on Iranian individuals responsible for human rights violations; and spearheading the removal of Iran from the UN Commission on the Status of Women. New Zealand also sanctioned Iranian individuals and entities involved in the manufacture and supply of drones in support of Russia's illegal invasion of Ukraine under the Russia Sanctions Act 2022.

The Ministry's initiative to develop and deliver a strategy of sharing New Zealand's indigenous experience to support our foreign objectives was incorporated into the Ministry's Mātauranga Māori programme, which can be found under the *NZ Connections goal* on [page 80](#).

Outcome 3:

We adapt to ensure we continue to create impactful connections and leverage benefits

New Zealand works with a diverse range of countries, and like-minded groupings, based on shared interests, objectives, and approaches to particular issues. For example, on nuclear disarmament, New Zealand works alongside Brazil, Egypt, Ireland, Mexico, and South Africa as part of the New Agenda Coalition to pursue the progressive elimination of nuclear weapons. We also played a leading role in a 'core group' of countries supporting Vanuatu's successful request for an advisory opinion from the ICJ on climate change. We have joined 70 countries in joining the Canada-led Initiative Against Arbitrary Detention in State-to-State Relations to protect fundamental human rights principles. To combat climate change, New Zealand works through groupings, such as the High Ambition Coalition, and we partner with a diverse range of countries to support our domestic transition and finance mitigation and adaptation efforts in the Pacific.

Following the lifting of COVID-19-related travel restrictions, the Ministry has resumed both its outwards and inwards schedule of visits. However,

the Ministry has also continued to use video conferencing to engage internationally, including new high-end virtual diplomacy suites. While virtual diplomacy cannot fully replicate an in-person presence, this mechanism has enabled participation in a wider range of engagements, and comes with positive budgetary and climate benefits.

The Ministry's Public Diplomacy programme is designed to enhance New Zealand's reputation and profile in areas such as arts and culture, business, science, technology, sporting achievements, and our partnership through Tiriti o Waitangi. Through funding for cultural diplomacy and a digital presence it highlights key New Zealand anniversaries and milestones, such as ANZAC, Waitangi Day, Matariki, and foreign policy activities and priorities. To commemorate Waitangi Day, the Ministry organised its annual visit to the Waitangi Treaty Grounds for Heads of Missions from the Diplomatic Corps, including those who are based offshore. The purpose of the event is to introduce the Diplomatic Corps to the historical and contemporary importance of Waitangi. The Prime Minister addressed the event and the Governor-General also attended.

A Public Diplomacy fund of \$280,000 was almost fully utilised through 30 projects covering podcasts, video campaigns, hosting at major events, sponsoring cultural activities, and supporting policies on Human Rights, Trade, Climate Action and Indigeneity. A second fund, the Cultural Diplomacy International Programme (CDIP), administered through Manatū Taonga, was re-activated in 2023 post-pandemic and a refreshed strategy was approved by the Minister for Culture and Heritage. CDIP's mandate is to help establish and/or maintain a New Zealand cultural presence in key overseas regions or countries to boost New Zealand's profile and economic, trade, tourism, diplomatic, and cultural interests.

The Ministry's work to equip New Zealanders with the skills required to operate with comfort in Asian cultures was ongoing, despite travel being limited. We continued to support the work of the Asia New Zealand Foundation Te Whītau Tūhono. The Ministry also led activities to improve awareness in the public sector through the China Capable Public Sector programme.

Indicator:	Desired Trend
New Zealanders confidence in engaging with Asian cultures increases	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
New Zealand’s present and future – economically, culturally and socially – are firmly tied to Asia. New Zealand needs to be deliberate and thoughtful in its approach with Asia. With New Zealand’s confidence in engaging with Asian cultures increasing, this means New Zealanders have the tools they need to engage with Asia.	

New Zealand and Pacific bilateral partnerships assessed as:		Overall Trend
	Extremely strong and constructive	
2022-23	80% of New Zealanders said that developing political, social and economic ties with Asia is important for New Zealand’s future~	 TRENDING UPWARDS
2021-22	79% of New Zealanders believed it was important for New Zealand to develop political, social, and economic ties with Asia*	
2020-21	50% of New Zealanders feel they know at least a fair amount about Asia^	
2019-20	51% of New Zealanders feel they know at least a fair amount about Asia+	

+Source: New Zealanders’ Perceptions of Asia and Asian Peoples Survey 2019
 ^Source: New Zealanders’ Perceptions of Asia and Asian Peoples Survey 2020
 *Source: New Zealanders’ Perceptions of Asia and Asian Peoples Survey 2021
 ~Source: New Zealanders’ Perceptions of Asia and Asian Peoples Survey 2023

Case Study

Visit to Japan by Minister of Foreign Affairs — Strengthening Māori Connections in a Foreign Policy Context

Nanaia Mahuta, Minister of Foreign Affairs, visited Japan on 26 February to 1 March 2023, reaffirming and further strengthening our close bilateral, foreign policy, people-to-people, and security relationships. The Minister was hosted by Japan’s Foreign Minister Yoshimasa Hayashi for a formal bilateral meetings and a dinner, in which they noted strong alignment between the two countries’ respective views and approaches towards the Pacific, the Indo-Pacific and the wider world. The two Ministers launched a refreshed Joint Declaration on Cooperation in the Pacific, reaffirming our two countries’ commitment to strengthening coordination, alignment, and partnership in the Pacific region. The two Foreign Ministers also agreed to hold officials’ disarmament and non-proliferation talks.



Minister of Foreign Affairs Nanaia Mahuta met with Japan's Foreign Minister Yoshimasa Hayashi during her Japan visit. Credit: MFAT.

The strengthening of Māori connections and people-to-people links was carefully integrated into the Minister's wider programme. A Māori delegation representing interests across culture, commerce, climate, and community accompanied Minister Mahuta. This delegation named themselves 'Te Hurumanu', borrowing this name from the newly established MFAT Māori Partnership Group, which several delegation members belong to.

During the mihi whakatau at the New Zealand Embassy, Pou Tikanga Charlie Rahiri noted that Māori have been travelling to Japan since before the establishment of diplomatic relations. For example, Tahupōtiki Rātana, an influential religious and political leader who founded the Rātana movement, visited Japan in 1924 and saw synergies between Māori and Japanese people, language, and culture.

These are the long-standing links which the kaupapa of the visit sought to highlight and strengthen. Taking place during the 70th anniversary of diplomatic relations, the visit also celebrated people-to-people connections between New Zealand and Japan across tourism, educational, and sports exchanges, and business engagements. Another key objective was supporting Te Aratini's engagement with Japan at Osaka Expo 2025.

The Minister's varied programme in Tokyo planted seeds to nurture in coming years. The delegation took part in impactful events such as a Pacific

reception, an Honorary Consuls meeting, a Japan-New Zealand Business Council roundtable, Te Hurumanu side engagements, an Education New Zealand launch event, and a people-to-people reception. This reception was attended by Ainu community members (the indigenous people of Northern Japan), Japanese Government representatives, mayors of sister cities, friendship society representatives, education and sporting contacts, and New Zealanders living in Japan, including the Māori cultural group Ngā Hau e Whā. Significantly, Tahupōtiki Rātana's great-great-granddaughter Lee Arna Nepia was in attendance as a Prime Minister's Scholarship recipient.

The authentic incorporation of Māoritanga into each engagement allowed Minister Mahuta and Te Hurumanu to forge strong connections in Tokyo. The 'Te Haeata Whero' ('the red dawn') kūwaha (designed and carved by Te Puia's New Zealand Māori Arts and Crafts Institute) and mauri stone (gifted by Ngāti Hikairo ki Rotoaira) provided an important symbolic backdrop to events hosted at the New Zealand Embassy. Cultural elements such as karakia, waiata, kapa haka, and koha pounamu resonated strongly with Minister Mahuta's guests and interlocutors. The Minister's in-depth interviews with local media enabled targeted messaging on indigenous issues and women's empowerment.

NZ Connections

Ngā Hononga i Aotearoa



A group of staff represented Manatū Aorere at the Koroneihana at Turangawaewae Marae in 2022. From left to right: Tane Waetford, Alistair Ferris, Georgina Roberts, Tiana Carter, Darryl Ryder, Wayne Stainton and Eruera Keepa. Credit: MFAT.

Foster mutually beneficial relationships with NZ Inc partners, Māori, domestic stakeholders and New Zealanders

Strong connections with NZ Inc agencies, Māori, domestic stakeholders, and the public are vital to the effective delivery of New Zealand's international priorities. Against a backdrop of increasingly complex international relations, the Ministry plays a lead role in working with government agencies to advance NZ Inc objectives and shares insights from our network of overseas posts.

The Ministry is committed to embedding Te Tiriti o Waitangi and Mātauranga Māori in its work as the foundation for authentic engagement with Māori on a broad scope of policy issues.

The Ministry also needs to be attuned to the perspectives, values, and priorities of a wide range of domestic stakeholders, including business and civil society, in ways that help broaden public connections with New Zealand's foreign policy.

Outcome 1:

Effective leadership and partnership enhances NZ Inc delivery of the Government's international objectives

The Ministry provides effective strategic leadership and coordination with NZ Inc agencies, domestically and offshore, enabling the delivery of New Zealand's international priorities. The Ministry has continued to lead and facilitate cross-agency engagement forums, which serve to advance shared NZ Inc objectives. The Ministry also supports agencies working in the international context, provides market intelligence, and evaluates the impact of what we do.


The Ministry continues to work closely with NZTE to promote New Zealand's trade interests abroad, assisting with market access and connections. Over the past year effective relationships with other NZ Inc agencies have advanced shared interests. The Ministry partnered with the Ministry of Justice, the Department of the Prime Minister and Cabinet (DPMC), and the Ministry of Defence to coordinate and deliver targeted engagements with Pacific communities. This included providing input on


policies that impact on the Pacific region, such as New Zealand's Adoption Law Reform, National Security Strategy, and Defence Policy Review.

The Ministry participates in quarterly Pacific agencies meetings with Pacific Trade Invest New Zealand, NZTE, Business Link Pacific (BLP), Pacific Business Trust (PBT), and the Pacific Cooperation Foundation (PCF) to share information and collaborate on economic recovery initiatives that support businesses interested in the Pacific. We have also deepened engagement with the six-related Pacific Business Councils in Auckland and the Waikato Pacific Business Network.

The Ministry recorded more than 571 engagements with stakeholders and contacts, including business, civil society, academia, and the general public.

The Ministry has also delivered international insights through multiple reports and information from its overseas network in response to a variety of requests from a range of agencies. These reports have in turn informed the development of domestic policy.

Indicator:	Desired Trend
Ratings for leadership and collaboration from NZ Inc agencies	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
Tracking ratings for leadership and collaboration from NZ Inc agencies helps to demonstrate whether the Ministry provides effective strategic leadership and coordination with NZ Inc agencies, domestically and offshore, enabling the delivery of New Zealand's international priorities.	

Goal	2022-23	2021-22	2020-21	2019-20	Overall Trend
70% of NZ Inc agencies agree that MFAT provides strategic direction for New Zealand's international engagement	70% (see note 1 below)	70%	Results not reported [^]	73%* (see note 2 below)	 TRENDING UPWARDS
45% agree MFAT leadership enables agencies to function as one team	52% (see note 1 below)	52%	Results not reported [^]	50%*(see note 3 below)	
65% of NZ Inc respondents agree MFAT collaborates as a team player with NZ Inc agencies on shared objectives	66% (see note 1 below)	66%	Results not reported [^]	65%*(see note 4 below)	

[^] Due to the impacts of COVID-19 on stakeholders, the Ministry's stakeholder engagement survey was not conducted during the 2020-21 year. We aggregated five separate stakeholder satisfaction surveys undertaken in 2020-21 for our overall Stakeholder Engagement Survey results. However, the aggregated survey results were high-level and unable to provide breakdown of ratings for leadership and collaboration from NZ Inc agencies.

* The 2019-20 result reported is from the biennial surveys of MFAT's New Zealand stakeholders commissioned from Colmar Brunton in 2017 and May/June 2019. No new data was available in 2019-20 due to COVID-19. The next survey took place in 2021-22. Colmar Brunton has been renamed to Kantar Public.

Note 1: The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 budget standard has been updated to reflect this. As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry's stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and this will not affect the appropriateness of the performance reporting. The 2021-22 result covers the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.

Note 2: The 2019-20 results have been amended from those originally published in the 2019-20 Annual Report (69%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2019-20 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Note 3: The 2019-20 results have been amended from those originally published in the 2019-20 Annual Report (44%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2019-20 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Note 4: The 2019-20 results have been amended from those originally published in the 2019-20 Annual Report (60%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2019-20 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Outcome 2:

MFAT's commitment to its Treaty partnership with Māori is understood and embedded in our work

The Ministry is committed to embedding Te Tiriti o Waitangi in its work. Increasing Mātauranga Māori capability is an organisational priority and this year has seen significant progress.

Systemic changes include work towards a competency framework for Mātauranga Māori and a new Division charged with guiding the Ministry in its engagement with Māori; its expression of tikanga; the development of policy where Te Ao Māori is inherent; as well as capability uplift. This new Division is expected to be established in the second half of 2023.

Efforts to support greater coherence across the Ministry in its engagement with Māori as Treaty partners are ongoing. The Engagement work stream, as part of the Mātauranga Māori Review Implementation programme, has also completed a stocktake of current Māori engagement activities and needs across Ministry Groups. This will help inform the development of a Māori engagement plan that includes, tools, frameworks, and guidelines. The aim of the Māori engagement plan is to strengthen our engagement and partnership with Māori.

A Te Ao Māori lens has also been able to be applied to a range of policy and bilateral issues, for example, the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA) and the 40th anniversary of New Zealand-Australia Closer Economic Relations, Australia's people-to-people issues, and consular support.

The establishment of Te Hurumanu Māori Partnership Group was a significant development (see *Case Study: Te Hurumanu Māori Partnership Group*, p.89) Another step in strengthening its Tiriti o Waitangi partnerships was completed by signing an MOU with FOMA.


Engagement with Māori on trade policy continues, touching on a wide range of issues, including meetings with Ngā Toki Whakaruruanga, Te Taumata, FOMA leadership and the National Iwi Chairs Forum.


The Ministry’s Auckland Office hosted, attended, and facilitated a number of hui and outreach programmes with a Māori business element, and facilitated connections with NZTE’s Māori Team. It is also expanding its network in response to the increasing demands on its Māori business stakeholders from many different directions.


Māori interests have successfully been advanced throughout our international work. Two significant outcomes include a greater focus on Māori trade rights and interests, such as market access outcomes for sectors of particular interests, as well as dedicated Māori Trade and Economic Cooperation chapters in both the NZ-UK and NZ-EU FTAs.

The recent Prime Minister’s trade delegation to China, and the inclusion of Te Whānau-ā-Apanui kapa haka group and their support to the delegation, is another example of the growing incorporation of a tirohanga Māori perspective into MFAT work. This infusion of Māori culture into the trade delegation was multifaceted, promoting people connections and paving the way for successful relationships.

Indicator:	Desired Trend
Confidence of Māori in their partnership with the Ministry	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator was chosen as it reflects whether the Ministry is fulfilling its obligation as Treaty partner and if the Ministry is uplifting its Mātauranga Māori capability.	

	Progress update	
2022-23	81% of Māori partners are satisfied with their recent interactions with MFAT. The 2021-22 results remains current (biennial survey). The next survey will be undertaken in 2023-24.	 CURRENT LEVEL MAINTAINED
2021-22	81% of Māori partners are satisfied with their recent interactions with MFAT. The overall perception of Māori survey participants is that engagement has improved.	

Indicator:	Desired Trend
MFAT staff who are able to apply Mātauranga Māori in their mahi	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator was chosen because an increased desired trend means the Ministry is able to better support Māori international aspirations and represent New Zealand overseas.	

Number of MFAT staff attended:	2022-23	2021-22	2020-21	2019-20	Overall Trend
Te reo Māori classes, with a 75% completion rate (Indicator from 2020-21)	200 (see note 5)	222	200	N/A	 TRENDING DOWNWARDS
The Te Tiriti at MFAT course	N/A (see note 6)	194	300	N/A	
The Crown-Māori Relations workshop (A new course in 2021-22)	63	99	N/A	N/A	
Te Hīkoi Maumahara Connecting People To The Past 'Wall Walk' (A new course in 2022-23)	90	N/A	N/A	N/A	

Additional Mātauranga Māori programmes have been initiated internally – most notably an internally developed full-day programme that introduces staff to Mātauranga Māori, te reo Māori, and tikanga. Currently this has been delivered face-to-face at four posts and to five business units within Head Office.

Note 5: 200 staff attended in-person te reo Māori classes, 117 at Level 1, 61 at Level 2, and 22 at Level 3, with a 90% completion rate. This only reflects the te reo Māori training that occurred in-house. Other online opportunities that were provided to staff and external providers were also well represented, but specific reporting is not available.

Note 6: There were no Te Tiriti training courses delivered in the last financial year. This is being reintroduced in 2023-24.

Outcome 3:

Mature and sustainable relationships with New Zealand domestic stakeholders enhances the Ministry's policy development and international engagement and reputation

NZ Connections is about the strength of our connection with New Zealand Inc partners, domestic stakeholders, and the public, which helps the Ministry achieve its objectives and sustain social licence for its work.

The importance of being attuned to the issues that matter to domestic stakeholders has driven the Ministry to improve the breadth and depth of its outreach. One area of focus has been engagement on trade policy and trade negotiations. For example, the Ministry's Trade Policy and Engagement Unit has undertaken extensive engagement with business and civil society groups.


Similarly, the Ministry's Auckland Office has strengthened its relationships across civil society, including with businesses and academia, while at

the same time facilitated connections between stakeholders and offshore posts. A comprehensive Auckland Office outreach programme for foreign trade issues, and involving both Business NZ and the New Zealand Council of Trade Unions, led to multiple engagements with Treaty partners and stakeholders.

The Ministry receives annual results from the Public Sector Reputation Index and the biennial results from its Stakeholder Survey that measures public and stakeholder perceptions. Deeper insights into the interests and perceptions of domestic stakeholders, such as the perceptions of Māori stakeholders, have assisted the Ministry to better focus and raise its level of engagement.

Crises and global challenges have also been a catalyst for engagement with New Zealand-based stakeholders, including Pacific communities, exporters, academia, and community groups. The Ministry hosted roundtables and held events with senior staff speaking on issues such as Ukraine, Russia sanctions, and the NZ-UK and NZ-EU FTA.

Indicator:	Desired Trend
Stakeholder satisfaction with the Ministry's effectiveness representing New Zealand interests is maintained	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
<p>This Indicator was chosen because the Ministry acts in the world on behalf of our stakeholders, so stakeholder satisfaction reflects whether the Ministry is effective at representing their interests.</p>	

Target	2022-23	2021-22	2020-21	2019-20	Overall Trend
% of stakeholders satisfied with the Ministry's effectiveness representing New Zealand interests is maintained	85% (see note 7)	85%	Results not reported [^]	88% (see note 8)	 TRENDING DOWNWARDS

Note 7: The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 budget standard has been updated to reflect this. As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry's stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and this will not affect the appropriateness of the performance reporting. The 2021-22 result covers the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.

[^] Due to the impacts of COVID-19 on stakeholders, the Ministry's stakeholder engagement survey was not conducted during the 2020-21 year. We aggregated five separate stakeholder satisfaction surveys undertaken in 2020-21 for our overall Stakeholder Engagement Survey results. However, the aggregated survey results were high-level and unable to provide breakdown of % of stakeholders satisfied with the Ministry's effectiveness representing New Zealand interests in maintained.


Note 8: The 2019-20 results have been amended from those originally published in the 2019-20 Annual Report (79%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2019-20 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Trending down – Although the percentage is trending down, the marginal declines since 2019 are not significant. Overall perceptions of the relationships between our domestic stakeholders with the Ministry remain consistently high. The satisfaction score also compares very favourable to the Kantar Public benchmark for other similar stakeholder surveys. This means MFAT is one of the highest rated public sector agencies in this category.



Representatives from Manatū Aorere attended the Ahuwhenua Trophy Awards in Tauranga on 9 June 2023. This annual event celebrates business excellence in New Zealand's important pastoral and horticultural sectors, and showcases the talent and leadership of emerging Māori growers. Credit: MFAT.

Indicator:	Desired Trend
Domestic stakeholders' satisfaction with engagement with the Ministry	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator was chosen because the Ministry acts in the world on behalf of our stakeholders, so stakeholder satisfaction reflects whether the Ministry is effective at representing their interests.	

Target	2022-23	2021-22	2020-21	2019-20	Overall Trend
% of domestic stakeholders' satisfaction with engagement with the Ministry	86% (see note 9)	86%*	78.4% (see note 10)	92% (see note 11)	 TRENDING DOWNWARDS

*^ The 2021-22 results have been amended from those originally published in the 2021-22 Annual Report (87%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2021-22 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Note 9: The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 budget standard has been updated to reflect this. As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry's stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and this will not affect the appropriateness of the performance reporting. The 2021-22 result covers the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.

Note 10: Due to the impacts of COVID-19 on stakeholders, the Ministry's Stakeholder Engagement Survey was not conducted during the 2020-21 year. The 2020-21 result is based on an aggregation of five separate stakeholder surveys and is therefore not directly comparable to the 2021-22 result. These surveys are based on the Ministry's services and effectiveness and include stakeholder segments of NZ Inc, New Zealand exporters and businesses, trade organisations, aid NGOs, and New Zealanders travelling or living overseas. MFAT provided contact details for 1,343 stakeholders to Kantar Public for the purpose of this research. The maximum margin of error on the total sample of 268 survey respondents was +/- 5.36%. The sample size for this result was 201.

Note 11: The 2019-20 results have been amended from those originally published in the 2019-20 Annual Report (91%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2019-20 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

Trending down – Although the percentage is trending up from 2020-21, the results are not comparable (see Note 10). Compared to 2019-20 results, the marginal declines since 2019 are not significant. Overall perceptions of the relationships between our domestic stakeholders with the Ministry remain consistently high. The satisfaction score also compares very favourable to the Kantar Public benchmark for other similar stakeholder surveys. This means MFAT is one of the highest rated public sector agencies in this category.

Outcome 4:


MFAT has raised understanding and support among the Aotearoa New Zealand public for New Zealand’s international objectives and the work we do


The results of the Public Sector Reputation Index and domestic stakeholders’ satisfaction survey show the Ministry has maintained a positive reputation and social licence.

There has been a substantial increase in people viewing MFAT communications, both on websites and social media. Content topics have covered a wide range of relevant information about New Zealand’s international relations, development, and trade. These have included FTAs, market reports, climate change, public diplomacy, the Pacific and bilateral issues (such as the Russian sanctions), emergency responses (such as the Tonga volcano eruption), multilateral work at the UN, and the Christchurch Call.


Long-Term Insights Briefings (LTIBs) are a new way for government agencies to explore and report back on issues that matter for the future well-being of the people of New Zealand. MFAT co-led with the DPMC the briefing on the topic *Engaging an increasingly diverse Aotearoa New Zealand on national security risks, challenges and opportunities* on behalf of the nine government agencies that are responsible for protecting New Zealand from national security threats. The briefing followed a public survey, research, and public consultation. We learned that New Zealanders care a lot about national security, want to be kept informed and updated on developments, and to be part of conversations about New Zealand’s national security plans for the future.


The Ministry continues to deliver on its commitment to proactively release information, including Cabinet papers and OIA requests.

Indicator:	Desired Trend
Understanding of MFAT’s role and what it delivers for New Zealanders	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator was chosen because the Ministry acts in the world on behalf of New Zealanders, so stakeholder satisfaction reflects whether the Ministry is effective at representing their interests.	


Target	2022-23	2021-22	2020-21	2019-20	Overall Trend
% of stakeholders say they have a lot or moderate understanding of what MFAT offers	89% (see note 12)	87%	Not available	84%	 TRENDING UPWARDS



Note 12: 89% of our stakeholders say they have a lot or moderate understanding of what MFAT offers, with 79% having a good or basic awareness of what MFAT offers.

Indicator:	Desired Trend
Visit numbers and user satisfaction with MFAT's websites and social media platforms	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator was chosen because an increasing trend in visit numbers and user satisfaction with the Ministry's websites and social media platforms reflects an increase in outreach. This also reflects the Ministry has raised understanding among the public about New Zealand's international objectives and the work we do.	

Platforms	2022-23	2021-22	2020-21	2019-20	Overall Trend
Sessions on MFAT website	3,052,345	1,853,966	2,712,665	1,029,409	 TRENDING UPWARDS
Sessions on Trade Barriers	2,535*	12,035	19,857	N/A	
Twitter followers	25,141	22,895	19,550	14,000	
Facebook followers	39,952	35,703	33,088	28,694	
LinkedIn followers	42,699	34,638	28,769	N/A	

*There were technical issues with tracking sessions on Trade Barriers, so a substantial amount of visitors were not able to be counted.

Indicator:	Desired Trend
Timeliness of response to Official Information Act (OIA) requests and ministerial correspondence*	 DESIRED UPWARD TREND
Reason for choosing this Indicator	
This Indicator reflects that the Ministry is providing accessible and timely information to the public.	

Timeline of responses	2022-23	2021-22	2020-21	2019-20	Overall Trend
OIA requests	99%	97%	96.3%	96.4%	 TRENDING UPWARDS
Ministerial correspondence	72%	87.4%	96%	98%	 TRENDING DOWNWARDS

* This Indicator relates to the timeliness of all of the Ministry's OIAs and ministerial correspondence.

Ministerial correspondence timeliness of response is down from 87.4% in 2021-22. This was due to a large volume and resource constraints, which caused a backlog.



Left to right: Charlie Rahiri, Ben King, Jacqui Caine, Ngahiwi Tomoana, Traci Houppapa MNZM, Chris Seed and Kura Moeahu. On 11 April 2023, Manatū Aorere Chief Executive Chris Seed and Manatū Aorere Deputy Chief Executive Policy Ben King flew to Tauranga Moana to attend the MFAT Te Hurumanu hui hosted by Te Hurumanu member Charlie Rahiri. Credit: MFAT.

Te Hurumanu Māori Partnership Group

Te Tiriti o Waitangi/the Treaty of Waitangi is New Zealand’s founding document that established an enduring relationship between Māori and the Crown.

Manatū Aorere (MFAT) recognises its importance and is committed to incorporating and honouring Te Tiriti/the Treaty in its mahi. To meet these expectations the Ministry must work authentically with Treaty partners, and acknowledge the value that both partners bring to the relationship.

Te Hurumanu is a newly formed partnership group created in 2022–23 to work alongside Manatū Aorere’s Chief Executive and Senior Leadership Team. The group brings a Tirohanga Māori perspective to the strategic policy and organisational issues facing Manatū Aorere and helps ensure Te Ao Māori views, values, and interests are taken into account as the senior leadership of Manatū Aorere considers the most pressing policy and organisational challenges facing the Ministry.

The name Te Hurumanu has its basis in the proverb, ‘Mā te huruhuru te manu ka rere’, meaning ‘Adorn the bird with feathers so it can fly’. This name also recognises Manatū Aorere’s global reach and context. The co-creation of a Te Tiriti partnership model reflects Mānatu Aorere’s ongoing commitment to deliver on its obligations as a Te Tiriti partner.

Group members were appointed based on their experience, standing and integrity in Te Ao Māori, demonstrated success in various governance roles, and for their unique understanding of the machinery of Manatū Aorere.

Members include Ngahiwi Tomoana (Co-Chair) Traci Houppapa, Kura Moeahu, and Jacqui Caine. Charlie Rahiri has been appointed as Acting Director of the Māori Policy Unit at MFAT until the end of September 2023. He has stood aside from participating in Te Hurumanu processes during this time.

The name of Te Hurumanu

E ai ki etehi korero tuku iho ko Hurumanu tetehi o nga tamariki a Rangi raua ko Papa nana nga tini manu o te moana e kaihora ana ki whenua ke, e rere ana i whenua ke. Ara hoki te whakatauaki na Tamaterangi o Ngati Kahungunu 'he ao te rangi ka uhia he huruhuru te manu ka tau'. E tohutohu mai ana kia hangai nga kakahu mo tetehi tuahuatanga, waihoki he whakamahara i a tatou kia whakaaro he pewhea ta tatou whakarite i a tatou no tatou e whakakanohi ana i tetehi kaupapa whakangatahi i nga horopaki e whia ke nei. Ara ano hoki te tauki e mohiotia whanuitia ana 'ma te huruhuru ka rere te manu', heoi ano ko nga huruhuru i tenei horopaki ko te reo, ko nga tikanga, ko te mātauranga Māori me Te Tiriti o Waitangi. Tikina mai i reira i aua korero tuku iho ra me ona aria te ingoa nei Te Hurumanu mo te ropu nei ina hoki ko te wairua o aua korero he hangai ki te aronga o te kahui nei.

According to some narratives Hurumanu is one of the children of Rangi and Papa and he begat the numerous birds of the ocean, many of which travel to and from distant lands. There is also the proverb uttered by Tamaterangi of Ngati Kahungunu 'As the clouds bedeck the heavens so feathers adorn the bird'. It instructs us to wear the appropriate garments for an occasion, and it encourages us to consider how we present ourselves in representation of a collective cause in different contexts. There is also the well-known proverb 'By feathers the bird flies', but here the huru manu or feathers are te reo, tikanga, Mātauranga Māori, and Te Tiriti o Waitangi. From these oral traditions and concepts we have the name Te Hurumanu (the Māori Partnership Group) as the ethos of those narratives aligns to the purpose of the Group.

Te Hurumanu have met with Manatū Aorere's Chief Executive and Senior Leadership Team five times since its inception. The group has provided robust and highly valued advice to the strategic policy and organisational issues facing Manatū Aorere.

Te Hurumanu has also helped shape Manatū Aorere's Strategic Assessment and review of its Strategic Framework; provided leadership on several organisational issues, and enabled engagement with Māori groups so that it strengthens Manatū Aorere's understanding and awareness of whānau, hapū, iwi, and Māori issues. This has included travel to domestic Māori communities by Manatū Aorere's senior leadership so it is better positioned to support Māori aspirations.

Organisational Foundations Ngā Tūāpapa o te Whakahaere

09



Moscow embassy staff attended a new workplace culture workshop, Empowering Us to Step Up and Speak Out, in May 2023. The workshop supports staff to help create and maintain a positive workplace culture. Credit: MFAT.

Deliver optimal outcomes for New Zealand through our people, network, systems and services

The Ministry's goal is to get the best possible outcomes for New Zealand and New Zealanders. To do this, the Ministry needs to make sure we maximise our people's potential by providing clear strategic direction, sound governance, and fit-for-purpose systems and services.

It is important that we continue to provide an environment that values and utilises diverse and inclusive thinking and behaviours, while creating opportunities for our people to develop throughout their career.

Outcome 1:

The Ministry functions as a happy, healthy and high-performing community for all

Building a positive workplace culture across the Ministry has continued to be an organisational priority for 2022–23. Focusing on our values, diversity and inclusion, the Workplace Cultures programme aims to support a culture that fully aligns with the Ministry’s values, and ensure that our people feel valued and assisted to do great work.

A number of initiatives have been implemented to provide meaningful change and improvements in the Ministry’s workplace culture over the past year.

The Ministry remains committed to ensuring we deliver a workplace where every person feels they belong, and they are included and supported. We take a proactive approach to addressing matters that do not meet expectations for a positive workplace culture.

Developing staff through learning opportunities and giving constructive feedback is important to ensuring their success in current and future roles. This year we launched access to LinkedIn Learning through the Ministry’s new Learning Management System, giving staff access to over 16,000 online courses. External leadership programmes, such as through the Public Service Commission’s Leadership Development Centre, also provide opportunities for leadership development.

Diversity within the organisation is important and the Ministry has continued its focus on ensuring a range of voices are included in our graduate recruitment. During 2022–23, a series of Inclusion@MFAT workshop courses were also held focusing on unconscious bias, social and emotional intelligence, and leading Diverse and Inclusive teams, which have had good feedback.

The Ministry continues to have a strong number of employee-led networks that help to foster an inclusive work environment, ensuring an uplifting community for our employees. Our Gender, Māori, Pacific, and Ethnic Pay Gap Action Plan is now ready to be delivered in 2023–24.

Outcome 2:

Excellent global networks, systems, and services enable Ministry business to be delivered effectively and efficiently

The Ministry continues to modernise its Information and Communications Technology (ICT) services to ensure the system remains fit-for-purpose. The Information and Digital Services Strategy is in its formal approval and publication phase. The Strategy sets the vision for our Digital Transformation programme, which will significantly modernise the Ministry’s ICT capabilities, including a shift from on-premise solutions to cloud capabilities. These changes will see an accelerated evolution in our staff skills and capabilities.

Work has started on drafting an Enterprise Change view dashboard for the Ministry. This incorporates initiatives that deliver change impact alongside other non-project related change, such as staff rotations, postings, events, and visits.

At the start of 2023, the Ministry made a commitment to emissions reductions targets and lodged our Emissions Reduction Plan with the Ministry for the Environment. The Emissions Reduction Plan contains a range of activities to ensure we meet our emissions targets, and recognises the importance of advancing an organisational culture of kaitiakitanga and sustainability within the Ministry.

New procurement thresholds were introduced this year, including a Procurement Approach self-assessment tool. This means that specialist resource effort is now privileged to high-cost/high-risk procurements, reducing the possibility of bottlenecks around proceeding with low-cost/low-risk procurements. The AskHR function also moved into the Global Services Portal in 2023, meaning that all the information required for an action to take place is now collected up-front, with progress of individual requests able to be tracked. This helps the Ministry understand the average time to complete requests and identify target areas for improvements.



The London High Commission relocated to temporary accommodation in FY 2021–22 so work could start on refurbishing New Zealand House. The last and our most important tenants – 150 fish that called the High Commission’s pond home – were temporarily re-homed at a science school in Southampton in October 2022. Credit: MFAT.

The Ministry has seen an increase in crises in the past few years and has supported the Government’s response to a number of responses to crises. The outstanding dedication of MFAT staff was recognised when the cross-government team working on the Afghanistan Resettlement Response won the Better Outcomes Award in the Te Hāpai Hapori Spirit of Service Awards 2022. In 2022–23, the Ministry implemented taskforces and emergency responses for Queen Elizabeth II’s death, the hostage response in Indonesia, Cyclone Gabrielle, and other severe flooding events in New Zealand.

The Ministry has been working to upgrade property in the Pacific, with the intention of lifting liveability standards by 2025. Due to the ongoing difficulties in the supply chain our approach to procurement was reviewed. These changes have been completed and design stages have been progressed. The 2025 target remains intact, with the first tranche of new staff housing starting during 2024.

Outcome 3:

The Ministry ensures it delivers the best achievable outcomes for New Zealand from the resources invested in it

The Ministry has a strong Strategic Framework that is integrated into our planning and reporting processes. This framework supports the necessary clear strategic direction, sound planning, and robust performance evaluation that in turn enables the Ministry to deliver demonstrable results.

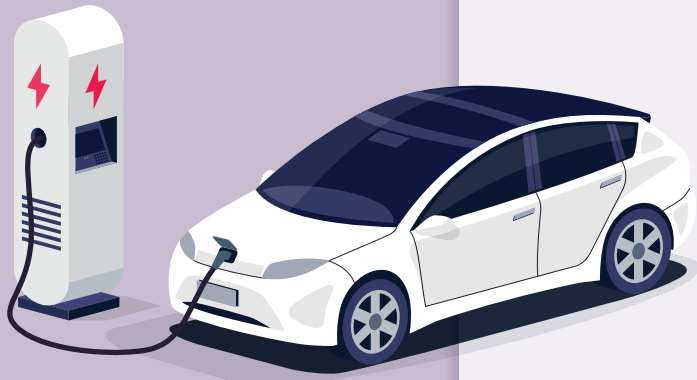
In 2023, the Ministry undertook a three-yearly exercise to complete an assessment of shifts in New Zealand’s strategic environment and potential implications for, and impacts on, New Zealand and its foreign policy over the next decade. A review of our Strategic Framework was also completed by identifying what is working well and what areas could be improved on to ensure that it remains fit-for-purpose. Following broad engagement across the Ministry on both these

reviews, work is being carried out on implementing recommended changes. This will help ensure that our strategic direction is serving New Zealand well and is clearly supported by our Strategic Framework.

The Ministry's approach to strategic planning this year again emphasised the need to prioritise resources against ministerial and other Ministry priorities. Divisions and posts were challenged to prioritise work against the Strategic Goals and to actively defer, slow down, or reduce commitments in less strategically important areas. The year 2022–23 saw reviews and changes made or initiated to our Information Services, Security and Organisational Resilience, People Partnerships and Delivery, and Mātauranga Māori functions to ensure our resources are appropriately aligned with our strategic direction.

Last year's review of the Ministry's Governance Framework consolidated the number of governance committees and saw the establishment of a new sub-committee, the International Development and Cooperation Committee (IDCC). The new structure now in operation provides a simpler decision-making framework that aims to minimise duplication and provide greater role clarity.

Other significant milestones achieved this year included the successful implementation of the new payroll system, decisions on the new MFAT Head Office building on Molesworth Street into which the Ministry will be moving during 2025, and the preferred option for the new Financial Information Management System. Two posts were closed this year in Chengdu and Bridgetown. These were not easy decisions to make, but a key driver was to increase the Ministry's resilience by reinvesting the resources into some of our smaller posts. The Ministry also re-opened our post in Yangon after three years, and the Network Assessment Committee (created during the pandemic to monitor post-pandemic resilience) was disestablished, signalling further steps in returning to normal operations following COVID-19.



The Ministry developed an Emissions Reduction Plan to ensure we meet our emissions reduction targets:

↓ 21%
reduction in emissions by 2024-25

from the 2018-19 baseline

and

↓ 42%
reduction in emissions by 2029-30

from the 2018-19 baseline

Manatū Aorere’s Emissions Reduction Plan

Climate is a key component of New Zealand’s foreign trade, and development policy interests, and the Ministry has consistently advocated for ambitious global climate action. Over the last year, the Ministry has turned its mind to its own contribution to reducing greenhouse gas (GHG) emissions. What does a credible organisational climate response look like for a foreign service?

We set out to answer this question through the process of setting emissions reduction targets and developing a plan to meet these targets, as requirements of the Carbon Neutral Government Programme. In some ways, setting the targets was the easy task – there is a clear, science-based process to ensure the Ministry’s targets are in line with a 1.5° degree world.

To develop the plan to meet these targets, a comprehensive process of crowd-sourcing ideas and insights from staff was undertaken, which involved two rounds of workshops. Maximum opportunity for staff input was essential: it is staff – onshore and offshore, seconded, and employed at posts – who were (and are) best placed to identify opportunities for emissions reductions. Engagement from across the network was excellent, with staff from every group in the Ministry attending workshops, bringing in perspectives from all the regions where MFAT is represented.

With over 60 percent of the Ministry’s emissions coming from flights in a ‘normal’ year, travel was the focus of discussions. Coming out of pandemic-related travel restrictions, staff expressed concerns about potential impacts of an Emission Reduction

Plan on engagement, relationships, and ultimately the impact we deliver for New Zealand. Digital diplomacy was critical to business continuity during the pandemic, and continues to offer opportunities, but face-to-face connection is often what is needed to deliver. The Ministry is looking at its travel drivers and patterns to find ways to reduce travel emissions while continuing to deliver for New Zealand.

Staff were enthusiastic about sustainability initiatives that would clearly demonstrate kaitiakitanga, as they saw this as a key part of how the Ministry represents New Zealand in the world. With this in mind, creating a culture of kaitiakitanga and sustainability is a fundamental part of the Ministry’s Emissions Reduction Plan.

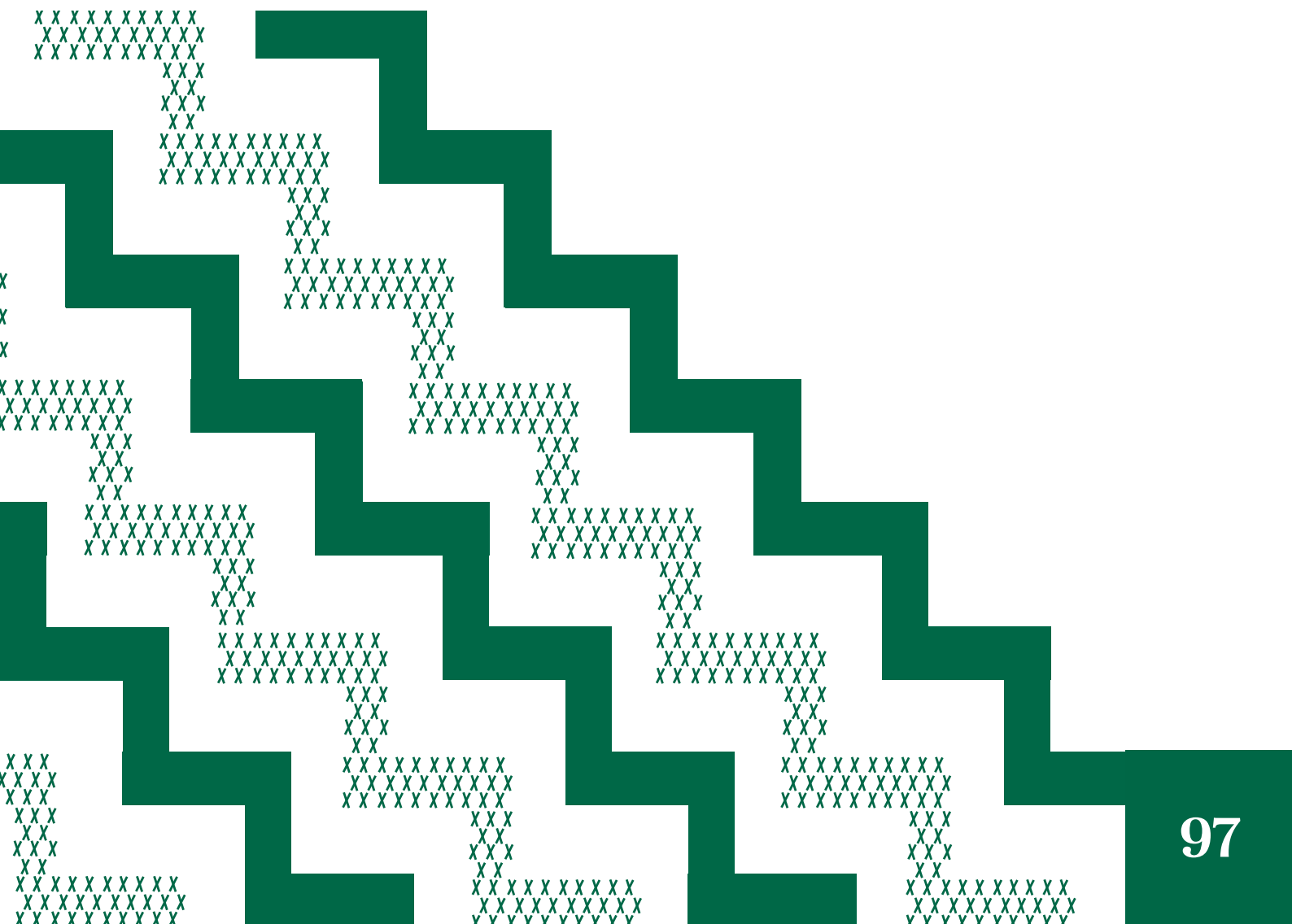
This enthusiasm has endured beyond the consultation period. Staff are bringing a visible energy to MFAT’s emissions reduction work – sustainability is an item on more team meeting agendas, ‘green teams’ are being established across the network, and staff are identifying opportunities for the Ministry to be more energy efficient. As implementation of the Emissions Reduction Plan continues, it is this passion that will drive the Ministry’s approach to diplomacy in a carbon-constrained world.

**Manaaki whenua, manaaki tāngata,
haere whakamua.**

**Care for the land, care for the people,
go forward.**

Organisational Health and Capability

Te Hauora me te Raukaha o te Whakahaere





From left to right: MFAT staff Victoria Brownlee, Sam Steel, Miriam Hazeleger, Lily Dalton, and Atanas Tomovski attended the Cross Agency Rainbow Network (CARN) Conference: Celebrating The Strength in Our Diversity in Christchurch in June 2023. Credit: MFAT.

Diversity, equity and inclusion

Te kanorau, te tautika me te whakauruuru

Diversity, equity, and inclusion across the Ministry is critical to helping us act in the world and engage with our stakeholders.

In 2018, the Ministry launched a 10 year Diversity and Inclusion Strategy¹⁶. A stocktake has been completed in 2021 to measure progress against the strategy with recommendations having been identified. Furthermore, the Papa Pounamu framework was created by Public Service Commission for government agencies to follow. These initiatives have led to a significant amount of mahi in the Diversity and Inclusion space in five key areas – addressing bias, cultural competence, inclusive leadership, and building relationships and employee-led networks.

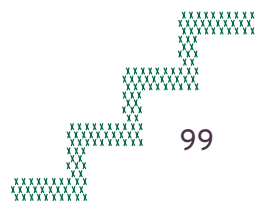
This year, the Ministry accomplished the following in each key area:

- Addressing bias has been a focus of the Ministry in the last few years. This has included rolling out unconscious bias training for all staff, and continuing to make those resources available for individuals or teams to use.

¹⁶ www.mfat.govt.nz/assets/About-us-Corporate/MFAT-corporate-publications/Diversity-and-inclusion/MFAT_Diversity-+-Inclusion-Strategy-Booklet-FINAL-19Jun.pdf

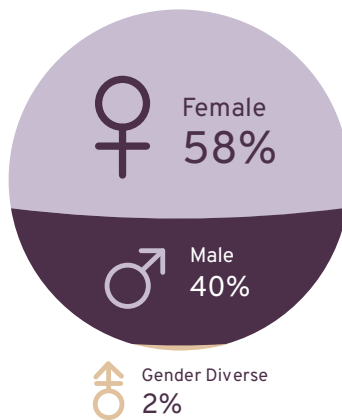
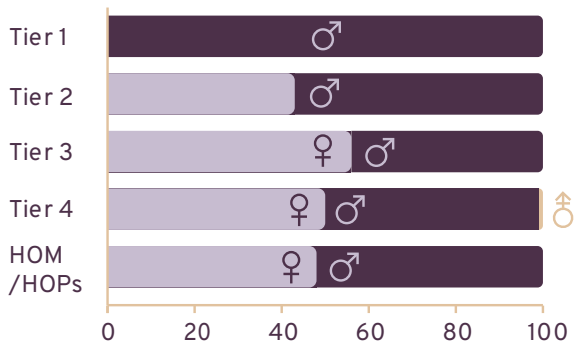
- With workplace culture being an organisational priority for the Ministry, a great deal of work has gone into increasing our culture competence as an organisation. 2022–23 has seen the roll out of the Workplace Cultures programme, including a Shaping My Workplace Culture e-learning module, an Empowering Us to Step Up and Speak Out workshop.
- Similarly, with Mātauranga Māori being an organisational priority, uplift in tikanga Māori, te reo Māori, and te ao Māori across the Ministry has been a significant focus. This year, 200 people are taking te reo lessons, 63 people are attending a Māori-Crown Relations course, and 90 people attended the 'Wall Walk' – a full day workshop focused on the impact that colonisation has had on Māori. Additionally, an internally developed full day programme that introduces staff to Mātauranga Māori workshops, te reo Māori, and tikanga has been delivered at four international posts across the Ministry, as well as in Wellington.
- As part of the existing Inclusion@MFAT programme, the Ministry launched workshops on Diverse and Inclusive Leadership. The workshops were well received, with those leaders who attended reporting having gained a greater understanding of leading an inclusive team.
- Also, as part of the Workplace Cultures programme, conversation starter resources were developed for people leaders to use with their teams.
- To build greater connections within the Ministry, and to support the Workplace Cultures programme, a group of people who represent various roles, groups, and posts have been trained as Frontrunners. People leaders are encouraged to discuss workplace culture with the Frontrunners, and they are encouraged to have culture conversations around the organisation.
- The Ministry currently has nine employee-led networks, including the Disability Network, Ethnic Network, Flexible Work Network, Kaitiaki Network, Rainbow Network, Solo Parents Network, Te Pou Māori, Women's Network, and Vaka Pasifika. The activities of the networks range from consultation with the Ministry on various policies and action plans, through to social events within the network or with the whole Ministry.

To best support the networks, the Ministry has a dedicated Diversity and Inclusion resource. This role is responsible for a range of Diversity and Inclusion initiatives, including meeting with each network regularly to better enable their activity and progression.



The following demographic information is based on voluntary, self-disclosed information on our New Zealand-employed staff as of 30 June 2023.

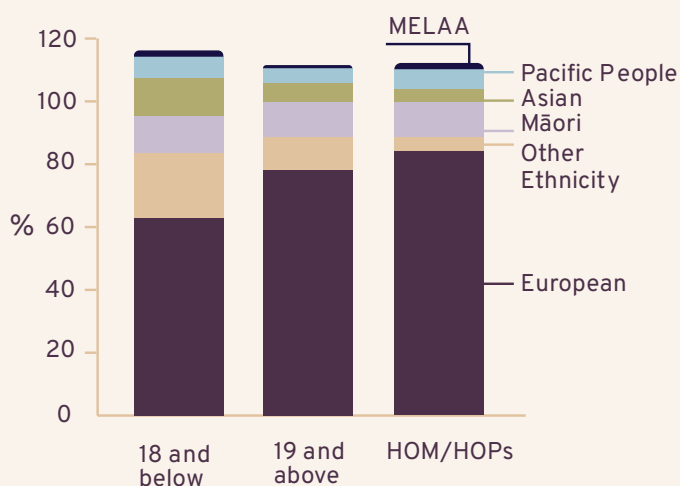
GENDER



14% \uparrow 0.6
Gender Pay Gap

7.4%
Median Gender Pay Gap

ETHNICITY

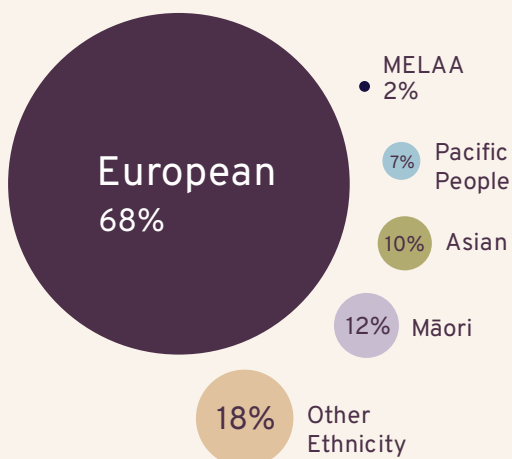


10.3%
Māori Pay Gap

13.9%
Pacific People Pay Gap

14.3%
Asian Pay Gap

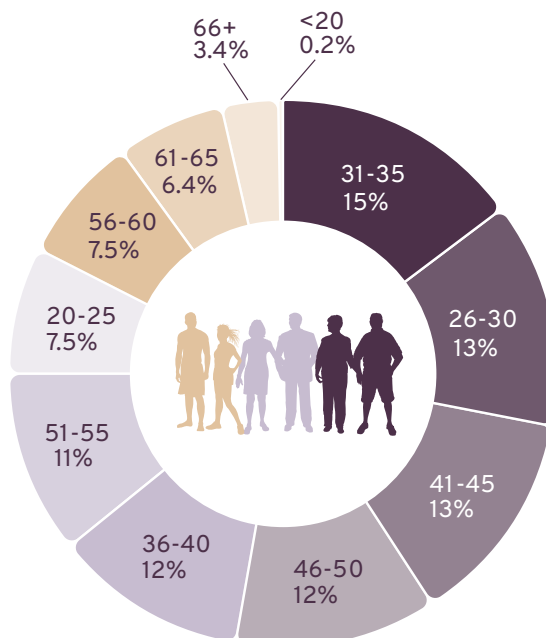
5.2%
MELAA Pay Gap



*Note: Staff are able to disclose up to three ethnicities so the total is more than 100%.

**MELAA – our people from the Middle East, Latin America, and Africa.

AGE DEMOGRAPHICS



1.84% Disability percentage

*Staff employed in New Zealand that have disclosed a disability

Demographic profile

Both the gender and ethnic distribution across the Ministry have remained stable since the previous year, both overall and across tiers. Similarly, the number for people who have disclosed living with a disability has remained the same. Moving forward there will be greater encouragement for staff to disclose whether or not they are living with a disability. This push will be done in tandem with an improvement in the way that this data is collected, in collaboration with the Disability Network.

Kia Toipoto – Gender pay gap

Launched in November 2021, Kia Toipoto, the public service pay gaps action plan, is a comprehensive set of actions to help close gender, Māori, Pacific, and ethnic pay gaps in the public service. The Ministry has been working on closing our gender and ethnic pay gaps.

The Ministry's current gender pay gap (mean average) is 14.0 percent. This has increased by 0.6 percent from 2021. The median gender pay gaps sits at 7.4 percent. Similar to previous years, this increase is due to the intentional hiring of a greater proportion of women, to build a stronger future pipeline of women in leadership and senior roles.

The pay gaps for Māori and Pacific at the Ministry sit at 10.3 percent and 13.9 percent respectively (mean average). The pay gaps for Asian, MELAA, and other ethnicity sit at 14.3 percent, 5.2 percent, and 7.8 percent respectively (mean average). As the Ministry focuses on increasing ethnic diversity and growing our pipeline for future senior roles, this will see our ethnic pay gap decrease over time.

Overall, the Ministry has made some progress in 2022–23, but there is still more work to do to continue to close the pay gaps. The Ministry will continue to focus on the actions previously set, while also setting new actions based on updated organisational priorities and Kia Toipoto milestones.

For more information, please refer to our Gender and Ethnic Pay Action Plan 22/23¹⁷ on MFAT's website.

¹⁷<https://mfat.govt.nz/2020.cwp.govt.nz/assets/About-us-Corporate/MFAT-corporate-publications/Diversity-and-inclusion/Gender-Maori-Pacific-and-Ethnic-Pay-Gap-Action-Plan.pdf>



Chief Executive and Secretary of MFAT Chris Seed and Dr Michelle Dickinson (Nanogirl Labs) spoke at a panel addressing the International Women day theme, DigitALL: Innovation and Technology for Gender Equality in Wellington on 8 March 2023.

The event highlighted the Pacific context and New Zealand's efforts to address the digital gender gap using creative solutions. As education is key to harnessing innovation and technology for gender equality, MFAT has partnered with Nanogirl Labs, Catalpa International and WINTEC to create science e-learning platform for high school teachers in the Pacific. The Pacific e-learning Programme is designed to support the national and regional education priorities of Cook Islands, Samoa, Solomon Islands and Vanuatu. It promotes innovative approaches for high school teachers to help increase young people's use of scientific knowledge with a local context. Credit: MFAT.

Health, safety and wellbeing

The health, safety and wellbeing of our people is paramount, regardless of whether they are employed in New Zealand or offshore.

Supporting our people

The Ministry's commitment to Health, Safety and Well-being (HSW) was solidified with the finalisation in June 2023, of the Ministry's Inaugural Statement of Commitment to Health, Safety, and Well-being. This statement underscores the organisation's dedication to fostering positive, safe, and inclusive workplaces across all Ministry locations worldwide. The Ministry has been actively elevating the importance of healthy workplace cultures, mental well-being, and effective risk management.

The successful execution of the HSW work programme and the advancement of the Ministry's overall well-being objectives were enabled by a fully HSW staffed team. Maintaining the well-being of its workforce remains a crucial organisational priority. Acknowledging the psychosocial challenges arising from the COVID-19 pandemic, the Ministry continues to provide comprehensive psychological services to all staff members who requires it. With the organisational psychologist and in-house counsellor roles becoming permanent, these services, which encompass both in-house and external support, have been tailored to cater to the unique needs of the Ministry's diverse working environments. Feedback from staff further reinforces the significance of these supportive measures.

In addition to the suite of psychological services, the Ministry has implemented a range of initiatives to supplement employee well-being. These initiatives include fostering opportunities for staff to build their confidence in discussing mental well-being matters in the workplace, encouraging the reporting of safety concerns over inappropriate behaviour, and equipping employees with skills to manage critical events or unsettling times resulting from direct or indirect exposure. Considerable efforts have also been made to support Ministry leaders and teams in creating healthy workplace environments that prioritise mutual care and support.

A comprehensive well-being programme is being developed to offer targeted opportunities aimed at safeguarding, supporting, and strengthening the psychological well-being of all Ministry personnel.

A key area of focus for the Ministry has been to enhance health and safety representation across its offshore network. To this end, HSW toolkits and tailored HSW training have been devised to support the Ministry's existing Health and Safety Representatives. For international posts, online training modules covering Hazard Management and Awareness have proven successful and will soon be complemented with courses on Bow Tie Risk Management Fundamentals and '5-Whys' investigations tailored for managers.

Health, safety, and well-being critical risks

Two further risks are identified as arising from Ministry activities. These were risks associated with outsourced activities, such as contracted works where the Ministry must manage overlapping duties, and health risks stemming from long-distance and frequent business travel.

In the year ahead

In a post-COVID-19 world, the Ministry has resumed travelling and is seeing the volume of travel by staff increasing. The in-person internal audits of posts have resumed, incorporating focused HSW inquiries. Looking ahead to the new financial year, the Ministry envisions people-centred outcomes, employing effective methodologies to manage unexpected hazards and risks. The HSW Team is adopting a Business Partner approach to facilitate and cultivate HSW knowledge within the Ministry, providing valuable governance insights and ensuring due diligence within a functional and fit-for-purpose HSW management framework. This forward-looking strategy aims to enhance the Ministry's commitment to the well-being and safety of its workforce, and to create a supportive and secure work environment for all personnel.

Where incidents happened

Incidents at a glance across MFAT's network. The map depicts six types (biological, environmental, ergonomic, physical, psychosocial and security) of incidents occurred during 2022-23.



Organisational sustainability

Ngā tauākī me ngā wātaka

The Ministry acts in the world to build a safer, more prosperous, and more sustainable future for New Zealanders. A key element of our Strategic Framework is Kaitiakitanga: Generations of New Zealanders benefit from sustainable solutions to global and regional challenges.

The Ministry is committed to contributing to All-of-Government sustainability and to the New Zealand climate response.

Table 1 outlines the Ministry's emissions from our baseline year in 2018–19 to 2022–23. An independent third party has audited and verified our emissions data, which meet ISO 14064-1 and Carbon Neutral Government Programme requirements. The data illustrates the reduction in activities over the COVID-19 pandemic period, as well as the resumption of activities as New Zealand reconnected to the world.



The new solar photovoltaic array on our High Commission building in Canberra. Credit: MFAT.

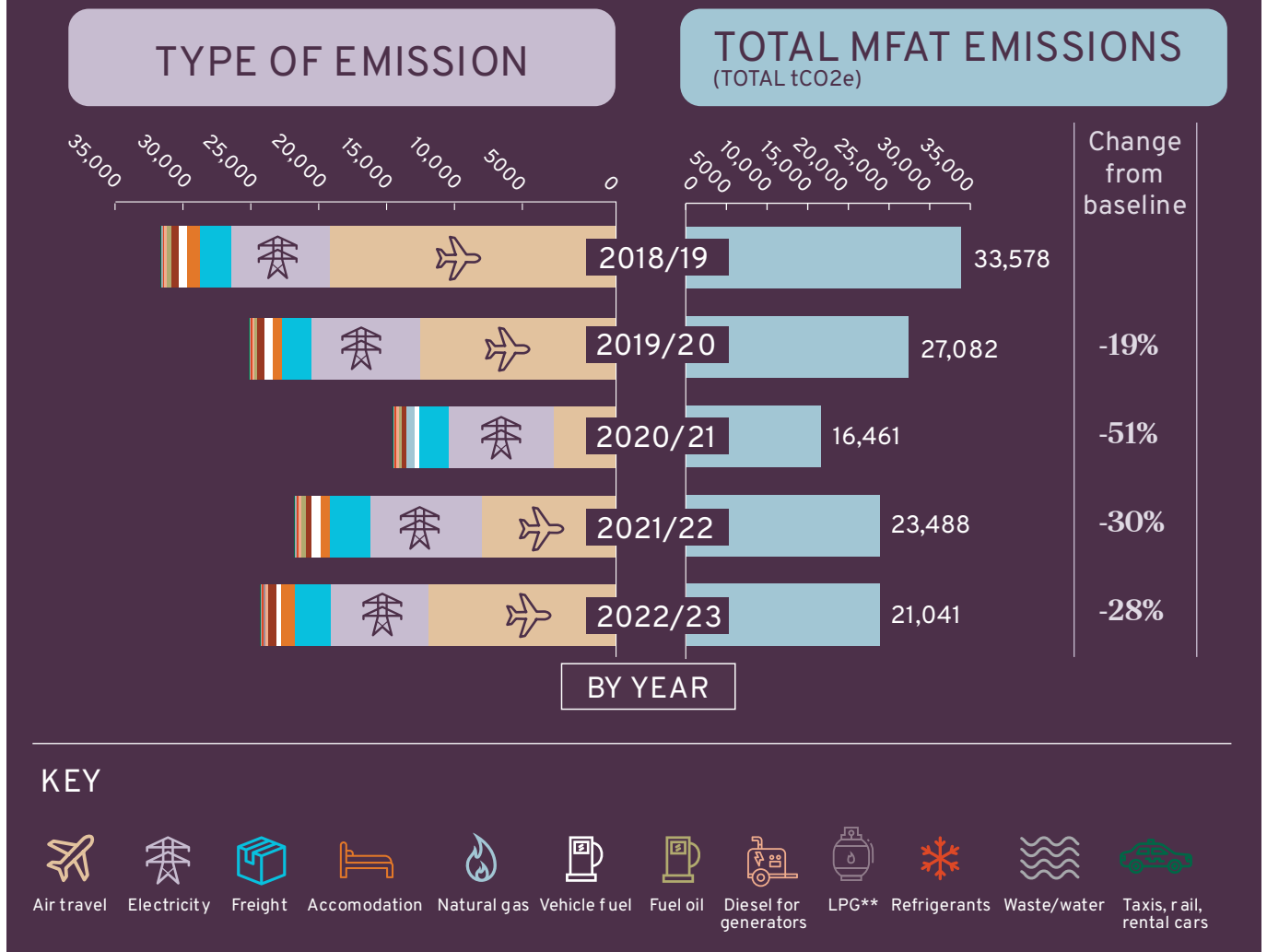


Table 1: MFAT onshore and offshore emissions: 2018–19 to 2022–23 (tCO₂e)

Source	2018–19 (baseline)	2019–20	2020–21	2021–22	2022–23*
Air travel	21,092	14,410	4,578	9,885	11,651
Electricity	7,254	8,037	7,777	8,161	7,324
Freight	2,306	2,158	2,113	2,897	2,582
Short-term accommodation	957	690	392	671	792
Natural gas	601	640	608	678	533
Vehicle fuels	584	480	298	383	588
Fuel oil	281	213	230	365	79
Diesel for generators	206	169	201	183	122
LPG**	-	-	-	-	28
Refrigerants	106	106	106	106	106
Waste/water	101	112	121	120	156
Taxis, rail, rental cars	90	67	37	39	80
TOTAL tCO₂e	33,578	27,082	16,461	23,488	24,041
Change from baseline		-19%	-51%	-30%	-28%

*2022–23 subject to minor changes following third-party verification and audit.

**Data collection started in 2022–23.

The primary challenge facing the Ministry is reducing our emissions while delivering for New Zealand and safeguarding the health and well-being of our staff and their families. As shown in the data, the Ministry's largest emissions year-on-year are from air travel and electricity. Making reductions in these areas is complex. New Zealand's geographic isolation means that we need to fly further than other foreign services for in-person engagement, without the benefit of being able to mode shift to rail to undertake our work in other countries.

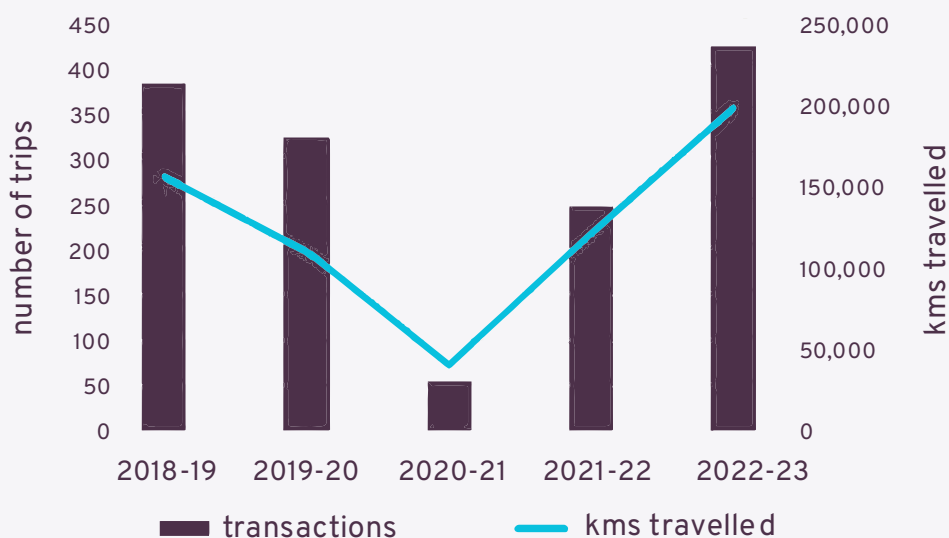
The Ministry is also investigating ways to improve data capture, in order to include data on emissions sources that are more difficult to obtain, such as offshore refrigerants, emissions from our International Development Cooperation activities, etc.

Throughout 2022-23, the Ministry continued its activities to decarbonise operations and advance sustainability, both in New Zealand and across our offshore network.

- The Ministry developed an Emissions Reduction Plan to ensure we meet our emissions reduction targets: a 21 percent reduction in emissions by 2024-25 from the 2018-19 baseline, and a 42 percent reduction in emissions by 2029-30 from the 2018-19 baseline.
- Solar photovoltaic systems were installed on two of our properties – the chancery in Canberra and the official residence in Honolulu – and other solar projects are in the pipeline.
- Energy efficiency projects were undertaken in various locations, for example, the installation of LED lighting and double-glazed windows, and upgrading HVAC systems, to name a few .
- More hybrids and electric vehicles were added to Ministry fleet, which is entirely offshore, replacing fossil-fuelled vehicles that were due to be replaced.
- Emissions reductions and sustainability continued to be integrated into asset management, such as with the Pacific properties upgrade and the new Wellington Head Office.



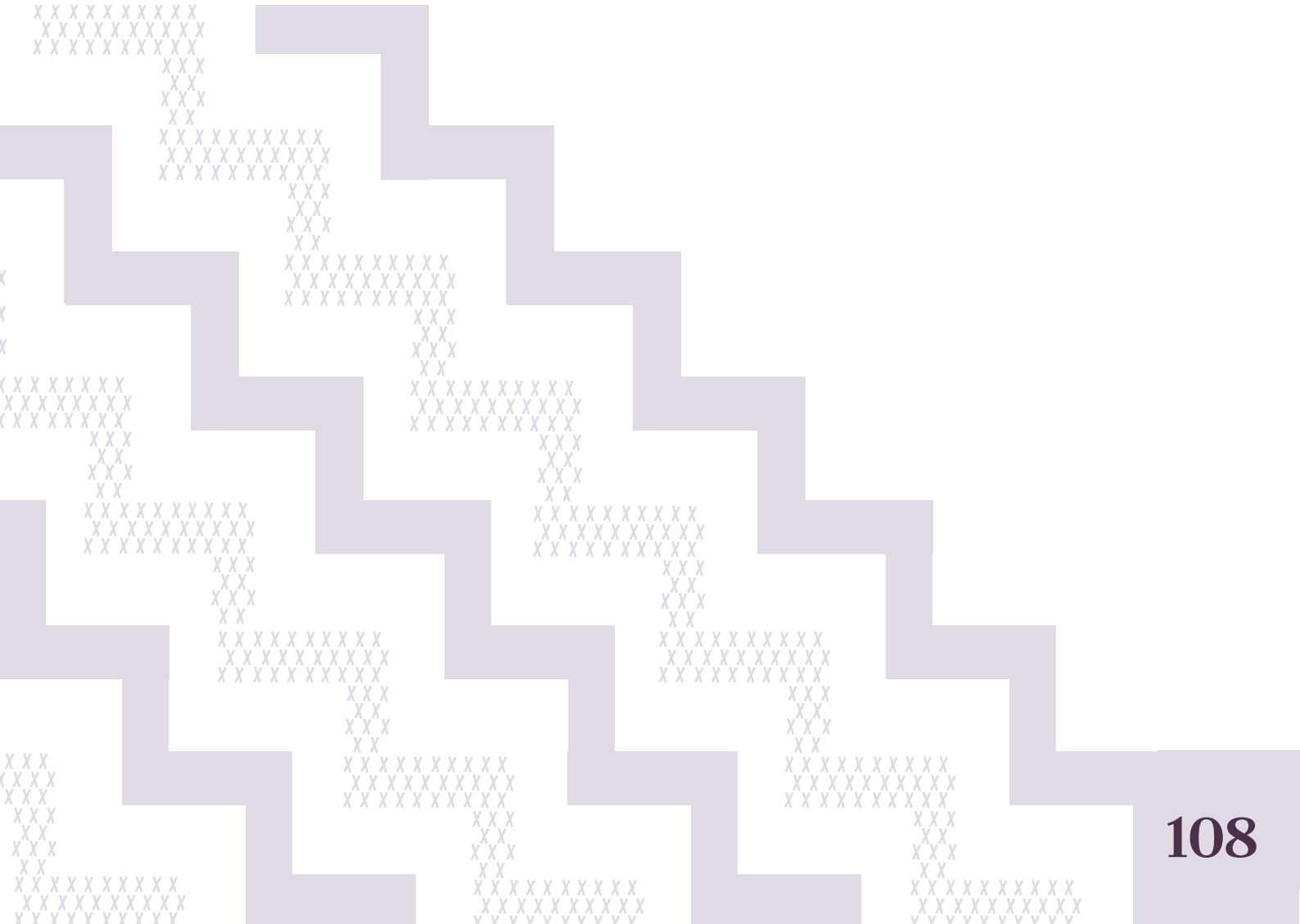
NUMBER OF TRIPS AND KMS TRAVELLED



When offshore, mode shift is an opportunity for the Ministry. Ministry staff traveled 28% more kilometres by train this year, compared to our pre-COVID baseline year.

Statements and schedules

Te toitū ā-whakahaere



Statement of responsibility

I am responsible, as Chief Executive of the Ministry of Foreign Affairs and Trade (the Ministry), for:
the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;

having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;

ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report; and

the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the Annual Report.

In my opinion:

the Annual Report fairly reflects the operations, progress, and the health and capability of the Ministry;

the financial statements fairly reflect the financial position of the Ministry as at 30 June 2023 and its operations for the year ended on that date; and

the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2024 and its operations for the year ending on that date.



Chris Seed

Chief Executive and Secretary of Foreign Affairs and Trade

Hekeretari o Manatū Aorere

2 October 2023

Statement of compliance

The service performance information and the financial statements have been prepared in accordance with the Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting.

Statement of performance

This section reports on our performance against performance targets (known as budget standard), as included in 2022–23 The Estimates of Appropriations for Vote Foreign Affairs¹⁸ and 2022–23 The Supplementary Estimates of Appropriations for Vote Foreign Affairs¹⁹, as required by section 19C of the Public Finance Act 1989.

The Minister of Foreign Affairs purchased the following from Vote Foreign Affairs:

Vote Foreign Affairs

- Analysis and advice to inform New Zealand’s foreign policy.
- Delivery of New Zealand’s foreign policy.
- Delivery of services.
- Management of New Zealand’s International Development Cooperation.
- Policy advice and representation – other countries (PLA).

In addition, the Ministry has a capital expenditure appropriation for the purchase of assets by and for the use of the Ministry.

Vote Foreign Affairs departmental expenditure is funded through the following:

- Annual multi-category output expense appropriation, comprising four categories within the Multi-Category Appropriation (MCA).
- An annual output expense appropriation for policy advice and representation – other countries (PLA).
- An annual Departmental Capital Expenditure appropriation (PLA).

The service performance information in the multi-category output expense appropriation “Act in the world to build a safer, more prosperous, and more sustainable future for New Zealanders” represents the key outputs the Ministry delivers:

- The provision of analysis and advice to inform New Zealand’s foreign policy.
- The delivery of representation, advocacy, and negotiation of New Zealand's foreign policy.
- The delivery of services to support New Zealanders overseas who require consular services, New Zealand businesses, NZ Inc agencies, and host government services to the diplomatic and consular corps in New Zealand.
- The management of New Zealand's International Development Cooperation.

The Ministry works with NZ Inc agencies – onshore and offshore – to achieve the government’s international objectives as expressed in our Strategic Framework.

The performance information that are included in PBE FRS 48 are:

- Outcome indicators - provides contextual performance information - [p.115-117](#)
- Output measures - [p.118-143](#)
- Three IDC non-departmental performance measures, as mentioned on [p.133](#).

¹⁸ www.treasury.govt.nz/publications/estimates/vote-foreign-affairs-external-sector-estimates-appropriations-2022-23

¹⁹ www.treasury.govt.nz/publications/supplementary-estimates/vote-foreign-affairs-supplementary-estimates-appropriations-2022-23

Our performance measures show what we have achieved

Why the Ministry exists

In selecting our performance measures, we have centred it on the three objectives that the Ministry strives to realise in our purpose statement:

1. Build a safer future for New Zealanders.
2. Build a more prosperous future for New Zealanders.
3. Build a more sustainable future for New Zealanders.

How do these objectives drive MFAT's Goals and performance measures

What the Ministry intends to achieve in broad terms over the medium to long term

 <p>Safer future</p>	<p>Key activities in working towards a secure and just world include New Zealand taking an active role in:</p> <ul style="list-style-type: none"> • Promote peace and security. • Work with international partners on rules and capacity building to reduce threats from cyber and terrorist attacks, illegal migration, transnational crime and other threats. • Help advance global disarmament and rules against the proliferation of weapons and mass destruction. • Provide safe travel information, help New Zealanders affected by crises and other problems overseas, and ensure their rights are protected.
<p>How we go about this</p>	
<p>The progress can be found under the following Goals</p>	<p>We measure our achievements through the following performance measures categories:</p>
<p>01 International Rules & Institutions 03 Indo-Pacific 06 Security & Safety 07 International Relationships</p>	<p>Delivery of New Zealand's foreign policy</p> <ul style="list-style-type: none"> • Strengthen, protect and use international rules and institutions to pursue New Zealand interests and values. • Lead New Zealand's international action to advance and protect New Zealanders' safety and New Zealand's security. <p>Delivery of services</p> <ul style="list-style-type: none"> • Consular services to keep New Zealanders safer abroad. <p>Management of New Zealand's International Development Cooperation</p> <ul style="list-style-type: none"> • All components under this category.



More prosperous future

Key activities in promoting free and open trade include:

- Help build global and regional trade rules and frameworks through the World Trade Organization (WTO) and other forums, such as the Asia-Pacific Economic Cooperation (APEC) to make it easier for New Zealanders to transact international business.
- Open up and protect diverse exporting and investment opportunities through negotiating free trade agreements and reducing non tariff barriers.
- Defend New Zealand’s access rights including through taking dispute settlement action when other countries do not keep their commitments.
- Support New Zealand businesses through our network of overseas posts to succeed in international markets and support international connections in areas such as research.
- Promote and protect the New Zealand brand.

Key activities in achieving prosperity and stability in the Pacific and beyond include:

- Managing and delivering International Development Cooperation (IDC). The IDC is New Zealand’s official support for developing countries, with a particular focus on development partnerships in the Pacific.

How we go about this

The progress can be found under the following Goals

We measure our achievements through the following performance measures categories:

- 01 International Rules & Institutions
- 02 Economic Returns & Resilience
- 03 Indo-Pacific
- 04 Pacific
- 05 Climate Change & Environment
- 07 International Relationships

Delivery of New Zealand’s foreign policy

- Grown sustainable economic returns and resilience from trade, investment and other international connections.
- Embed New Zealand as an active and integral partner in shaping and Indo-Pacific order that delivers regional stability and economic integration.
- Promote a stable, prosperous and resilient Pacific in which New Zealand’s interests and influence are safeguarded.

Delivery of services

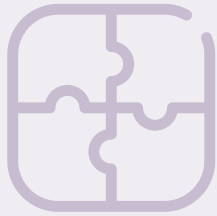
- Services to New Zealand exporters and businesses to help them succeed overseas.

Management of New Zealand’s International Development Cooperation

- All components under this category.

 <p style="text-align: center;">More sustainable future</p>	<p>Key activities in working on smart solutions to global environmental challenges include:</p> <ul style="list-style-type: none"> • Support the international and regional institutions tasked with resolving problems that cross borders and impact on global well-being. • Work with other countries to negotiate and implement agreements on issues, such as climate change and over-fishing. • Contribute to global sustainable development efforts. • Deliver New Zealand’s international development cooperation, with a focus on the Pacific region, and lead responses to humanitarian crises and natural disasters. • Promote global rules and legal frameworks on issues, including human rights, and support the international justice system pursue New Zealand’s interests in Antarctica and the Southern Ocean.
<p>How we go about this</p>	
<p>The progress can be found under the following Goals</p>	<p>We measure our achievements through the following performance measures category:</p>
<p>01 International Rules & Institutions 04 Pacific 05 Climate Change & Environment 07 International Relationships</p>	<p>Delivery of New Zealand’s foreign policy</p> <ul style="list-style-type: none"> • Promote sustainable international solutions to global environment and natural resource challenges that impact on New Zealand <p>Management of New Zealand’s International Development Cooperation</p> <ul style="list-style-type: none"> • All components under this category

Realisation of our Goals and objectives are enabled by:



Provide analysis and advice to inform New Zealand's foreign policy

Key activities include:

- Provide Policy Advice
- Provide Ministerial Services
- Monitor Crown Entities

We also check that our domestic stakeholders are satisfied with their engagement with MFAT, and satisfied with MFAT's effectiveness at representing New Zealand's interest.

Build and leverage targeted international relationships to achieve our goals

Key activities include:

- Visits Management
- Services to diplomatic and consular corps in New Zealand
- Services to NZ Inc overseas

We measure our achievements through the following performance measures categories:

Analysis and advice to inform New Zealand's foreign policy

- Policy Advice
- Ministerial Services
- Monitor Crown Entities
- New Zealand domestic engagement
- Stakeholder Satisfaction

Delivery of New Zealand's foreign policy

- Build and leverage targeted international relationships to achieve our goals

Delivery of Services

- Host government services to the diplomatic and consular corps in New Zealand
- Services for other New Zealand agencies overseas





Management of New Zealand's International Development Cooperation

- All components under this category

Our Outcome Indicators

The Ministry’s purpose is to act in the world to build a safer, more prosperous and more sustainable future for New Zealanders. The achievements against our Strategic Intentions are reflected in the nine Goal’s narrative and case studies. We also use a range of Indicators to help track our performance in delivery these outcomes.

Overall, in 2022–23, the Ministry is on track in meeting the Outcomes and made a difference in areas that helped us achieve our Goals. Of the total 24 Outcome Indicators:

	15 On track		2 Partially on track
	5 Off track		2 Progress to be determined

Refer to [Our Goal and performance on p.25](#) and [At a glance on p.28](#) for detailed information.

The Ministry has made judgements in identifying the most relevant outcome indicators that best supplement our output measures and on how we are progressing towards our purpose, as follows:

Economic Returns & Resilience

Grow sustainable economic returns and resilience from trade, investment, and other international connections

This is linked to the Vote Foreign Affairs Multi-Category Appropriation – Delivery of New Zealand’s foreign policy

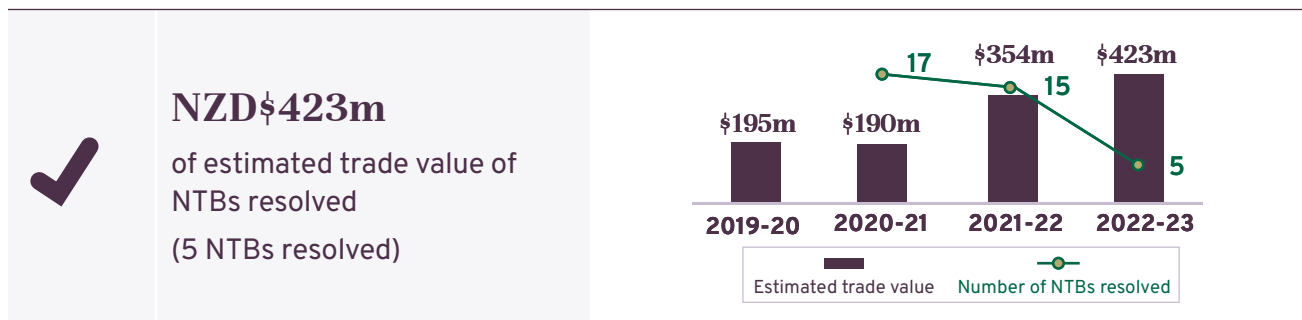
What we intend to achieve

This category is intended to achieve international representation, advocacy and negotiation on all elements of New Zealand’s foreign policy, other than IDC.

Indicator:

Increase in the number of estimated trade value of Non Tariff Barriers (NTBs) resolved

The Ministry helps New Zealand exporters by promoting increased market access and better commercial conditions for New Zealand businesses. Increase in the number of estimated trade value of NTBs resolved is an Indicator of achieving this.



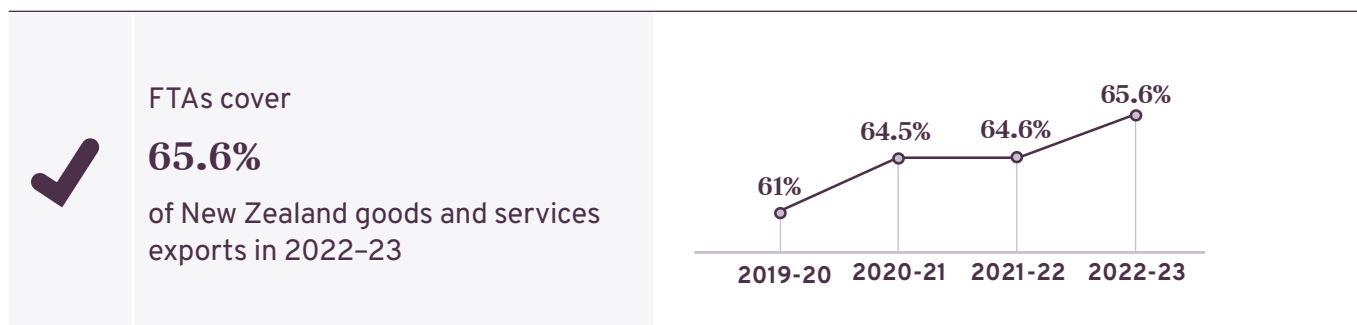
In 2022–23, the Ministry has resolved five NTBs covering an estimated trade value of NZD\$423 million.

Compared to previous years, more NTBs with high commercial materiality have been resolved. The performance of this Indicator continues to trend upwards, and is on track in progressing towards the outcome. See [p. 43](#) for the outcome indicator and [p. 125](#) for related performance measure.

Indicator:

FTAs cover 75% of New Zealand goods and services exports by 2028

This measure reflects that New Zealand is a trade dependent economy and we are a firm supporter of free and open trade, with one of the most open market economies in the world. FTA coverage is important, as an increase in this is proportional to the increase of New Zealand's Gross Domestic Product.



In 2022-23, with the NZ-UK FTA now entered into force, the coverage has increased by 2.7%, reaching 67.3%. Negotiations on the NZ-EU FTA were concluded on 30 June 2022 (with the Agreement subsequently signed on 9 July 2023). Signature paves the way for the legal procedures needed to bring the Agreement into force. Once the Agreement enters into force, New Zealand goods and services exports covered by FTAs will rise to 73.4%, close to the target of 75% by 2028. See [p. 43](#) for the outcome indicator See [p. 125](#) for related performance measures.

Security & Safety

Lead New Zealand’s international action to advance and protect New Zealanders’ safety and New Zealand’s security

This is linked to the Vote Foreign Affairs Multi-Category Appropriation –

Delivery of services

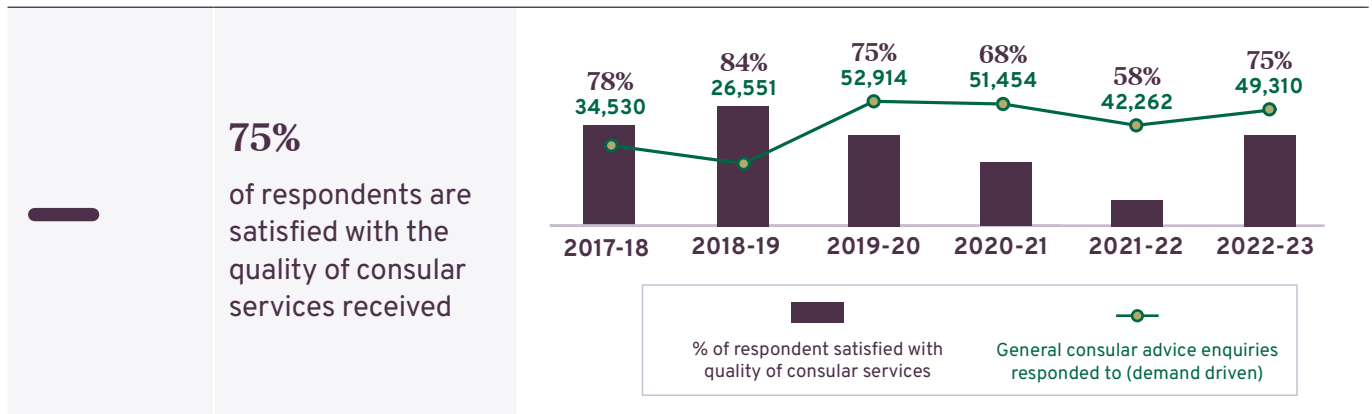
What we intend to achieve

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

Indicator:

85% of more respondents are satisfied with the quality of consular services

A key role for the Ministry is helping New Zealanders be safe when travelling and living abroad, and ensuring they can access consular assistance and emergency advice, when required. Survey respondents being satisfied with the quality of consular services received reflects the successfulness of the Ministry’s consular service.



Between 2019–20 and 2021–22, the Ministry’s ability to provide New Zealanders overseas with access to consular advice and assistance has been heavily affected by the COVID-19 pandemic. The pandemic has increased the number and complexity of cases the Ministry’s consular officials have needed to manage (compared to the pre-COVID-19 baseline), and also reduced the options available to provide assistance and resolve situations in many cases. New Zealanders abroad may have also conflated their disappointment with the Managed Isolation and Quarantine Scheme with MFAT’s consular services, which are quite separate, but may not be perceived as such by some respondents. Although the 2022–23 result has improved and back to 2019–20 pre-COVID level, overall, the performance of this Indicator has been trending downwards and is currently off track. We expect the performance will start to improve in the post-COVID-19 environment. See [p.71](#) for outcome indicators and [p.130](#) for related performance measures.

Our Output Measures

Service performance information


The service performance information is selected and aligned with the Ministry's Strategic Framework. The Ministry uses its Strategic Framework to define its purpose and the impacts it is seeking to make, to set out how it is going to realise its purpose and achieve collective impact, and to enable it to assess our collective performance as articulated in this report. Our output measures have performance targets (known as budget standard), where we either met budget standard, or did not meet budget standard. Budget standards for output performance measures have been adjusted in 2022–23, in some cases to reflect the post-COVID-19 environment. We have set our level of service based on 2021–22 results, and we review our level of service annually.

We have included comparison of our performance information against the performance measures and results for 2021–22, and also trend data from 2019–20 to provide context to the 2022–23 results. We explain where we did not meet the service standards, or major variance between current and prior year results (where appropriate).

Review of 2022–23 output performance measures and budget standards

We have two types of performance output measures:

- Quantity – measures are quantitative and represent key outputs the Ministry delivers, of which some are demand driven.
- Quality & Timeliness – measures and results can be controlled by the Ministry, and this is considered a more accurate Indicator of performance.

Multi-Category Appropriation – Quality & Timeliness					
We achieved 20 out of 36 (55.6%) performance targets compared to 26 out of 44 last year (59%)					
 QUALITY & TIMELINESS MEASURE	Multi-Category Appropriation	Analysis and advice to inform New Zealand's foreign Policy	Delivery of New Zealand's foreign policy	Delivery of services	Management of New Zealand's International Development Cooperation
	1/1	3/8	4/7	3/5	9/15






We review our output measures and targets each year to ensure they reflect the services we deliver and our operating environment, and support the achievement of our outcomes.

We have sharpened our suite of MCA output measures this year to ensure they reflect the new reporting standard PBE FRS 48²⁰. Twenty-seven measures were retired – these measures were identified as indicators of activity (such as counting number of ministerial / multilateral meetings the Ministry supported and number of joint Ministerial statements delivered with bilateral partners) rather than depicting actual performance, and did not adhere to the PBE FRS 48 qualitative requirements of relevance, faithful representation, understandability and verifiability. Four measures were changed, 17 budget standard were revised, and five new measures were introduced to support and strengthen the Ministry's performance story.

These changes reduced the overall number of MCA output measures from 95 in 2021–22 to 73 in 2022–23. Please refer to the Vote Foreign Affairs Supplementary Estimates of Appropriations 2022–23 for details of the retired measures.

²⁰ PBE FRS 48 – Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting.

How we performed against our output measures

QUALITY & TIMELINESS MEASURE			QUANTITY MEASURE	
KEY			KEY	
				
MET BUDGET STANDARD – Achieved	DID NOT MEET BUDGET STANDARD – Not achieved	NOT MEASURED IN 2022-23 DUE TO CHANGE IN METHODOLOGY	MET BUDGET STANDARD – Aligned with forecast demand	DID NOT MEET BUDGET STANDARD – Misaligned with forecast demand



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

1/1
MET BUDGET
STANDARD

What we intend to achieve

This appropriation is intended to achieve: the provision of analysis and advice, and delivery of New Zealand’s foreign policy through representation, advocacy, and negotiations; the delivery of services to support New Zealand individuals, businesses and agencies overseas, and host government services to the diplomatic and consular corps in New Zealand; and management of New Zealand’s IDC (including related, advice, representation and advocacy).

Assessment of performance

		2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual
	Percentage of stakeholders who are satisfied with MFAT’s effectiveness at representing New Zealand interests	Not measured (conducted biennially)*	 85%	85%	78.4%~
					Result not available this year







*The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 budget standard has been updated to reflect this (2021-22 budget standard is 80%). As majority of the Ministry’s work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry’s stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and this will not affect the appropriateness of the performance reporting. The 2021-22 result was 85%, and covers the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.



~ Due to the impacts of COVID-19 on stakeholders, the Ministry’s Stakeholder Engagement Survey was not conducted during the 2020-21 year. The 2020-21 result is based on an aggregation of five separate stakeholder surveys and is therefore not directly comparable to the 2021-22 result. These surveys are based on the Ministry’s services and effectiveness and include stakeholder segments of NZ Inc, New Zealand exporters and businesses, trade organisations, aid NGOs, and New Zealanders travelling or living overseas. MFAT provided contact details for 1,343 stakeholders to Kantar Public for the purpose of this research. The maximum margin of error on the total sample of 268 survey respondents was +/- 5.36%. The sample size for this result was 201.

What we intend to achieve



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

Assessment of performance

			2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
Policy advice						
	Policy submissions produced for Ministers	1,250-1,750*	 1,166	1,563	1,126	172
<p>*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.</p> <p>Misaligned with forecast demand - The volume of policy submissions produced for Ministers is demand driven and is outside of the Ministry's control.</p>						
	Assessment of performance of the quality of the Ministry's policy advice papers	4*	 3.70	3.93	4.03	4.03
<p>*The budget standard is on a scale of 1 to 5 and is based on using DPMC's Policy Quality Framework to assess the quality of policy advice papers. An average score will be reported from the independent assessment of policy advice papers.</p> <p>Scale for scoring the quality of policy advice:</p> <ul style="list-style-type: none"> • 1 – Unacceptable: Does not meet the relevant quality standards in fundamental ways. • 2 – Poor: Does not meet the relevant quality standards in material ways. • 3 – Acceptable: Meets the relevant quality standards overall, but with some shortfalls. • 4 – Good: Meets all the relevant quality standards. • 5 – Outstanding: Meets all the relevant quality standards and adds something extra. <p>Not achieved – NZIER appraised a randomised sample of 40 substantive MFAT policy submissions (excluding routine or process submissions) submitted during the 2022-23 financial year. This sample was drawn from a pool of 557 policy papers produced in 2022-23 (up from 320 in 2021-22 and 257 in 2020-21). NZIER noted that there has been a decline in scores in many agencies. The decline in score is possibly related to work pressure on the back of several years of disruption due to COVID-19. Overall, the papers were free and frank, nuanced and careful with a wide range of technical knowledge. Areas of improvement include using active headings and subheadings, tightening the drafting of recommendations and doing a systematic options analysis. There are more papers at the lower end of scale (although they all still meet the PQF standards) and slightly few very high-scoring papers. NZIER also noted the Ministry should still be in the top group of agencies in terms of scoring.</p>						
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: score of 4.5 or higher will be no less than	40%	 17.5%	30%	New measure	-
Not achieved – refer to notes above.						

		2022-23	2021-22	2020-21	2019-20	
		Budget standard	Actual	Actual	Actual	Actual
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: score of 3 or higher will be no less than	100%	 100%	New measure	-	-



^This is a new performance measure for 2022-23 and was selected as it follows the DPMC's Policy Quality Framework that recommends including a range of targets for the distribution of scores.

	Satisfaction of the portfolio Minister with the policy advice service	4 or above*	 3.86	3.95	2.96	4.47
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*The budget standard is on a scale of 1 to 5 and is based on DPMC's Ministerial Satisfaction Survey to assess ministerial satisfaction with the policy service.



Not achieved – This year the Ministry changed our approach. In the past years, we have only surveyed Ministers with portfolio responsibilities. This year, in line with the Policy Project's Guide to the Ministerial Policy Satisfaction Survey, the Ministry has surveyed Portfolio Ministers (Minister of Foreign Affairs, Minister of Disarmament *and* Arms Control, Minister for Trade and Export Growth and Minister of Climate Change) and Ministers with Portfolio responsibilities (Associate Minister of Foreign Affairs and Minister of State for Trade and Export Growth). This change was made to better understand feedback from all Ministers receiving policy advice from MFAT. Please note Associate Minister of Foreign Affairs and Minister of State and Trade and Export Growth only had portfolio responsibilities from Feb 2023, and this has been reflected in the weighting of the average scores for the results. Their predecessors were not surveyed as they no longer have responsibilities for MFAT (or staff in their offices). Please also note the Ministry have yet to receive completed surveys from Minister of Foreign Affairs and Minister of Disarmament and Arms Control. These have been excluded from the weighted average score for the result.

Ministerial services


	Number of Ministerial letters prepared	1,000-1,250*	 451	2,333	1,314	208
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*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.

Misaligned with forecast demand – The volume of correspondence that is received is predicated on what issues are of interest to the public. This is outside of the Ministry's control. The increase from 2020-22 is the exception, possibly due to COVID-19 and other world events. 2022-23 volumes are returning to more historic levels.


	Number of Parliamentary Question responses provided	300-500*	 546	767	458	66
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*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.

	Number of Ministry Official Information Act request (OIA) responses provided	250-350	 326	329	284	74
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	Percentage of Ministerial correspondence completed within 15 working days	90%	 56%	89%	92%	97%
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Not achieved – While volumes have reduced, there was a large back log of correspondence that was not able to be managed in timeframes due to resourcing limitations. This has now been addressed.


			2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Percentage of Ministry OIA requests responded to within statutory timeframes [^]	90%	✓ 99%	98%	95%	97.3%

[^]Ministry OIAs are requests of the Chief Executive of the Ministry of Foreign Affairs and Trade.

Monitor Crown entities

	Ministers receive advice on the performance of Crown entities within agreed timeframes	100%	✓ 100%	100%	100%	-
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New Zealand domestic engagement

	Percentage of domestic stakeholders who are satisfied with their engagement with MFAT	Not measured (conducted biennially)*	— 86% [^]	86% [^]	78.4% [~]	Result not available this year
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* The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 Budget Standard has been updated to reflect this (2021-22 budget standard is 90%). As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry's stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and will not affect the appropriateness of the performance reporting. The 2021-22 result was 86%, and covers for the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.

[^] The 2021-22 results have been amended from those originally published in the 2021-22 Annual Report (87%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2021-22 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

[~] Due to the impacts of COVID-19 on stakeholders, the Ministry's Stakeholder Engagement Survey was not conducted during the 2020-21 year. The 2020-21 result is based on an aggregation of five separate stakeholder surveys and is therefore not directly comparable to the 2021-22 result. These surveys are based on the Ministry's services and effectiveness and include stakeholder segments of NZ Inc, New Zealand exporters and businesses, trade organisations, aid NGOs, and New Zealanders travelling or living overseas. MFAT provided contact details for 1,343 stakeholders to Kantar Public for the purpose of this research. The maximum margin of error on the total sample of 268 survey respondents was +/- 5.36%. The sample size for this result was 201.

Not achieved – The 2021-22 result of 86% did not meet budget standard of 90%. Overall perceptions of the relationships between our domestic stakeholders with the Ministry remain consistently high. The satisfaction score also compares very favourable to the Kantar Public benchmark for other similar stakeholder surveys. This means MFAT is one of the highest rated public sector agencies in this category.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
62,878	Analysis and advice to inform New Zealand's foreign policy	78,826	79,139	313

Explanation of significant budget variance

No significant variance

Delivery of New Zealand's foreign policy

13/19
MET BUDGET
STANDARD

What we intend to achieve

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

Assessment of performance

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual



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

	Number of resolutions New Zealand leads or co-sponsors in the UN General Assembly and the Human Rights Council	65-75*	 132	91	New measure	-
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*The revised budget standard has been tightened from 55-75 (Estimates 22-23) to 65-75 (Supplementary Estimates 22-23) to improve data quality and faithful presentation of data. Budget standard 2021-22 was 20-30.



The actual number of resolutions in 2022-23 has doubled the forecasted Budget Standard. This reflects an increase in the tempo of UN activity post-COVID-19:

- a) the revival of a number of resolutions that were not run during COVID-19, and
- b) a return to more 'normal' committee seasons and the associated resolutions.

	Proportion of issues raised by New Zealand in WTO committees resolved to the satisfaction of our domestic traders	10%*	 7.7% (1 issue resolved, 13 raised)	No issues to resolve in 2021-22	New measure	-
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*The budget standard recognises that issues can span a number of years with few resolved in any one year through being raised in the WTO alone. However, New Zealand traders benefit significantly when issues are resolved.



Not achieved – The approach to raising issues in WTO bodies reflects the seriousness of an issue for New Zealand traders. For example, issues are raised following separate bilateral efforts, require complex ongoing engagement and we do not expect short term solutions. This figure reflects 'Specific Trade Concerns – STCs' raised in SPS and TBT bodies and also issues raised in the Council for Trade in Services. 7.7% was calculated by: (1 issue resolved ÷ 13 issues raised) x 100.

	Percentage of WTO notification obligations that New Zealand has complied with in a timely manner^	90%	 96%	90%	New measure	-
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^Data source for New Zealand compliance with WTO notifications: <https://notifications.wto.org/en/status-by-member/new-zealand>

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual

Grow sustainable economic returns and resilience from trade, investment and other international connections

	Number of trade negotiations concluded in line with Cabinet mandate and signed	3	 5	2	New measure	-
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Trade negotiations are inherently 'lumpy' and prospects for conclusion or signature often rely on factors outside of the Ministry's control. In this period, however, we have had considerable success and delivery across many trade negotiations. We do not expect these same numbers to be delivered year on year. It is important to note that conclusion or signature does not mean that work "stops" on a FTA. It often paves the way for serious legal and technical work required to bring an Agreement into force.



	Number of trade negotiations in progress	11	 7	12	New measure	-
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Misaligned with forecast demand – Trade negotiations are inherently 'lumpy'. The reduced number of negotiations in progress during this period reflects that we have reported conclusion or signature of more outcomes than targeted. This is a positive story as it contributes to overarching ambition for increased coverage of New Zealand goods and services exports in FTAs. Also, as above, it is important to note that conclusion or signature does not mean that work "stops" on a FTA. It often paves the way for serious legal and technical work required to bring an Agreement into force.

	Number of Non Tariff Barriers resolved for exporters	15	 5	15	17	-
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Not achieved – Substantially fewer NTBs resolved than the 'budget standard' but the trade affected was higher (at \$423m) in 2022-23 than in 2021-22, even though in contrast more discreet NTBs were resolved in 2021-22 but with lower total value of trade covered.

Embed New Zealand as an active and integral partner in shaping an Indo-Pacific order that delivers regional stability and economic integration



	Number of official-level Indo-Pacific regional meetings MFAT participants in	90-120*	 105	200	New measure	-
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*The budget standard was changed for 2022-23 to reflect the expected rate or activity in 2022-23.

	Number of policy statements and initiatives initiated or co-sponsored by New Zealand in Indo-Pacific regional forums	18-28*	 17	20	7	-
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*The budget standard was changed for 2022-23 to reflect the expected rate or activity in 2022-23.



Misaligned with forecast demand – there were nine additional statements that APEC negotiated but they did not reach consensus.

		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Percentage of New Zealand's commitments in the ASEAN Plan of Action assessed as on track or completed at the end of the financial year [^]	70%	 91.3%	88%	80%	-



[^]The ASEAN Plan of Action covers the 2022-2026 period.

Delivery on our partnership with ASEAN is critical to our relationship with the group. The ASEAN Plan of Action comprises a range of activities now well under way, some of which pre-dated 2021. Resumption of in-person meetings and programmes has also contributed to 2022-23 results, which exceeded the budget standard by 21.3%

Promote a stable, prosperous and resilient Pacific in which New Zealand's interests and influence are safeguarded

	Inwards Guest of Government visits from Pacific countries supported by the Ministry [^]	4-8	 10	2	1	7
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[^]The budget standard was changed for 2022-23 from "pending removal of travel restrictions" with travel restrictions expected to be lifted in October 2022 (now lifted).

	Number of outward bilateral visits to Pacific countries on which New Zealand Ministers are supported by the Ministry [^]	5-12	 8	2	0	11
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[^]The budget standard was changed for 2022-23 from "pending removal of travel restrictions" with travel restrictions expected to be lifted in October 2022 (now lifted).

Number of outwards visits to Pacific countries totals 10 – 8 bilateral visits and 2 plurilateral/regional visits.



This measure reports the number of outward visits in which the Governor-General, Prime Minister and MFAT Ministers are supported to participate.

	Percentage of implemented Pacific Security Fund projects which meet stated objectives	100%	 100%	100%	New measure	-
	Percentage of implemented Pacific Enabling Fund projects which meet stated objectives	100%	 92%	86%	New measure	-

Not achieved - 35 out of 38 projects were either completed or ongoing, and meeting stated objectives. 3 projects were cancelled.

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual



Promote sustainable international solutions to global environment and natural resource challenges that impact on New Zealand

	Number of High-Level Consultations between New Zealand and bilateral partners on climate change issues	5	 11	10	New measure	-
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The increase in climate change consultations in 2022-23 reflects:

- a) the removal of COVID-19 travel restrictions,
- b) an increase in the recognition of climate change as a core element of foreign policy and bilateral relationship, for both New Zealand and out partners, and
- c) increased recognition of New Zealand as a progressive and committed country with respect to implementation of the Paris Agreement and our transformation to a low-emissions economy.

Lead New Zealand's international action to advance and protect New Zealanders' safety and New Zealand's security

	Number of people trained to lift security capability from MFAT's Global Security Fund [^]	120-180	 112	190	1,010	New measure
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[^] The performance measure and budget standard were revised for 2022-23 to better reflect our activity.



Misaligned with forecast demand – This number reflects the fact that only 5 out of the 11 projects we funded were courses in South East Asia, with the rest being either thematic/global or in a different region.

	Number of export control permits assessed	700-800	 1,048	812	New measure	-
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More export activity from exporters and increased outreach by the export team including education and raising awareness of export requirements.

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual

Build and leverage targeted international relationships to achieve our goals



	Inwards Guest of Government visits supported by the Ministry (from outside the Pacific)^	20-30	 31	0	1	13
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^The budget standard was changed for 2022-23 from 'pending removal of travel restrictions' with travel restrictions expected to be lifted in October 2022 (now lifted).

	Number of outward bilateral visits on which New Zealand Ministers are supported by the Ministry (from outside the Pacific)^	30-40	 31	40	1	76
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^The budget standard was changed for 2022-23 from 'pending removal of travel restrictions' with travel restrictions expected to be lifted in October 2022 (now lifted).

Number of outwards visits from outside the Pacific totals 44 – 31 bilateral visits, 6 multilateral visits, and 7 plurilateral/regional visits. This measure reports the number of outward visits in which the Governor-General, Prime Minister and MFAT Ministers are supported to participate.

	Percentage of visits rated as 4 or better on a scale of 1-5 by internal review against the Ministry's quality standard for visits management^	80%	 85%	Result not available between 2019-20 – 2021-22 due to COVID-19		
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^The budget standard was changed for 2022-23 from "pending removal of travel restrictions" with travel restrictions expected to be lifted in October 2022 (now lifted).

This year the Ministry changed our approach. In the past (pre-COVID years), we obtained the percentage of visits rating through a panel evaluation and review process. This involved a panel of four Ministry staff reviewing ten visits briefs (a random generated sample during the financial year) and rate these briefs against a set criteria, before a weighted average score was calculated. This year, we moved to a survey to obtain the percentage of visits rating. A random generated sample of ten visits from FY 2022-23 were selected, and Ministry staff who were involved in the visit management were asked to fill in the survey (16 questions in total) and provide a rating. There were nine completed response in total. The survey results were moderated and a weighted average score was calculated. The survey is intended to inform learnings to improve the visits management process.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
274,679	Delivery of New Zealand's foreign policy	265,208	270,516	5,308

Explanation of significant budget variance

No significant variance

Delivery of services

7/12
MET BUDGET
STANDARD



What we intend to achieve

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



Assessment of performance

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual

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



	Percentage of exporters who are satisfied that MFAT solved their queries	95%	 86%	84%	90.1%	New measure
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Not achieved – There are a number of factors that can contribute to satisfaction ratings. In some instances, exporters comment on the level of service they have received from MFAT. In others, exporters leave feedback on the substance of the advice they have received, and this is sometimes framed negatively where it is not what they were hoping to hear. Further responses are left in jest or from users who are outside our core audience, such as tamariki seeking information for school projects. This makes it difficult to determine an accurate level of exporter satisfaction. We suspect that the 95% target may be unrealistically high and unable to fully account for these complexities, and we plan to revise it for the next financial year.

	Number of unique visits on Tradebarriers.govt.nz and Tariff finder online services	40,000–50,000*	 Trade Barrier: 2,573 Tariff Finder: 27,721 Total = 30,294	Trade Barrier: 12,035 Tariff Finder: 33,760 Total = 45,795	Trade Barrier: 35,047 Tariff Finder: 27,750 Total = 62,797	New measure
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*The budget standard was changed for 2022–23 to reflect a more realistic and relevant rate of activity based on 2021–22 levels.



Misaligned with forecast demand – The data for Tariff Finder was not available for the period between 5 February 2023 and 20 March 2023, so the actual number of unique visits is likely to be higher.

	Number of “market insight” reports on the conditions in offshore countries published by the Ministry for exporters	90–110	 132	134	New measure	-
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		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Number of unique visits on “market insight” report pages on the Ministry website	90,000–100,000*	 135,637	131,698	New measure	-

*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.

Consular services to keep New Zealanders safer abroad

	Percentage of respondents satisfied with the quality of consular services [^]	85%	 75%	Reinstated measure	68%	75%
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Not achieved – MFAT Consular Services Satisfaction Survey. Between 2019–20 and 2021–22, the Ministry’s ability to provide New Zealanders overseas with access to consular advice and assistance was heavily affected by the COVID-19 pandemic, which saw an increase in the number and complexity of cases. 2022-23 results are trending up from the 2020-21 result and returning to the pre-COVID 2019-20 level. MFAT provided a full list of people who had received consular services support to Kantar Public for the purpose of this research. The sample size for the 2022-23 result was 168 responses – a 17.6% response rate. The results have a margin of error of +/- 6.8% points.

	Distressed New Zealanders overseas who received consular services (Demand Driven) [^]	3,500–4,000*	 3,185	3,864	2,760	3,644
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*The budget standard was changed for 2022–23 to reflect a more realistic and relevant rate of activity based on 2021–22 levels.

[^]Volume of Consular services provided and requests for advice varies depending on international events and conditions. The Ministry has no control over the volume of requests received.

Misaligned with forecast demand – This is demand driven. The actual result reflects workload for consular officials.

	General consular advice enquiries responded to (Demand Driven)	45,000–55,000*	 49,310	42,262	51,454	52,914
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* The budget standard was changed for 2022–23 to reflect a more realistic and relevant rate of activity based on 2021–22 levels.

	Notarial services provided (Demand Driven)	7,000–10,000	 8,789	6,710	8,200	10,432
	Consular emergencies responded to	30	 25	23	36	44


Misaligned with forecast demand – This is Demand Driven. The actual result reflects workload for consular officials.

	2022-23	2021-22	2020-21	2019-20
Budget standard	Actual	Actual	Actual	Actual

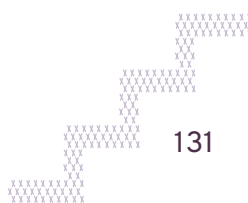
Host government services to the diplomatic and consular corps in New Zealand

	Percentage of relevant formal New Zealand appointment documentation prepared in compliance with the Diplomatic Privileges and Immunities Act 1968 and Consular Privileges and Immunities Act 1971 and the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations	100%	✓ 100%	100%	100%	100%
	Percentage of arrival and departure documentation for foreign diplomatic and consular staff resident in New Zealand completed within 10 working days	80-100%	✓ 89%	84%	90.8%	96.4%

Services for other New Zealand agencies overseas

	Percentage of fee schedules (based on the agreed level of Ministry's services provided to other New Zealand agencies) accepted without amendment ^	Baseline to be set	✓ 97%	New measure	-	-
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^The performance measure has been added to replace the original measure, as it is more relevant and increases understandability and is a faithful representation of the Ministry's services for other New Zealand agencies overseas. (Original measure: Average satisfaction score on the Ministry's service provision on a 5-point scale). The fee schedules are issued annually to New Zealand agencies overseas for the service the Ministry provides to them based on the level of support required. Services may include: co-location, shared infrastructure, residential accommodation, resource support, diplomatic facilitation, and any other specified additional services. Acceptance of fee schedules without amendment or queries is a reflection of satisfactory service provided by the Ministry.



2022-23	2021-22	2020-21	2019-20
Actual	Actual	Actual	Actual

The following information is provided for context only. This relates to “Host government services to the diplomatic and consular corps in New Zealand”

Number of foreign diplomatic missions and consular posts resident in New Zealand (including those led by Honorary Consuls or Honorary Consuls General)	167	167	168	168
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This is a contextual measure. The number of foreign diplomatic missions and consular posts generally remains reasonably static, although the number of Honorary Consuls (included in this count) tends to vary due to them leaving the role and not being replaced, or new appointments being delayed by the appointing government. The number of staff and dependants resident in New Zealand also fluctuates annually. The Ministry has limited ability to influence these numbers. This contextual measure, measures the quantity of work done by the Ministry. This is because it directly correlates to the workload of the Ministry’s Protocol Division administering diplomatic and consular privileges and immunities. The workload increases or decreases depending on the size of the diplomatic and consular corps, and the number of dependants.

Number of foreign diplomatic and consular staff (and their dependants) resident in New Zealand	1,252	1,302	1,295	1,318
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This is a contextual measure. It directly accounts for the workload of the Ministry’s Protocol Division administering diplomatic and consular privileges and immunities. As the number of foreign diplomatic and consular staff resident in New Zealand increases, the percentage of arrival and departure documentation for foreign diplomatic and consular staff resident in New Zealand completed within 10 working days decreases, and vice versa.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
57,613	Delivery of services	58,741	58,466	(275)

Explanation of significant budget variance

No significant variance

International Development Cooperation Departmental and Non-Departmental Performance Information

The Ministry manages delivery of activities within the IDC programme across five appropriation allocations aligned to New Zealand's focus areas:

- Pacific Development Cooperation
- Global (Non-Pacific) Development Cooperation
- Humanitarian Assistance
- Multilateral Agency and Partnerships
- Other Funds (for example, Strategic International Development Fund (SIDF) and Monitoring, Evaluation, Research and Learning (MERL)).

Our development activities span the Pacific and Global activities. There is an important distinction between the IDC Programme and IDC Appropriation.

- The IDC programme – refers to the totality of work carried out to support international development, including foreign policy engagement, multilateral advocacy and development programming funded out of other New Zealand Government agencies. This is part of the Vote Foreign Affairs – Departmental Multi-Categories Appropriations. Please see Management of New Zealand's International Development Cooperation on the next page for our performance against the output measures.
- The IDC appropriation – refers to the envelope of money Vote Foreign Affairs – Non Departmental Appropriations, which is used to fund MFAT's development cooperation work. Our relationships with partner countries are also an important aspect of the IDC programme. Please see Annex 2: Minister of Foreign Affairs' report on the International Development Cooperation Non-Departmental within Vote Foreign Affairs 2022-23 (p.207). This document provides results from the IDC programme. Non-departmental information is not subject to audit.

Strategic context

Our performance measurement framework is not intended to cover all of the IDC programme's work. It focuses on our priorities, aligning to the Ministry's strategic direction and the three guiding documents for our IDC programme – our Pacific Resilience Approach, the International Cooperation for Sustainable Effective Development Policy (ICESD), and the International Climate Finance Strategy. Our Cabinet-mandated policies reflect international commitments, Government views, and set the IDC programme direction at the highest level.

Quality of performance measures

In establishing our Pacific Goal outcome indicators and IDC non-departmental performance measures, the Ministry has made judgements in identifying the most relevant performance information to establish progress towards our strategic direction and appropriation intention.

The following measures effectively demonstrate performance and impact of the IDC Programme:

- Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation (No., M/F), of those number from new climate finance (p.258)
- Number of people receiving training or capability-building support in priority sectors (No., M/F) (p.259)
- Percentage of Activities with effectiveness rated as good or better (based on MFAT Activity Completion Assessments) (p.260)

These performance measures are considered part of the Ministry's audited performance information.

In all instances our outcome indicators and non-departmental performance measures directly align to a Pacific Goal outcome, and in some instances also align to other Ministry Goals. Where possible, performance measures are focused on the real benefit or impact made (in people terms) of funded programmes or activities. Impact on training and capability-building is a specific focus, aligned to our ICESD development approach of providing sustained impact beyond IDC funding.

We also include performance information specifically focused on assessing the effectiveness of activities, based on pre-defined objectives agreed with our partners. Where relevant, internal assessments of performance are moderated by governance groups to ensure consistency of application across countries and activities.

Performance measures relating to climate change mitigation or adaptation are becoming more prominent as we scale up investment in this outcome.

Management of New Zealand's International Development Cooperation





17/28*
MET BUDGET
STANDARD

*There are 29 measures under this appropriation. One measure was removed from the total count as it was not measured in 2022-23, due to a change in methodology.

What we intend to achieve

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

Assessment of performance

		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
Policy advice						
	Policy submissions produced for Ministers	200-300*	 324	320	257	255
	Assessment of performance of the quality of the Ministry's policy advice papers	4*	 3.70	3.93	4.03	4.03



*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.

*The budget standard is on a scale of 1 to 5 and is based on using DPMC's Policy Quality Framework to assess the quality of policy advice papers. An average score will be reported from the independent assessment of policy advice papers.



Scale for scoring the quality of policy advice:

- 1 – Unacceptable: Does not meet the relevant quality standards in fundamental ways.
- 2 – Poor: Does not meet the relevant quality standards in material ways.
- 3 – Acceptable: Meets the relevant quality standards overall, but with some shortfalls.
- 4 – Good: Meets all the relevant quality standards.
- 5 – Outstanding: Meets all the relevant quality standards and adds something extra.



Not achieved – NZIER appraised a randomised sample of 40 substantive MFAT policy submissions (excluding routine or process submissions) submitted during the 2022-23 financial year. This sample was drawn from a pool of 557 policy papers produced in 2022-23 (up from 320 in 2021-22 and 257 in 2020-21). NZIER noted that there has been a decline in scores in many agencies. The decline in score is possibly related to work pressure on the back of several years of disruption due to COVID-19. Overall, the papers were free and frank, nuanced and careful with a wide range of technical knowledge. Areas of improvement include using active headings and subheadings, tightening the drafting of recommendations and doing a systematic options analysis. There are more papers at the lower end of scale (although they all still meet the PQF standards) and slightly fewer very high-scoring papers. NZIER also noted the Ministry should still be in the top group of agencies in terms of scoring.

			2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: score of 4.5 or higher will be no less than	40%	 17.5%	30%	New measure	-

Not achieved – refer to notes above.

	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: score of 3 or higher will be no less than [^]	100%	 100%	New measure	-	-
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[^] This is a new performance measure for 2022-23 and was selected as it follows the DPMC's Policy Quality Framework that recommends including a range of targets for the distribution of scores.

	Satisfaction of the portfolio Minister with the policy advice service [^]	4 or above	 3.86	3.95	2.96	4.47
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[^] The budget standard is on a scale of 1 to 5 and is based on DPMC's Ministerial Satisfaction Survey to assess ministerial satisfaction with the policy service.



Not achieved – This year the Ministry changed our approach. In the past years, we have only surveyed Ministers with portfolio responsibilities. This year, in line with the Policy Project's Guide to the Ministerial Policy Satisfaction Survey, the Ministry has surveyed Portfolio Ministers (Minister of Foreign Affairs, Minister of Disarmament and Arms Control, Minister for Trade and Export Growth and Minister of Climate Change) *and* Ministers with Portfolio responsibilities (Associate Minister of Foreign Affairs and Minister of State for Trade and Export Growth). This change was made to better understand feedback from all Ministers receiving policy advice from MFAT. Please note Associate Minister of Foreign Affairs and Minister of State and Trade and Export Growth only had portfolio responsibilities from Feb 2023, and this has been reflected in the weighting of the average scores for the results. Their predecessors were not surveyed as they no longer have responsibilities for MFAT (or staff in their offices). Please also note the Ministry have yet to receive completed surveys from Minister of Foreign Affairs and Minister of Disarmament and Arms Control. These have been excluded from the weighted average score for the result.

Ministerial services



	Number of Ministerial letters prepared	75-125	 74	107	89	144
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Misaligned with forecast demand – The volume of correspondence that is received is predicated on what issues are of interest to the public. This is outside of the Ministry's control.



	Number of Parliamentary Question responses provided	20-50	 50	64	27	32
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		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Number of Official Information Act request (OIA) responses provided	40-70*	 58	60	64	51

*The budget standard was changed for 2022-23 to reflect a more realistic and relevant rate of activity based on 2021-22 levels.



	Percentage of Ministerial correspondence completed within 15 working days	90%	 47%	85%	98%	95%
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Not achieved – While volumes have reduced, there was a large back log of correspondence that was not able to be managed in timeframes due to resourcing limitations. This has now been addressed.

	Percentage of Ministry OIA requests responded to within statutory timeframes [^]	90%	 100%	95%	95%	98%
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[^] Ministry OIAs are requests of the Chief Executive of the Ministry of Foreign Affairs and Trade.

New Zealand domestic engagement







	Percentage of domestic stakeholders who are satisfied with their engagement with MFAT	Not measured (conducted biennially)*	 87% [^]	87% [^]	78.4% [~]	Result not available this year
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* The Ministry conducts the Stakeholder Engagement Survey biennially. The 2022-23 Budget Standard has been updated to reflect this (2021-22 budget standard is 90%). As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. Looking back at the survey data since 2017, the Ministry's stakeholder perceptions and satisfaction are largely consistent, on both positive perceptions and some persistent pain points. Given the last survey was completed in 2021-22, the Ministry expects there will not be any material change in the results for 2022-23 and will not affect the appropriateness of the performance reporting. The 2021-22 result was 87%, and covers for the period 2021-22 – 2022-23. The next Stakeholder Engagement Survey will be conducted in 2023-24.



[^] The 2021-22 results have been amended from those originally published in the 2021-22 Annual Report (88%). This is due to a change in methodology in reporting the Stakeholder Satisfaction survey results from Kantar Public. The original 2021-22 result includes the 'don't know' category, and the revised result published by Kantar Public in 2021-22 excludes the 'don't know' category to improve data quality.

[~] Due to the impacts of COVID-19 on stakeholders, the Ministry's Stakeholder Engagement Survey was not conducted during the 2020-21 year. The 2020-21 result is based on an aggregation of five separate stakeholder surveys and is therefore not directly comparable to the 2021-22 result. These surveys are based on the Ministry's services and effectiveness and include stakeholder segments of NZ Inc, New Zealand exporters and businesses, trade organisations, aid NGOs, and New Zealanders travelling or living overseas. MFAT provided contact details for 1,343 stakeholders to Kantar Public for the purpose of this research. The maximum margin of error on the total sample of 268 survey respondents was +/- 5.36%. The sample size for this result was 201.

Not achieved – The 2021-22 result of 87% did not meet budget standard of 90%. Overall perceptions of the relationships between our domestic stakeholders with the Ministry remain consistently high. The satisfaction score also compares very favourable to the Kantar Public benchmark for other similar stakeholder surveys. This means MFAT is one of the highest rated public sector agencies in this category.

			2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
Representation and advocacy						
	Participation in governance mechanisms of targeted multilateral institutions which New Zealand core funds (% of institutions)	100%	✓ 100%	100%	New measure	-
	Participation in governance mechanisms of targeted Pacific regional institutions which New Zealand core funds (% of institutions)	100%	✓ 100%	100%	New measure	-
Delivery of the New Zealand Aid Programme						
	Percentage of Crown IDC for the partner government sector disbursed in year for which it was scheduled (bilateral programmes only)	90%	✓ 100% (\$198.1m)	97% (\$248.0m)	97% (\$210.6m)	91.2% (\$134.6m)
	Proportion of Pacific country partner governments provided with an indicative Total Country Aid Programme Budget for the current year plus projections for two or more years in the future	100%	✓ 100%	100% (12 out of 12 Pacific bilateral partners)	8% (1 out of 12 Pacific bilateral partners)	67% (8 out of 12 Pacific bilateral countries)
	Amount and percentage of Crown IDC resources spent on the Pacific	60% for the triennium (+/- 5% for any given year)	🎯 61.0% (\$592.2m)	70.9% (\$586.3m)	65.2% (\$524.6m)	61% (\$446.9m)
	Amount and percentage of Crown IDC resources spent in vulnerable countries [^]	Baseline to be set	🎯 25.2% (\$244.4m)	51.6% (\$426.8m)	Revised measure	-

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

		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Amount and percentage of new climate finance: Spent in the Pacific [^]	At least 50%*	 44.4% (\$65.1m)	Not applicable – previous data belongs to the original measure		

[^]The original measure “Amount of percentage of IDC funding, which addresses climate change mitigation and adaptation – of this % and amount spent in the Pacific; % and amount addressing climate change adaptation” has been split into two measures, one covering “Spent in the Pacific” and the other covering “Spent on Activities” which target adaptation”. The wording of the measure has been revised to better match Cabinet’s commitment to supporting developing countries adapt to the environmental, economic and social impacts of climate change, with a focus on the Pacific. These commitments are set out in New Zealand’s International Climate Finance Strategy (see link below).

Note: Where activities do not target climate adaptation, they target climate mitigation.

• New Zealand’s International Climate Finance Strategy www.mfat.govt.nz/assets/Aid/Climate-finance/International-Climate-Finance-Strategy-At-a-glance-FINAL.pdf

*The budget standard has been revised to match Cabinet’s targets to support developing countries adaptation to the environmental, economic, and social impacts of climate change, with a focus on the Pacific. These commitments are set out in New Zealand’s International Climate Finance Strategy (see link above).

Note: Where activities do not target climate adaptation, they target climate mitigation.

Misaligned with forecast demand – New Zealand’s 2022–2025 climate finance commitment of \$1.3 billion has a target of at least 50% to be spent on the Pacific (and at least 50% to be spent on adaptation). The target of at least 50% in the Pacific is across all the climate activities in the 2022–2025 commitment period. There will be variability in any single year, but with 84% (or \$1.0913 billion of the \$1.3 billion) committed, we are on target with 65.2% of all committed expenditure targeted to the Pacific as at the end of the 2022–23 financial year.



	Amount and percentage of new climate finance: Spent on Activities which target adaptation [^]	At least 50%*	 70.4% (\$103.2m)	Not applicable – previous data belongs to the original measure		
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[^]The original measure “Amount of percentage of IDC funding, which addresses climate change mitigation and adaptation – of this % and amount spent in the Pacific; % and amount addressing climate change adaptation” has been split into two measures, one covering “Spent in the Pacific” and the other covering “Spent on Activities with target adaptation”. The wording of the measure has been revised to better match Cabinet’s commitment to supporting developing countries adapt to the environmental, economic and social impacts of climate change, with a focus on the Pacific. These commitments are set out in New Zealand’s International Climate Finance Strategy (see link below). Note: Where activities do not target climate adaptation, they target climate mitigation.











• New Zealand’s International Climate Finance Strategy www.mfat.govt.nz/assets/Aid/Climate-finance/International-Climate-Finance-Strategy-At-a-glance-FINAL.pdf

*The budget standard has been revised to match Cabinet’s targets to support developing countries adaptation to the environmental, economic and social impacts of climate change, with a focus on the Pacific. These commitments are set out in New Zealand’s International Climate Finance Strategy (see link above).





Note: Where activities do not target climate adaptation, they target climate mitigation.

	Number of independent assurance activities to review the quality of climate finance related activities [^]	2	 3	New measure	-	-
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[^]This is a new measure added to 2022–23 to monitor performance assurance and improvement relating to activities with climate mitigation or adaptation as their principal purpose. This measure will be replaced by a new quality standard in 2023–24 when there are a greater number of climate related activities that can be assessed against the Ministry’s quality standards for activity management.

			2022-23	2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	Amount and percentage of Crown IDC resources spent on Activities where gender equality and women's empowerment is a principal objective	At least 4%	 3.1% (\$30.4m)	2.6% (\$21.4m)	3.0% (\$24.0m)	2.7% (\$19.5m)
Misaligned with forecast demand – Progress has been made in increasing investment in targeted activities in real terms (\$9m more investment), but due to the inclusion of significant new climate finance into the IDC this year, the spend as a percentage of total IDC has only increased slightly. When the new climate finance is excluded, the percentage of IDC spent on activities where gender equality and women's empowerment is a principal objective, is 3.7% of IDC. Officials are planning investments that target both gender and climate for the coming triennium.						
	Amount and percentage of Crown IDC resources spent on Aid for Trade	At least 20% of IDC	 In Pacific 13.5% (\$131.1m)	11.6% (\$96.2m)	12.0% (\$96.9m)	16.5% (\$121.3m)
Misaligned with forecast demand – Significant progress has been made in increasing investment in targeted activities in real terms (\$35 million more investment), but due to the inclusion of significant new climate finance into the IDC this year the spend as a percentage of total IDC has only increased slightly. The Ministry continues to focus on supporting IDC priorities, which in the current environment is fiscal recovery and stabilising Pacific economies post pandemic. We hope to continue to trend upwards in spend on Aid for Trade, within the confines of competing priorities.						
	Amount and percentage of Crown IDC resources spent on scholarships	No more than 10% of core baseline annual spend	 4.83% (\$39.8m)	4.3% (\$35.8m)	6.5% (\$52.1m)	11.6% (\$85.1m)
	Amount and percentage of Crown IDC resources spent on strengthening Pacific statistics	Increasing trend	 0.3% (\$2.8m)	0.7% (\$6.1m)	0.9% (\$7.1m)	0.6% (\$4.5m)
Misaligned with forecast demand – The drop in investment for strengthening statistics is due to the previous statistics investment programme closing. A significant new investment focused on strengthening statistics in the Pacific has been under development for some time and was approved in 2022-23. This will be implemented in 2023-24.						
	Percentage of Activity Monitoring Assessments (AMAs) and Activity Completion Assessments (ACAs) rated as robust (as assessed annually by the independent Annual Assessment of Results)	Increasing trend	 Result not available this year	AMAs: 71%* ACAs: 61%*	Result not available this year	Result not available this year

*In 2021-22, after a break of three years, the Annual Assessment of Results has been reinstated with an updated methodology. The 2021-22 results differ from those published in the 2021-22 Annual Report. This is due to the timing of the Annual Assessment of Results, and provisional scores were provided for the 2021-22 Annual Report. These have now been replaced with final results, and are confirmed as baseline. Annual assessments will recommence from 2023-24.

		2022-23	2021-22	2020-21	2019-20	
		Budget standard	Actual	Actual	Actual	
	Percentage of evaluations (or summaries) that are published to MFAT website within 3 months of completion	100%	 100%	100%	33%	67%
	Percentage of Programmes rated 4 or higher on a scale of 1-5 by review against the Ministry's quality standard for programme management	>90%	 100%	100%	100%	100%
	Percentage of Activities rated 4 or higher on a scale of 1-5 by review against the Ministry's quality standard for activity management	>90%	 100%	100%	100%	100%

The ratings are based on an independent quality management review of a sample of four IDC programmes and 16 activities, undertaken by the Ministry's Audit Division. Programmes and activities are assessed using a 1-5 scale against the Ministry's quality standards for programme and activity management respectively:

The scale for rating programmes and activities:



1 – Poor: None of the criteria have been met and are of an unacceptable standard. Significant improvements are required that need to be urgently addressed.

2 – Not adequate: Few criteria have been met or barely adequate. Improvements are required that need to be addressed at the earliest opportunity.

3 – Adequate: Some criteria have been met or adequately met. Improvements would be beneficial and are recommended to be addressed.

4 – Good: Most criteria have been met/well met. Minor improvements would be beneficial.

5 – Very Good: All criteria have been met/met very well. No improvements necessary.

	New Zealand score in Aid Transparency Index	Maintain or improve trend	 Index is run every two years (64.4% in 2021-22)	64.4%	Index is run every two years (77.6% in 2020-21)	77.6%
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Not achieved – New Zealand's 2022 Aid Transparency Index rating is 64.4%. This is a drop from 2020's rating of 77.6% but is still higher than the 2022 average of all assessed donor agencies of 61.8%, retaining New Zealand's ranking of "good". The drop in our rating is due to a combination of the assessment method of the Aid Transparency Index changing to use more demanding criteria – a change that is designed to continuously raise the bar for transparency – and the Ministry's decision to take a more sustainable approach to improvements, embedding ongoing improvements in our transparency systems and processes.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
90,398	Management of New Zealand's International Development Cooperation	120,683	126,058	5,375

Explanation of significant budget variance

No significant variance



Policy advice and representation – other countries PLA

1/1
MET BUDGET
STANDARD

What we intend to achieve

This appropriation is limited to meeting the costs, as set out in section 11 of the Foreign Affairs Act 1988, of superannuation for local staff employed by overseas posts to help with the management of New Zealand's foreign and trade relations with other countries.

Assessment of performance

		2022-23		2021-22	2020-21	2019-20
		Budget standard	Actual	Actual	Actual	Actual
	New Zealand Government Superannuation Scheme for locally recruited staff in the United States of America continues to be funded to the required level by the Crown	Met	 Met	Met	Met	Met

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
-	Policy advice and representation – other countries PLA	-	20	20

Explanation of significant budget variance

On a dollar basis the variance is not significant.









Capital Expenditure PLA

4/4
MET BUDGET
STANDARD

What we intend to achieve

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

Assessment of performance

		2022-23	2021-22	2020-21	2019-20	
		Budget standard	Actual	Actual	Actual	
	Percentage of chanceries with a Fit-for-Purpose performance gap of $\leq 2^{\wedge}$	80%	 83%	82%	80%	80%
<p>[^]The Ministry uses a Fit-for-Purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above-mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.</p>						
	Percentage of official residences with a Fit-for-Purpose performance gap of $\leq 2^{\wedge}$	90%	 95%	95%	90%	90%
<p>[^]The Ministry uses a Fit-for-Purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.</p> <p>*The revised budget standard is now 90% (an increase of 5%) to reflect a more realistic and relevant rate of activity. The budget actual for 2021-22 was 95%. The Ministry has decided to only increase the standard by 5% to allow room for any unforeseen circumstances that might affect the Fit-for-Purpose performance gap.</p>						
	Percentage of time our networks are available	99.70%	 99.71%	99.60%	99.70%	99.40%
	Percentage of time our critical services are available	99.70%	 99.93%	100%	100%	100%

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
-	Land	-	-	-
35,921	Property, plant and equipment	26,020	49,760	23,740
2,684	Intangibles	694	3,561	2,867
38,605	Total	26,714	53,321	26,607

Explanation of significant budget variance

The Capital Expenditure variance mostly relates to Intangibles (81%) due to timing delays. The Property Plant and Equipment variance (48%) due to supply chain delays and other timing delays in commencing/progressing projects post COVID-19 the projects.

Financial Statements Departmental

Statement of comprehensive revenue and expense

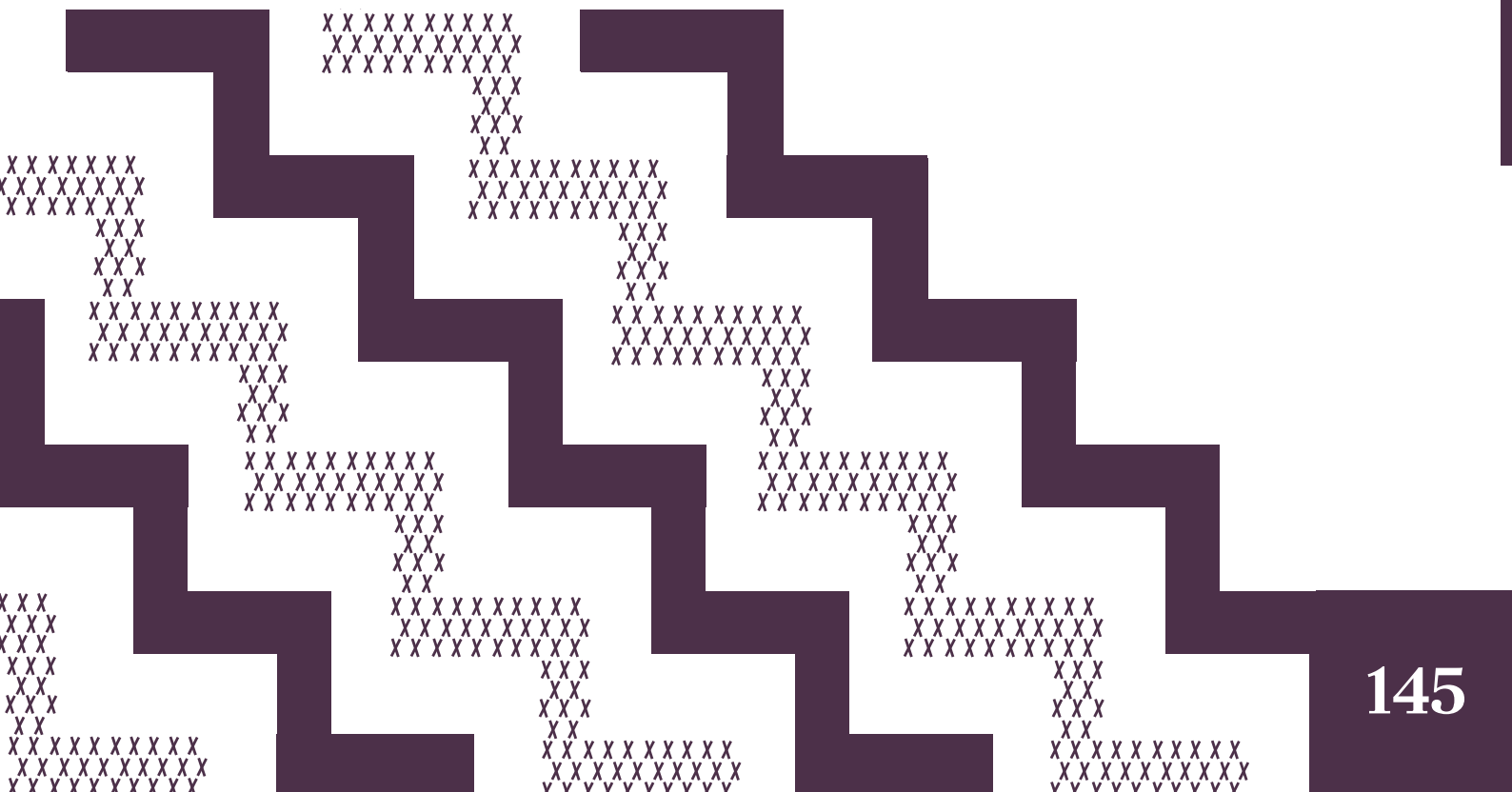
Statement of changes equity

Statement of financial position

Statement of cash flows

Statement of commitments

Notes to the financial statements



Financial statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
	Revenue				
515,629	Revenue Crown	2	523,673	496,626	536,384
14,685	Other Revenue	2	10,834	10,835	10,446
530,314	Total revenue		534,507	507,461	546,830
	Expenses				
214,781	Personnel	3	231,440	214,771	254,520
210,942	Operating	4	211,806	207,517	212,451
33,727	Depreciation	8	34,420	35,127	33,141
7,086	Amortisation on intangible assets	9	7,836	10,913	7,890
37,330	Capital charge	5	37,956	39,113	38,808
503,866	Total expenses		523,458	507,441	546,810
26,448	Surplus/(de ficit) b efore re-measurement		11,049	20	20
(10,173)	Loss / (gain) on derivative financial instruments	17	4,924	-	-
(661)	Movement in discount rate for long service leave and Retirement leave	13	(314)	-	-
(10,834)	Total re-measurement		4,610	-	-
493,032	Total expenses		528,068	507,441	546,810
37,282	Net surplus/(de ficit)		6,439	20	20
37,282	Total c omprehensive revenue and expense		6,439	20	20

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
744,714	Balance at 1 July		767,056	755,213	782,770
37,282	Total comprehensive revenue and expense		6,439	20	20
(25,440)	Return of operating surplus to the Crown	11	(11,363)	(20)	(20)
10,500	Capital injections		31,600	31,600	16,225
-	Capital withdrawals		(15,885)	-	(13,223)
767,056	Balance at 30 June	14	777,847	786,813	785,772

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Actual 2022 \$'000		Notes	Actual 2023 \$'000	Unaudited Budget 2023 \$'000	Unaudited Forecast 2024 \$'000
	ASSETS				
	Current assets				
31,577	Cash and cash equivalents		32,042	23,295	27,809
171,973	Debtor Crown		174,697	147,667	140,737
3,691	Debtors and other receivables	6	3,125	3,190	3,689
8,497	Prepayments	7	12,559	8,986	8,497
6,339	Derivative financial instruments	17	2,686	391	6,340
222,077	Total current assets		225,109	183,529	187,072
	Non-current assets				
5,175	Debtors and receivables	6	5,262	5,081	5,175
3,033	Prepayments - leased land	7	2,960	3,107	3,033
613,293	Property, plant, and equipment	8	604,877	637,812	651,195
26,596	Intangible assets	9	19,454	30,198	16,996
648,097	Total non-current assets		632,553	676,198	676,399
870,174	Total assets		857,661	859,727	863,471
	LIABILITIES				
	Current liabilities				
29,754	Creditors and other payables	10	16,845	18,528	29,754
25,440	Return of operating surplus	11	11,363	20	20
1,893	Provisions	12	2,276	2,355	1,871
27,259	Employee entitlements	13	29,828	29,635	28,459
669	Derivative financial instruments	17	1,940	4,893	669
85,015	Total current liabilities		62,252	55,431	60,773
	Non-current liabilities				
9,220	Employee entitlements	13	9,085	9,084	8,043
8,883	Provisions	12	8,478	8,399	8,883
18,103	Total non-current liabilities		17,563	17,483	16,926
103,118	Total liabilities		79,814	72,914	77,699
767,056	Net assets		777,847	786,813	785,772
	EQUITY				
503,405	General funds	14	514,196	523,162	522,121
263,651	Property revaluation reserve	14	263,651	263,651	263,651
767,056	Total equity		777,847	786,813	785,772

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

STATEMENT OF CASH FLOWS

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
	Cash flows from operating activities				
513,703	Receipts from Revenue Crown		520,949	476,291	562,975
13,229	Receipts from other revenue		11,072	10,815	10,446
4	Interest	5	5	-	-
3,464	Goods and services tax (net)		(1,279)	-	-
(211,923)	Payments to employees		(223,662)	(214,360)	(254,098)
(206,327)	Payments to suppliers		(232,475)	(207,928)	(212,873)
(37,330)	Payments for capital charge		(37,956)	(39,113)	(38,808)
74,820	Net cash flow from operating activities	18	36,654	25,705	67,642
	Cash flows from investing activities				
256	Sale of property, plant, equipment		250	300	300
(35,921)	Purchase of property, plant, equipment		(26,020)	(48,083)	(66,647)
(2,684)	Purchase of intangible assets		(694)	(9,200)	(3,200)
(38,349)	Net cash flow from investing activities		(26,464)	(56,983)	(69,547)
	Cash flows from financing activities				
10,500	Capital injections		31,600	31,600	16,225
-	Capital withdrawal		(15,885)	-	(13,223)
(27,722)	Return of operating surplus		(25,440)	(20)	(20)
(17,222)	Net cash flow from financing activities	21	(9,725)	31,580	2,982
19,249	Net increase/(decrease) in cash		465	302	1,077
12,328	Add cash at the beginning of the year		31,577	22,993	26,732
31,577	Closing cash at the end of the year		32,042	23,295	27,809

The GST (net) component of operating activities reflects the net GST paid and received to/from the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF COMMITMENTS

As at 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
	CAPITAL COMMITMENTS	
	Land and buildings	
17,262	Less than one year	11,641
-	One to five years	-
17,262	Total capital commitments	11,641
	Non-cancellable operating leases	
	Accommodation	
43,657	Less than one year	44,386
73,463	One to five years	67,866
29,342	More than five years	32,044
146,462	Total non-cancellable operating lease commitments	144,296
163,724	Total commitments	155,937

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been recognised as a liability as at 30 June 2023.

Non-cancellable operating leases

MFAT leases for property, plant and equipment in the normal course of its business. The majority of these leases are for premises which have a non-cancellable leasing period.

Our non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on us by any of these leasing arrangements.

STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2023

MFAT has a contingent liability in the form of an indemnity as at 30 June 2023 to HSBC for \$1.022 million as part of the Chancery lease conditions in New York (30 June 2022: \$1.000 million).

The Minister of Finance authorised an indemnity of \$10.000 million for COVID-19 repatriation flights, no longer required, (30 June 2023: Nil). (30 June 2022 \$10.000 million)

MFAT also has one contingent liability in the form of an indemnity authorised in November 2021 for \$8.000 million to cover staff in certain posts where no insurance is available for personal accident, personal effect and car self-insurance.

We have other contingent liabilities relating to employment and property disputes as at 30 June 2023 for \$4.484 million (30 June 2022: \$0.849 million). Disclosure of the individual disputes may prejudice the Ministry's position.

MFAT has no contingent assets as at 30 June 2023. (30 June 2022: Nil).

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2023

Note 1: Statement of accounting policies

Reporting entity

The financial statements presented are those of the Ministry of Foreign Affairs and Trade (“MFAT”). MFAT has also reported on Crown activities and trust monies that it administers.

MFAT manages the Government’s business with foreign countries and their governments, and with international organisations. The primary objective of MFAT is to provide services to the Government rather than making a financial return.

MFAT has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

Statutory base

MFAT is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled in New Zealand, operating globally. The relevant legislation governing MFAT’s operations includes the Public Finance Act 1989, Public Service Act 2020 and the Foreign Affairs Act 1988. MFAT’s ultimate parent is the New Zealand Crown.

Basis of preparation

MFAT’s financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (“NZ GAAP”) and Treasury Instructions. NZ GAAP includes Public Benefit Entity (“PBE”) accounting standards. These financial statements have been prepared in accordance with these Standards – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS).

The financial statements for MFAT are for the year ended 30 June 2023 and were approved for issue by the Chief Executive on 2 October 2023.

Basis of measurement

The financial statements have been prepared on a going concern basis and are presented in New Zealand Dollars which is MFAT’s functional currency. All values are rounded to the nearest thousand dollars (\$000).

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

- Estimating the fair value of land and buildings and the useful lives – see note 8
- Estimating the retirement and long service leave obligations – see note 13.

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Ministry has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

This Standard establishes new requirements for the selection and presentation of service performance information. The Ministry has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

Standards issued and not yet effective, and not early adopted

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making onerous (and therefore whether a provision needs to be recognised).

The Ministry does not expect to make any significant changes as part of adopting this standard.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive revenue and expense.

Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST except for Creditors and Payables and Debtors and Receivables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The amount of GST owing to, or owed by Inland Revenue at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

Commitments and contingencies are disclosed exclusive of GST.

Income tax

As a Government department, MFAT is exempt from the payment of income tax (Income Tax Act 2007) and no charge for income tax has been provided for.

Statement of cost accounting policies

MFAT has determined the cost of outputs using the cost allocation system outlined below:

Our policy is to directly charge costs to outputs wherever possible. Other costs are allocated to categories within the Multi-Category Output appropriation. This is done using the following activity based principles: i) total corporate costs are allocated to operational cost centres based on head count, and ii) operating costs are accumulated in operational cost centres and attributed to categories on the basis of pre-established ratios. Output allocation factors are based on estimates of the time that staff intend to spend on producing various outputs. They are reviewed annually as part of an operational planning and evaluation exercise to ensure they provide an accurate measure of resource consumption.

The only change is the allocation to appropriation category within the Multi-Category Output appropriation in the cost accounting policies, since the date of the last audited financial statements.

Basis of the budget and forecast figures (unaudited)

The 2023 budget figures are for the year ended 30 June 2023 and were published in the 2021-22 annual report. They are consistent with MFAT's best estimate financial forecast information submitted to Treasury for the year ending 2022-23 in the Budget Economic and Fiscal Update (BEFU) for Budget 2022.

The 2023 forecast figures for the year ending 30 June 2024 are consistent with MFAT's best estimate financial forecast information submitted to Treasury as part of the Budget Economic and Fiscal Update (BEFU) for Budget 2023.

The purpose of the forecast financial statements is to facilitate Parliament's consideration of the appropriations, and planned performance of the Ministry. Use of this information for other purposes may not be appropriate.

The forecast financial figures have been prepared in accordance with the PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

While MFAT regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2023 will not be published.

Significant assumptions used in preparing the unaudited forecast financial figures

The forecast figures contained in these financial statements reflect MFAT's purpose and activities and are based on a number of assumptions on what may occur during the 2023-24 year.

The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised. The main assumptions are:

- MFAT's activities and output expectations will remain substantially the same as for the previous year focusing on the Government's priorities;
- input costs for personnel and other operating costs will be consistent with MFAT's current cost structure;
- Estimated year-end information for 2022-23 was used as the opening position for the 2023-24 forecasts.

The actual financial results for 30 June 2024 are likely to vary from the forecast information presented, and the variations may be material.

There are no significant events or changes that would have a material impact on the BEFU forecast. Factors that could lead to material differences between the forecast financial statements and the 2023-24 actual financial statements include changes to the baseline budget through new initiatives, or technical adjustments.

Authorisation statement

The forecast figures reported are those for the year ending 30 June 2024 included in BEFU 2023. These were authorised for issue on 12 April 2023 by the Chief Executive who is responsible for the forecast financial statements as presented.

It is not intended that the prospective financial statements will be updated subsequent to presentation.

Note 2: Revenue

ACCOUNTING POLICY

Revenue Crown

Revenue from the Crown is measured based on MFAT's funding for the reporting period. The funding is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, MFAT can only incur expenses within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding authorised by Parliament.

Revenue department

MFAT derives revenue through the provision of services to other New Zealand agencies. This revenue is recognised at the fair value of the consideration received or receivable when earned. Rental revenue, from sub-let and residential accommodation provided to support other New Zealand agencies offshore is also included. Rental revenue is recognised on a straight-line basis over the lease term.

Revenue other

Includes revenue earned from Consular services and the provision of other miscellaneous services to third parties. Revenue in advance is recognised in the balance sheet as unearned revenue until the period the service is provided.

Actual 2022 \$000		Actual 2023 \$000
515,629	Revenue Crown	523,673
	Revenue Other	
9,980	Revenue Department - Services for other New Zealand agencies	9,352
415	Revenue Other - Consular Services	471
4,128	Revenue - Miscellaneous	772
4	Interest	5
158	Gain on sale of assets	234
14,685	Total Revenue Other	10,834
530,314	Total Crown and other revenue	534,507

Note 3: Personnel costs

Accounting Policy	Superannuation schemes
<p>Salaries and wages</p> <p>Salaries and wages are recognised as an expense as employees provide services.</p>	<p>The Ministry only supports defined contribution schemes. Employee contributions to the State Sector Retirement Savings Scheme, Kiwi Saver, Individual Retirement Plan and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.</p>

Actual 2022 \$000		Actual 2023 \$000
189,488	Salaries and wages	203,070
4,415	Vacancy backfill	5,053
9,685	Employer contributions to defined contribution plans	10,253
(306)	Accident Compensation Corporation levy	165
1,954	Increase/(decrease) in employee entitlements	3,145
9,545	Fringe Benefit Tax	9,754
214,781	Total personnel costs	231,440

Note 4: Operating costs

ACCOUNTING POLICY	Operating leases
<p>Grant expenditure</p> <p>Grants maybe provided as either conditional or unconditional. Where grants are conditional, the expense is recognised when the conditions has been met. Where the grants are unconditional the expense is recognised once the Grants contract has been signed.</p> <p>Where grants are paid in advance of the conditions being met these will be recorded as prepayments and expensed when the conditions are met. The departmental grants are generally unconditional.</p>	<p>An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives for accommodation are recognised evenly over the term of the lease as a reduction in rental expense.</p>

Actual 2022 \$000		Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
	Fees to auditors:			
372	- fees to Audit NZ for audit financial statements	383	485	377
16	- fees to Audit NZ for other assurance services	60	-	-
52,297	Rentals and operating leases	55,914	53,169	58,771
12,922	Travel	21,819	15,942	24,866
16,954	Contractors	20,934	*24,441	20,711
26,142	Dedicated and special funding	20,417	21,883	19,305
1,982	Net foreign exchange loss/(gain), excluding derivatives	(6,951)	-	-
9,851	Maintenance	9,709	8,417	9,865
19,978	Contracted services	12,794	*24,916	23,226
7,435	Wide area network costs	8,119	7,548	7,513
6,070	Consultants fees	7,881	*4,639	6,302
8,412	Software maintenance	9,908	9,070	11,385
4,871	Rates, taxes and communal charges	5,070	4,643	5,337
4,704	Utilities	5,468	5,288	5,993
1,952	Representation	3,088	2,415	3,613
5,251	Freight	5,383	3,778	4,405
3,074	Staff training	3,956	5,361	5,579
1,523	Telecommunication charges	1,670	1,656	1,746
27,136	Other operating	26,184	13,866	3,457
210,942	Total operating costs	211,806	207,517	212,451

*Budgets moved between categories after reporting in Annual Report 2021-22. Net zero to Operating Costs Budget Total.

Note 5: Capital charge

ACCOUNTING POLICY

The capital charge is expensed in the financial year to which the charge relates. MFAT pays a capital charge to the Crown on its taxpayers' funds balance as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5.0 percent (2022: 5.0 percent).

Note 6: Debtors and receivables

ACCOUNTING POLICY

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

Actual 2022 \$000		Actual 2023 \$000
	Current	
3,038	Trade debtors	1,636
653	Other receivables	1,489
3,691	Total current	3,125
	Non-Current	
296	Deposit bonds	283
4,879	Lease deposits	4,979
5,175	Total non-current	5,262
8,866	Total debtors and receivables	8,387
	Total receivables comprise:	
8,866	Receivables from the sale of goods and services (exchange transactions)	8,387
-	Receivables from non-exchange transactions	-

As at 30 June 2022 and 2021, all receivables have been assessed for impairment and no provision was required as majority are due from other Government entities.

Actual 2022 \$000		Actual 2023 \$000
883	Not past due	638
1,895	Past due 1-30 days	577
109	Past due 31-60 days	94
21	Past due 61-90 days	74
130	Past due >91 days	253
3,038	Total	1,636

Note 7: Prepayments

Current prepayments include expenditure paid in advance for property leases. Non-current prepayments include our Beijing Embassy land lease which is amortised over the remaining life of the lease.

Note 8: Property, plant, equipment

ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment (PPE) consists of the following asset classes:

- Land
- Buildings
- Furniture and fittings
- Plant and equipment
- Motor vehicles
- Computer equipment

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000.

Additions

The cost of an item of PPE is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to MFAT and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Realised gains and losses arising from disposal of PPE are generally recognised in the statement of comprehensive revenue and expense when the significant risks and rewards of ownership of the asset have transferred to the acquirer. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to taxpayers' funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to MFAT and the cost of the item can be measured reliably. The cost of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expense as they are incurred.

Depreciation

Depreciation is calculated to write down the cost of assets on a straight line basis to an estimated residual value over their economic lives as follows:

Buildin gs		
- Structure	35 to 60 years	1.6%-3%
- Fit out/services	3 to 20 years	5%-33%
- Leasehold improvements	5 to 15 years	7%-20%
Furniture & Fittings	7 to 10 years	10%-15%
Plant & Equipment		
- Plant	10 to 15 years	7%-10%
- Equipment	5 to 20 years	5%-20%
Motor Vehicles	8 years	12.5%
Computer Equipment (excluding computer software)	3 to 8 years	12.5%-33%

*The economic life may be altered from the policy standard if deemed to be more appropriate

Impairment of property, plant and equipment (PPE) and intangible assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in extinguishing the balance in the revaluation reserve, the residual loss balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Revaluations – Overseas Properties

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years by an independent valuer.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Buildings are valued at fair value using market-based evidence. The Optimised Depreciated Replacement Cost approach has been used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

When an item of PPE is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Unrealised gains and losses arising from changes in the value of PPE are recognised as at balance date. Gains are added to the asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class, any loss is deducted from that reserve.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating the fair value of land and buildings

Land and Buildings were revalued at fair value as at 31 October 2020. This valuation was conducted by an independent registered valuer, Kane Sweetman, National Director – Valuation and Advisory Services, Colliers International New Zealand Limited, FNZIV, AREINZ and FPINZ, on MFAT's behalf. In performing the valuation, 83% of the value of the entire portfolio was individually inspected. A market indexation approach has been adopted for the remaining uninspected portfolio. The next valuation will be performed in 2023-24.

	Freehold Land \$000	Freehold Buildings \$000	Furniture & Fittings \$000	Plant & Equipment \$000	Motor Vehicles \$000	Computer Equipment \$000	Total \$000
Cost or valuation							
Balance at 1 July 2021	330,136	191,907	141,545	34,327	10,437	51,209	759,561
Additions	-	12,389	12,909	3,220	706	6,697	35,921
Asset class adjustment - reclassification	-	-	(43)	205	(161)	-	1
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	(802)	(249)	(505)	(1,137)	(2,693)
Balance at 30 June 2022	330,136	204,296	153,609	37,503	10,477	56,769	792,790
Balance at 1 July 2022	330,136	204,296	153,609	37,503	10,477	56,769	792,790
Additions	-	11,899	6,656	4,375	1,166	1,924	26,020
Asset class adjustment - reclassification	-	-	(57)	57	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfer to held for sale	-	-	-	-	-	-	-
Disposals	-	-	(4,241)	(636)	(598)	(317)	(5,792)
Balance at 30 June 2023	330,136	216,195	155,967	41,299	11,045	58,376	813,018
Accumulated depreciation and impairment losses							
Balance at 1 July 2021	-	7,567	76,495	22,687	5,655	35,956	148,360
Depreciation expense	-	10,944	11,954	3,243	1,161	6,425	33,727
Eliminate on disposal	-	-	(773)	(249)	(431)	(1,137)	(2,590)
Asset class adjustment - reclassification	-	-	1	(1)	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance at 30 June 2022	-	18,511	87,677	25,680	6,385	41,244	179,497
Balance at 1 July 2022	-	18,511	87,677	25,680	6,385	41,244	179,497
Depreciation expense	-	11,538	11,191	3,457	1,122	7,112	34,420
Eliminate on disposal	-	-	(4,237)	(636)	(586)	(317)	(5,776)
Asset class adjustment - reclassification	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance at 30 June 2023	-	30,049	94,631	28,501	6,921	48,039	208,141
Carrying amounts							
At 1 July 2021	330,136	184,340	65,050	11,640	4,782	15,253	611,201
At 30 June and 1 July 2022	330,136	185,785	65,932	11,823	4,092	15,525	613,293
At 30 June 2023	330,136	186,146	61,336	12,798	4,124	10,337	604,877

Work in progress

The total amount of property, plant and equipment in the course of construction is \$27.879 million (2022: \$37.407 million).

Actual 2022 \$000		Actual 2023 \$000
	Property, plant and equipment under construction	
18,468	Freehold buildings	5,213
17,764	Furniture and fittings	21,701
722	Plant and equipment	150
453	Computer equipment	815
37,407	Balance at 30 June 2023	27,879

Restrictions on sale of land and buildings

MFAT owns property in 13 locations globally that have restrictions on their sale, mostly in relation to their use, or requiring that country's Government's approval to sell. The carrying amount of the property is \$246.624 million (2022: \$243.865 million).

There are conditions that apply to the land leased by MFAT in New Delhi. The following restrictions in relation to the sale and treatment of sale proceeds apply:

- If the sale is to another diplomatic mission we retain 100 percent of the proceeds, and the purchaser inherits the same terms of ownership;
- If the sale is to other than a diplomatic mission, then the Indian Government has the first right of refusal and if accepted we retain 20 percent of the land value increase since the original purchase and 100 percent of the buildings proceeds; and
- If the Indian Government does not purchase it, then it can be offered to a non-diplomatic third party with MFAT retaining 20 percent of the increased value of the land proceeds and 100 percent of the buildings proceeds, with the Indian Government receiving 80 percent of the land value. The purchaser inherits the same terms of ownership.

Based on the above restrictions our valuer has valued the New Delhi land at 20 percent of the fair value, which is \$50.283 million as at 31 October 2020.

Note 9: Intangible assets

ACCOUNTING POLICY

Intangible assets

Costs that are directly associated with the development of software for internal use by MFAT are recognised as an intangible asset. Direct costs include the costs of materials and services, employee costs and any directly attributable overheads.

Expenditure incurred on research of internally generated software is expensed when it is incurred. Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Software as a Service (SaaS) solutions where the Ministry does not control the software, the configuration and customisation costs related to the SaaS solution will be expensed as costs are incurred.

Website development costs are only recognised as an intangible asset if they will provide future services potential.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives have been estimated as follows:

Computer software 3 to 8 years 12.5% – 33%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant and equipment in Note 8.

COST	Computer Software \$000
Balance at 1 July 2021	66,100
Additions	13,168
Reclassification	(10,484)
Disposals	-
Balance at 30 June 2022	68,784
Balance at 1 July 2022	68,784
Additions	694
Reclassification	-
Disposals	-
Balance at 30 June 2023	69,478
Accumulated amortisation and impairment losses	
Balance at 1 July 2021	35,102
Amortisation expense	7,086
Eliminate on disposals	-
Balance at 30 June 2022	42,188
Balance at 1 July 2022	42,188
Amortisation expense	7,836
Balance at 30 June 2023	50,024
Carrying amounts	
At 1 July 2021	30,998
At 30 June and 1 July 2022	26,596
At 30 June 2023	19,454

The total amount of intangible assets in the course of development is \$1.250 million (2022: \$4.358 million).

There are no restrictions over the title of MFAT's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 10: Creditors and payables

ACCOUNTING POLICY

Short-term creditors and other payables are generally settled within 30 days so are recorded at their face value.

Actual 2022 \$000		Actual 2023 \$000
	Payables under exchange transactions	
7,092	Trade creditors	9,242
16,435	Accrued expenses	2,948
23,527	Total payables under exchange transactions	12,190
	Payables under non-exchange transactions	
3,495	FBT payable	3,202
2,732	GST payable	1,453
6,227	Total payables under non-exchange transactions	4,655
29,754	Total payables	16,845

Note 11: Return of operating surplus

Actual 2022 \$000		Actual 2023 \$000
37,282	Net surplus/(deficit) Plus/(minus)	6,439
(10,173)	Net loss/(gain) on derivative financial instruments	4,924
(1,669)	Retention of operating surplus	-
25,440	Total return of operating surplus payable to Crown	11,363

Note 12: Provisions

ACCOUNTING POLICY

Provisions

A provision is recognised when MFAT has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the provision can be reliably measured.

Actual 2022 \$000		Actual 2023 \$000
	Current	
22	Holidays Act 2003	-
1,871	Lease make-good	2,276
1,893	Total current	2,276
	Non-current	
8,883	Lease make-good	8,478
8,883	Total non-current	8,478
10,776	Total provisions	10,754

	Holiday Act 2003 \$000	Make good \$000	Total \$000
Balance as 1 July 2021	1,550	10,754	12,304
Amounts used	(271)	-	(271)
Unused amounts reversed	(1,257)	-	(1,257)
Balance as at 30 June 2022	22	10,754	10,776
Balance as 1 July 2022	22	10,754	10,776
Amounts used	(22)	-	(22)
Balance as at 30 June 2023	-	10,754	10,754

Holidays Act 2003

The Ministry used \$0.022 million from this provision in 2022/2023 and no more provision is needed to cover this cost.

Make-good

MFAT is required, at the expiry of its leases, to make-good any damage caused and remove any fixtures and fittings installed by us. In many cases, we have the option to renew these leases, which may change the timing of the expected cash outflows to make-good the premises.

Note 13: Employee entitlements

ACCOUNTING POLICY

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides that related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- the present value of the estimated future cash flows.

Sick leave, annual leave and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating retirement and long service leave obligations

An independent actuarial valuation was undertaken by AON Consulting New Zealand Limited as at 30 June 2023 to estimate the present value of retirement leave and long service leave. The key assumptions used in determining the present values were:

- a weighted average discount rate of 4.53% (2022: 4.01%)
- a salary inflation rate of 3.01% (2022: 2.99%)

The discount rates and salary inflation factor used are those advised by Treasury.

If the discount rate were to increase/decrease by 1 percent more than the actuarial estimates, with all other factors held constant, the carrying amount of the liability would be \$0.372 million higher (2022:\$0.413 million) or \$0.340 million lower (2022: \$0.377 million) respectively.

If the salary inflation factor were to increase/decrease by 1 percent more than the actuarial estimates, with all other factors held constant, the carrying amount of the liability would be \$0.381 million lower (2022:\$0.381 million) or \$0.372 million higher (2022:\$0.410 million) respectively.

Actual 2022 \$000		Actual 2023 \$000
	Current Liabilities	
18,701	Annual leave	19,386
546	Long service leave	674
1,341	Retirement leave	1,546
1,894	Retirement gratuities	2,370
244	End of posting leave	358
3,790	Salaries and allowances	4,877
333	Sick leave liability	352
410	ACC levy	265
27,259	Total current	29,828
	Non-current liabilities	
2,518	Long service leave	2,513
4,844	Retirement leave	4,611
1,369	Retirement gratuities	1,245
489	End of posting leave	716
9,220	Total non-current	9,085
36,479	Total Provision for employee entitlements	38,913

Note 14: Equity

ACCOUNTING POLICY

Equity

Equity is the Crown's investment in MFAT and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and property revaluation reserves.

Property revaluation reserve

These reserves relate to the revaluation of land and buildings to fair value.

Actual 2022 \$000		Actual 2023 \$000
	Taxpayers' funds	
481,063	Balance at 1 July	503,405
37,282	Surplus/(deficit)	6,439
10,500	Capital injections	31,600
	Capital withdrawal	(15,885)
-	Transfer from revaluation reserve on disposal of property	-
(25,440)	Return of operating surplus to the Crown	(11,363)
503,405	Balance at 30 June	514,196
	Property revaluation reserve	
263,651	Balance at 1 July	263,651
-	Property revaluation	-
263,651	Balance at 30 June	263,651
767,056	Total Equity	777,847
	Property revaluation reserve consists of:	
192,162	Land revaluation reserve	192,162
71,489	Buildings revaluation reserve	71,489
263,651	Total property revaluation reserve	263,651

Note 15: Capital (Equity) management

MFAT'S capital is its equity, which comprises taxpayers' funds and property revaluation reserves. In 2022-23 equity is represented by net assets.

MFAT manages its revenue, expenses, assets, liabilities and general financial dealings prudently. MFAT's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with the Government budget processes, Treasury Instructions and the Public Finance Act 1989.

The objective of managing MFAT's equity is to ensure we effectively achieve goals and objectives for which MFAT has been established, whilst remaining a going concern.

Note 16: Related party transactions

MFAT is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect MFAT would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

KEY MANAGEMENT PERSONNEL COMPENSATION

Actual 2022 \$000		Actual 2023 \$000
	Leadership Team, including the Chief Executive	
3,907	Total Remuneration, including long-term benefits	3,818
10.0	Total full time equivalent personnel	9.50

The above key management personnel disclosure excludes the Minister of Foreign Affairs who is the responsible Minister for the Ministry. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority, and not paid or funded by the Ministry.

Note 17: Financial instruments

ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents includes balances denominated in foreign currencies translated to New Zealand dollars at the foreign exchange rate at balance date.

MFAT is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Derivative financial instruments

MFAT uses forward foreign exchange contracts to manage exposure to foreign exchange movements. MFAT does not hold these contracts for trading purposes. MFAT has not adopted hedge accounting.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value are recognised in surplus or deficit.

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange contracts are classified as non-current.

17A FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of assets and liabilities in each of the PRE IPSAS 41 financial instrument categories are as follows:

Actual 2022 \$000		Notes	Actual 2023 \$000
	Financial assets at amortised cost		
31,577	Cash and cash equivalents		32,042
8,866	Debtors and other receivables (excluding taxes receivable)	6	8,387
171,973	Debtor Crown	2	174,697
212,416	Total Financial assets measured at amortised cost		215,126
	Fair value through surplus and deficit		
6,339	Derivative financial instrument assets		2,686
(669)	Derivative financial instrument liabilities		(1,940)
5,670	Total fair value through surplus and deficit		746
	Financial liabilities measured at amortised cost		
23,527	Creditors and other payables (excluding unearned income and taxes payable)	10	12,190

17B FAIR VALUE HIERARCHY

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Actual 2022 \$000		Actual 2023 \$000
	Financial assets	
-	Quoted market prices	-
6,339	Observable market inputs	2,686
-	Significant non-observable inputs	0
6,339	Total financial assets at fair value	2,686
	Financial liabilities	
-	Quoted market prices	-
669	Observable market inputs	1,940
-	Significant non-observable inputs	-
669	Total financial liabilities at fair value	1,940

There were no transfers between the different levels of the fair value hierarchy.

17C FINANCIAL INSTRUMENT RISKS

MFAT is exposed to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. We have a series of policies to manage the risks associated with financial instruments and seek to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that debtors and creditors, due in foreign currency, will fluctuate because of changes in foreign exchange rates. The Ministry is permitted to deposit funds in New Zealand only with Westpac (Standard & Poor's credit rating of AA-), a registered bank, and hold for operational purposes, funds in overseas locations primarily through the Citibank NA (Standard & Poor's credit rating of A+) and ANZ Banking Group (Standard & Poor's credit rating of AA-) networks. The Ministry is also permitted to enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor's credit rating of AA) and Citibank NA.

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent at 30 June 2023 was:

2022 \$000	Foreign Exchange Contracts	2023 \$000
15,815	United States Dollar	19,168
3,425	Japanese Yen	3,076
19,502	European union Euro	20,623
53,750	Other	57,615
92,492	Total	100,482

Sensitivity analysis

Forward foreign exchange contracts

The following table summarises the impact of a 10 percent movement in foreign exchange rates on the valuation of MFAT's foreign exchange contracts.

2022 \$000	Impact on surplus/deficit	2023 \$000
3,253	Increase in foreign exchange rates of 10%	8,456
16,577	Decrease in foreign exchange rates of 10%	11,165

Creditors denominated in foreign currencies

The following table summarises the movement in the surplus/deficit for the year, attributable to foreign exchange gains/losses if, at 30 June 2023, the NZD had weakened / strengthened by 5 percent, with all other variables held constant.

2022 \$000	Impact on surplus/deficit (5% movement in NZD on creditors)	2023 \$000
7	United States Dollar	-
-	Japanese Yen	-
1,517	European Union Euro	572

INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. MFAT has no significant exposure to interest rate risk on its financial instruments.

The Public Finance Act 1989 stipulates that MFAT cannot raise a loan without ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure as no funds were borrowed.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to MFAT, causing us to incur a loss. In the normal course of its business, MFAT incurs credit risk from trade debtors, and transactions with financial institutions.

Our maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, net debtors, and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

MFAT does not require any collateral or security to support financial instruments with financial institutions that we deal with as these entities have high credit ratings. For its other financial instruments, we do not have significant concentrations of risk.

LIQUIDITY RISK

The liquidity risk is the risk that MFAT will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting our liquidity requirements we closely monitor our forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MFAT maintains a target level of available cash to meet its liquidity requirements.

The table below analyses the Ministry's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows amount \$000	Cash flows less than 6 months \$000	Cash flows 6 months to 1 year \$000	Cash flows 1 year to 5 years \$000	Cash flows over 5 years \$000
2022						
Creditors and other payables (excl. unearned income and taxes)	23,527	23,527	23,169	-	358	-
2023						
Creditors and other payables (excl. unearned income and taxes)	12,190	12,190	11,836	-	354	-

The table below analyses MFAT's forward exchange contract derivatives into the relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000	Asset carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	Greater than 12 months \$000
2022						
Gross settled foreign exchange contracts:	669	6,339				
- outflow			92,492	46,855	45,637	-
- inflow			98,162	49,614	48,548	-
2023						
Gross settled foreign exchange contracts:	1,940	2,686				
- outflow			100,482	51,325	49,157	-
- inflow			101,228	51,759	49,469	-

Note 18: Reconciliation of net surplus to net cash flow from operating activities

Actual 2022 \$000		Actual 2023 \$000
37,282	Net Surplus/ (de ficit)	6,439
	Add/ (le ss) non-cash it ems	
40,813	Depreciation and amortisation expense	42,256
(10,173)	Net (gains)/ loss on derivative financial instruments	4,924
-	Other non-cash movement	-
(661)	Movement in discount rate for long service leave and retirement leave	(314)
29,979	Total non-cash it ems	46,866
	Add/(le ss) it ems classifie d as in vesting or fin ancing activities	
(153)	(Gains) / losses on disposal of property, plant and equipment	(234)
	Add/(le ss) movements in statement of fin ancial position it ems	
(3,220)	(Increase) /decrease in receivables	(2,247)
563	(Increase) /decrease in prepayments	(3,989)
12,586	Increase / (decrease) in payables	(12,593)
(1,528)	Increase / (decrease) in provisions	(22)
(689)	Increase / (decrease) in employee entitlements	2,434
7,712	Total net movement in working capital it ems	(16,417)
74,820	Net cash flo w from operating activities	36,654

Note 19: Major budget variations

Explanation for major variances from MFAT's original 2022-23 budget are as follows:

Statement of comprehensive revenue and expense

Revenue Crown over the period increased from an initial Budget of \$496.646 million to \$523.673 million and total actual revenue was \$534.199 million including Agency fees of \$9.3 million. The net budget increase in Revenue Crown of \$27.03 million mainly relates to:

- Capital to Operating Swap of \$15.885 million for fund Software as a Service (SaaS) implementations.
- NZ Assistance for Ukraine \$3.15 million.
- Foreign exchange CPI compensation \$1.703 million.
- The variance also includes \$6.776 million funding to be transferred to 2023-24 that is the net result of expense transfers to 2023-24 to complete activities started in 2022-23.

The actual expenditure is \$10.741 million less than the appropriation of \$534.199 million. The under-spend includes projects / activities started in 2022-23 to be completed in 2023-24 funded from expense transfers.

Statement of financial position

Debtor Crown recognises funding due to the Ministry that has not been drawn down as cash. The debtor crown balance of \$174.7 million is similar to the 30 June 2022 balance, and is \$27 million higher than the original budget. The \$27 million increase over budget is reflection of a slow capital programme spend as the Ministry emerges from COVID-19.

Statement of cash flows

Revenue Crown receipts of \$44.6 million is higher than budget mainly due to a capital to operating swap of \$15.885 million, expense transfers to complete activities of \$6.776 million, NZ Assistance for Ukraine \$3.15 million and \$20 million of revenue in debtor crown not drawn down as cash. Other revenue is close to budget.

Payments to suppliers and employees were greater than budgeted.

Capital charge is close to budget with a net change in equity arising from a capital withdrawal of \$15.885 million offset by a capital injection of \$31.6 million.

Cash outflows related to the purchase of property, plant and equipment is \$22 million below budget. This is due to timing delays in commencing the Pacific Property projects, and delays with other off shore building projects as we come out of COVID-19.

Note 20: Events after the balance date

There have been no significant events after the balance date of 30 June 2023 (2022: Nil).

Note 21: Changes in Liabilities Arising from Financing

The Ministry's only financing activities are from the Crown, Capital Injections (2023: \$31,600, 2022: \$10.500 million), Capital withdrawals (2023: \$15,885, 2022: \$Nil), which is reported as part of Note: 14 Equity.

Non-departmental Statement of Performance

For the year ended 30 June 2023

The Minister of Foreign Affairs purchased from various New Zealand Government agencies provision of the following output expenses in Vote Foreign Affairs.

Output expense	Supplier
Antarctic Research and Support	New Zealand Antarctic Institute
Expo 2020 Dubai	New Zealand Trade and Enterprise
Promotion of Asian skills and relationships	Asia New Zealand Foundation
Pacific Cooperation Foundation	Pacific Cooperation Foundation

The performance information for the output expenses will be reported by the supplier in its Annual Report to be tabled in the New Zealand House of Representatives.

The Minister of Foreign Affairs also requires us to administer the following non-departmental other expenses in Vote Foreign Affairs.

- Subscriptions to International Organisations
- Disbursements made and exemptions from taxation
- Consular loan expenses
- International Development Cooperation

The following statement of performance records results and services delivered for each of the above other expenses as agreed between the Minister of Foreign Affairs and the Secretary of Foreign Affairs and Trade in the Strategic Intentions 2021-2025 and the 2022-23 Estimates of Appropriations as required by section 19C of the Public Finance Act 1989.

Non-departmental statements and schedules

For the year ended 30 June 2023

The following non-departmental statements and schedules record the revenue expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that we manage on behalf of the Crown.

SCHEDULE OF NON-DEPARTMENTAL REVENUE

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
	Non-departmental revenue	
828	Other operational revenue	1,262
569	Gain on derivatives	-
443	Gain on re-measurement of shares in foreign organisations	-
162	Net gain on foreign exchange	-
2,002	Total revenue	1,262

Other operational revenue is primarily the repayment of unspent grant funding, on completion of development activities by Partners. These grants were provided for the delivery or implementation of development activities under the New Zealand Development Cooperation Programme in prior years.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

SCHEDULE OF NON-DEPARTMENTAL EXPENDITURE

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
	Output funding	
22,820	New Zealand Antarctic Institute	26,820
5,500	Asia New Zealand Foundation	5,500
1,150	Pacific Cooperation Foundation	1,400
15,493	Expo 2020 Dubai	2,718
44,963	Total output funding	36,438
	Other expenses	
55,074	Subscriptions to International Organisations	58,619
1,681	Diplomatic exemptions	2,260
7,500	Support for Ukraine	-
826,901	International Development Cooperation	971,455
163	Consular loan expenses	49
-	Loss on derivatives	-
-	Loss on re-measurement of shares in foreign organisations	-
-	Net loss on foreign exchange	585
891,319	Total other expenses	1,032,968
936,282	Total operating expenses	1,069,406

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000
	Current assets		
38,295	Cash		14,756
1,260	Debtors and receivables		883
3,426	Prepayments	2	12,564
29	Derivatives in gain	4	-
43,010	Total current assets		28,203
	Non-current assets		
4,022	Shares in foreign organisations	3	-
4,022	Total non-current assets		-
47,032	Total assets		28,203

Current assets

Debtors and receivables includes Consular Loans (\$0.404 million) being the temporary financial assistance to New Zealanders in distress overseas. Consular Loans are generally required to be repaid within 30 days.

In addition, MFAT monitors the New Zealand Antarctic Institute – a Crown entity. We also monitor two other entities as defined by Schedule 4 of the Public Finance Act 1989: the Pacific Cooperation Foundation, and the Asia New Zealand Foundation. The investment in these entities is recorded within the Crown Financial Statements on a line-by-line basis. No disclosure is made in this schedule.

Non current assets

Shares in the European Bank for Reconstruction and Development (EBRD) have been transferred in December 2022 to the Treasury, which currently has responsibility for the relationship with EBRD. The value of paid-in shares was EUR 3.500 million (2022: NZ\$4.022 million) at time of transfer.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000
	Current liabilities		
57,937	Creditors and payables		68,855
7	Derivatives in loss	4	-
57,944	Total current liabilities		68,855
	Non-current liabilities		
23,675	Creditors and payables		15,556
23,675	Total non-current liabilities		15,556
81,619	Total liabilities		84,411

Current liabilities

Creditors and payables, includes \$59.275 million of accruals and accounts payable for contracts providing for the delivery or implementation of development activities under the New Zealand International Development Programme. The balance of \$9.580 million is for promissory notes issued to the Asian Development Bank, World Bank and Global Environment Fund by New Zealand that will be due for encashment during the year ended 30 June 2024.

Non-current liabilities

Creditors and payables of \$15.556 million is for promissory notes issued to the Asian Development Bank, the World Bank and Global Environment Fund by New Zealand, that will be due for encashment during 2024-25 and out-years.

Creditors and other payables are non-interest bearing and are normally settled no later than 20 business days from receipt of an accurate and valid invoice, therefore the carrying value of creditors and other payables approximate their fair value.

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2023

MFAT on behalf of the Crown has no non-cancellable capital or lease commitments (2022: Nil).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

STATEMENT OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2023

	Foreign currency	NZD		Currency type	Foreign currency	NZD
	2022 \$000	2022 \$000			2023 \$000	2023 \$000
			Guarantees – Asian Development Bank for loans to the Cook Islands Government			
SDR	1,300	2,778	Telecommunications Loan	SDR	1,147	2,511
SDR	440	941	Multi-Project Loan	SDR	360	789
SDR	344	735	Development Bank Loan	SDR	308	674
SDR	120	257	Telecommunications Loan	SDR	108	237
SDR	2,204	4,711		SDR	1,923	4,211
			OECD			
EUR	23,887	40,147	Pensions & Healthcare	EUR	11,746	20,976
			European Bank for Reconstruction and Development (EBRD)*			
EUR	7,000	11,765	Uncalled Share Capital	EUR	-	-
		56,623	Total non-departmental contingent liabilities			25,187

*The Uncalled shares in the European Bank for Reconstruction and Development (EBRD) has been transferred in December 2022 to the Treasury, which currently has responsibility for the relationship with EBRD.

* IMF Special drawing rights

Unquantified contingent liabilities

The Crown has an unquantifiable Contingent Liability for site restoration costs at Scott Base Antarctica should New Zealand withdraw from the Antarctic programme (2022: unquantifiable).

In addition to this the Crown has an unquantifiable Contingent Liability for the cost of replacement of Scott Base, the base fit-out and any other Antarctica New Zealand assets in Antarctica in the event of any material loss or damage totalling more than \$100,000 (2022: unquantifiable).

The Crown also has an unquantifiable Contingent Liability to indemnify vaccine manufactures to allow New Zealand to provide vaccines to Polynesia, Cook Islands, Niue and Tokelau.

Contingent assets

The Crown has no contingent assets (30 June 2022: Nil).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

STATEMENT OF TRUST MONIES

For the year ended 30 June 2023

As at 2022 \$000	Trust Account	Contribution \$000	Distribution \$000	Revenue \$000	Expense \$000	As at 2023 \$000
9,713	Enga Electrification Project, PNG Trust		(3,500)	400		6,613
2,020	Pacific SME Finance Facility Trust Fund		(2,000)	16		36
2,145	Pacific Community CFA Trust	-	(334)	82		1,893
2,923	Solomon Islands Provincial Airfields Trust			120		3,043
10,759	SI Provincial Airfields DFAT Trust Account	14,233	(10,671)	423		14,744
1,344	Tonga Parliament Buildings Project Trust			55	-	1,399
28,904	Total	14,233	(16,505)	1,096	-	27,728

Purpose of trust accounts

Enga Electrification Project, Papua New Guinea Trust

The Enga Electrification Project, Papua New Guinea Trust account was set up to enter into a Delegated Cooperation Arrangement with the Australian Government to deliver power line construction and connections in the Enga Province of Papua New Guinea.

Pacific SME Finance Facility Trust Fund

The Pacific SME Trust account was opened to receive funds from the Australian Government to manage the delivery of this pilot programme to enhance financial capability in Pacific SME's. This was established via a Delegated Cooperation Arrangement with the Department of Foreign Affairs and Trade. (DFAT)

Pacific Community CFA Trust

The purpose of this Trust to enter into a delegated cooperation arrangement with the Australian Department of Foreign Affairs and Trade for the management and delivery of the Pacific Community Coastal Fisheries and Aquaculture Activity project.

Solomon Islands Provincial Airfields Trust

The purpose of this Trust account is to receive funds from the Solomon Islands government towards the delivery of the New Zealand Aid Programme's Solomon Islands provincial airfields upgrade project.

SI Provincial Airfields DFAT Trust

The purpose of this Trust to enter into a delegated cooperation arrangement with the Australian Department of Foreign Affairs and Trade to make financial contributions to the management and delivery of the New Zealand Aid Programme's Solomon Islands provincial airfield upgrade project.

Tonga Parliament Buildings Project Trust

The purpose of this Trust account is to receive funds for the management and delivery of the Tonga Parliament Buildings project in cooperation with the Australian Department of Foreign Affairs.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the non-departmental statements and schedules

For the year ended 30 June 2023

Note 1: Non-departmental statement of accounting policies

Reporting entity

These non-departmental schedules and statements present financial information on public funds managed by MFAT on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for year ended 30 June 2023. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

Basis of preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Grants

Grants may be provided as either conditional or unconditional. Where conditional the expense is recognised when the conditions has been met. Where the grants are unconditional the expense is recognised once the Grants contract has been signed.

Where grants are paid in advance of the conditions being met these will be recorded as prepayments and expensed when the conditions are met. The majority of International Development Cooperation (IDC) expenditure is accounted for as discretionary grant funding with conditions and milestones.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the schedule of non-departmental revenue or expenses.

Contingent liabilities

Contingent liabilities and contingent assets are recorded in the Statement of Contingent Liabilities and Contingent Assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST. Receivables and payables are stated on a GST inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the financial statements of the government.

Critical accounting estimates and assumptions

There are no critical estimates or assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Budget figures

The budget figures are the appropriation amounts included in the Vote Foreign Affairs 2022-23 main estimates for the year ended 30 June 2023.

Note 2: Prepayments

Prepayments relate to the International Development Cooperation (IDC) programme for advances made under contracts for service and New Zealand's membership to Regional Agencies recognised over a calendar year. This year we also have prepayments for Expo Dubai 2020 in relation to the closing of the exhibition.

Note 3: Shares

ACCOUNTING POLICY

Where MFAT holds shares in an entity but does not have control over the operating and financial policies, i.e. the shares are non-trading, the investment has been valued by the equity method in the financial statements.

European Bank for Reconstruction and Development

At cost \$000	2022 At net current value \$000	2023					
		Type	Number	Share value EUR'000	Paid in value EUR '000	At net current value NZD \$000	At cost NZD \$000
5,781	4,022	Ordinary		-	-	-	-
5,781	4,022	Total		-	-	-	-

Shares in the European Bank for Reconstruction and Development (EBRD) have been transferred in December 2022 to the Treasury, which currently has responsibility for the relationship with EBRD

Note 4: Financial instruments – Non-Departmental

ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents includes balances denominated in foreign currencies translated to New Zealand dollars at the foreign exchange rate at balance date.

MFAT is only permitted to expend non-departmental cash and cash equivalents within the scope and limits of the appropriations.

Derivative financial instruments

MFAT uses forward foreign exchange contracts to manage exposure to foreign exchange movements. MFAT does not hold these contracts for trading purposes. MFAT has not adopted hedge accounting.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value are recognised in the surplus or deficit.

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange contracts are classified as non-current.

4A FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2022 \$000		Actual 2023 \$000
	Financial assets measured at amortised cost	
38,295	Cash and cash equivalents	14,756
1,260	Debtors and other receivables (excluding taxes receivable)	883
39,555	Total financial assets measured at amortised cost	15,639
	Fair value through surplus and deficit	
29	Derivative financial instrument assets	-
(7)	Derivative financial instrument liabilities	-
22	Total fair value through surplus and deficit	-
	Financial liabilities measured at amortised cost	
81,612	Creditors and other payables (excluding unearned income and taxes payable)	84,411

4B FAIR VALUE HIERARCHY

For those instruments recognised at fair value in the schedule of non-departmental assets and liabilities, fair values are determined according to the following hierarchy.

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the schedule of non-departmental assets and liabilities.

Actual 2022 \$000		Actual 2023 \$000
	Financial assets	
-	Quoted market price	-
29	Observable market inputs	-
-	Significant non-observable inputs	-
29	Total financial assets at fair value	-
	Financial liabilities	
-	Quoted market price	-
7	Observable market inputs	-
-	Significant non-observable inputs	-
7	Total financial liabilities at fair value	-

There were no transfers between the different levels of the fair value hierarchy.

4C FINANCIAL INSTRUMENT RISKS

MFAT is exposed to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. We have a series of policies to manage the risks associated with financial instruments and seek to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

MARKET RISK

Currency risk

Currency risk is the risk that debtors and creditors, due in foreign currency, will fluctuate because of changes in foreign exchange rates. The Ministry is permitted to deposit funds in New Zealand only with Westpac (Standard & Poor's credit rating of AA-), a registered bank, and hold for operational purposes, funds in overseas locations primarily through the Citibank NA (Standard & Poor's credit rating of A+) and ANZ Banking Group (Standard & Poor's credit rating of AA-) networks. The Ministry is also permitted to enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor's credit rating of AA) and Citibank NA.

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent at 30 June 2023 was:

2022 \$000	Foreign Exchange Contracts	2023 \$000
22	United Arab Emirates Dirham	-
22	Total	-

SENSITIVITY ANALYSIS

Forward foreign exchange contracts

The following table summarises the impact of a 10 percent movement in foreign exchange rates on the valuation of MFAT's non – departmental foreign exchange contracts.

2022 \$000	Impact on surplus/ de ficit	2023 \$000
22	Increase in foreign exchange rates of 10%	-
22	Decrease in foreign exchange rates of 10%	-

INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. MFAT has no significant exposure to interest rate risk on its financial instruments.

The Public Finance Act 1989 stipulates that MFAT cannot raise a loan without ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure as no funds were borrowed.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to MFAT, causing us to incur a loss. In the normal course of its business, MFAT incurs credit risk from trade debtors, and transactions with financial institutions.

Our maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, net debtors, and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

MFAT does not require any collateral or security to support financial instruments with financial institutions that we deal with as these entities have high credit ratings. For its other financial instruments, we do not have significant concentrations of risk.

LIQUIDITY RISK

The liquidity risk is the risk that MFAT will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting our liquidity requirements we closely monitor our forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MFAT maintains a target level of available cash to meet its liquidity requirements.

The table below analyses the Ministry's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows amount \$000	Cash flows less than 6 months \$000	Cash flows 6 months to 1 year \$000	Cash flows 1 year to 5 years \$000	Cash flows over 5 years \$000
2022 Creditors and other payables (excl. unearned income and taxes):	81,612	81,612	57,937	20,550	3,125	-
2023 Creditors and other payables (excl. unearned income and taxes):	84,411	84,411	68,855	7,439	8,117	-

The table below analyses MFAT's non – departmental forward exchange contract derivatives into the relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000	Asset carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	Greater than 12 months \$000
2022 Gross settled foreign exchange contracts:	-	22	22	22	-	-
• outflow			-	-	-	-
• inflow						
2023 Gross settled foreign exchange contracts:	-	-	-	-	-	-
• outflow			-	-	-	-
• inflow						

Appropriation statements

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE AGAINST APPROPRIATIONS

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Appropriation Voted* 2023 \$000	Location of end- of -year performance information **
	VOTE: FOREIGN AFFAIRS			
	Non-Annual			
18,298	Hosting APEC 2021 - MYA	-	-	1
18,298	Departmental Output expenses Non-Annual	-	-	
	Annual			
-	Policy Advice and Representation: Other Countries (Permanent Legislative Authority)	-	20	1
	Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders MCA			
62,878	Analysis and Advice to Inform New Zealand's Foreign Policy	78,826	79,139	1
274,679	Delivery of New Zealand's Foreign Policy	265,208	270,516	1
57,613	Delivery of Services	58,741	58,466	1
90,398	Management of New Zealand's International Development Cooperation	120,683	126,058	1
485,568	Departmental Output expenses Annual	523,458	534,199	
503,866	Departmental Output expenses	523,458	534,199	
503,866	Total departments expenditure/ Appropriation	523,458	534,199	
	Re-measurements			
(10,173)	Unrealised (gain) / loss on the re-measurement of foreign exchange contracts	4,924	-	
(661)	Movement in discount rate for Long Service Leave and Retirement Leave	(314)	-	
(10,834)	Total re-measurements	4,610	-	
493,032	Total departmental expenditure including re-measurements	528,068	534,199	
	Appropriations for Departmental Capital Expenditure			
38,605	Ministry of Foreign Affairs and Trade - Capital expenditure (Permanent Legislative Authority)	26,714	53,321	1
38,605	Total Capital Expenditure	26,714	53,321	

* This includes adjustments made in the supplementary estimates.

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by MFAT, as detailed below:

1. MFAT's annual report

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE AGAINST APPROPRIATIONS

For the year ended 30 June 2023

Multi – year appropriation for Vote Foreign Affairs: Hosting APEC 2021.
For the year ended 30 June 2023

MFAT had one output expenses multi-year appropriation in Hosting APEC 2021 which commenced on 1 July 2018 and expired in 30 June 2022. (2023 - \$Nil)

STATEMENT OF DEPARTMENTAL EXPENSES AND CAPITAL EXPENDITURE INCURRED WITHOUT, OR IN EXCESS OF, APPROPRIATION OR OTHER AUTHORITY

For the year ended 30 June 2023

The Ministry has not had any departmental expenses and capital expenditure during the year without, or in excess of, authority. (30 June 2022: Nil).

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS AND CAPITAL WITHDRAWALS

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Approved ap- propriation 2023 \$000
	VOTE: FOREIGN AFFAIRS AND TRADE		
10,500	Ministry of Foreign Affairs and Trade - capital injection	31,600	31,600
-	Ministry of Foreign Affairs and Trade - capital withdrawal	(15,885)	(15,885)

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS, CAPITAL WITHDRAWALS WITHOUT, OR IN EXCESS OF, AUTHORITY

For the year ended 30 June 2023

MFAT has not received any capital injections or paid any capital withdrawals during the year without, or in excess of, authority. (30 June 2022: Nil)

The accompanying accounting policies and notes form part of these financial statements.

**STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE
AGAINST APPROPRIATIONS
For the year ended 30 June 2023**

Actual 2022 \$000		Actual 2023 \$000	Appropriation Voted* 2023 \$000	Location of end-of-year performance information**
	VOTE FOREIGN AFFAIRS			
	Non-Departmental output expenses			
	Annual			
22,820	Antarctic Research and Support	26,820	26,820	2
5,500	Promotion of Asian Skills and Relationships	5,500	5,500	3
1,150	Pacific Cooperation Foundation	1,400	1,400	4
	Non-Annual			
15,493	Expo 2020 Dubai* (MYA)	2,718	2,750	6
44,963	Total non-departmental output expenses	36,438	36,470	
	Non-departmental other expenses			
	Annual			
55,074	Subscriptions to International Organisations	58,619	60,729	5
7,500	Support for Ukraine	-	-	
163	Consular Loans Expense	49	50	5
	Non-Annual			
826,901	International Development Cooperation *(MYA)	971,455	904,608	1
1,681	Disbursements made, and exemptions from taxation - permanent legislative authority	2,260	2,700	5
891,319	Total non-departmental other expenses	1,032,384	968,087	
936,282	Total non-departmental expenditure	1,068,821	1,004,557	
	Non-departmental capital expenditure			
23,000	New Zealand Antarctic Institute	61,000	61,000	2
95	Consular Loans	125	1,700	5
23,095	Total non-departmental capital expenditure	61,125	62,700	

* Multi-Year Appropriation

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by MFAT, as detailed below:

1. To be reported in the Minister of Foreign Affairs report appended to this Annual Report.
2. To be reported by Antarctica NZ in their Annual Report to be tabled in Parliament.
3. To be reported by the Asia New Zealand Foundation in their Statement of Service Performance to be tabled in Parliament.
4. To be reported by the Pacific Cooperation Foundation in their Statement of Service Performance to be tabled in Parliament.
5. MFAT's Annual Report.
6. NZTE's Annual Report.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE AGAINST APPROPRIATIONS (CONTINUED)

For the year ended 30 June 2023

Multi – year appropriation for Vote Foreign Affairs: International Development Cooperation
For the year ended 30 June 2023

During the year ended 30 June 2023, MFAT had one non departmental multi-year appropriations in Vote Foreign Affairs: International Development Cooperation.

This appropriation funded non-departmental expenses to be incurred by the Crown for the provision of assistance for development activities for Pacific Island and non-Pacific countries (including Asian, African, Latin American, Caribbean, and Middle Eastern countries).

This assistance, which included some humanitarian assistance, was provided to development organisations, partner countries and through other delivery mechanisms, to implement a range of development activities including the design, management, implementation and evaluation of those partner-led activities. This assistance is also provided to multilateral agencies and international voluntary agencies to assist them to provide development.

This appropriation commenced on 1 July 2021 and expires on 30 June 2024.

International Development Cooperation	\$000
Original appropriation	2,538,709
Adjustments 2021-22	471,905
Adjustments 2022-23	1,850
Adjusted appropriation	3,012,464
Actual to 2021-22 year end	(826,901)
Actual to 2022-23 year end	(971,455)
Appropriation remaining	1,214,108

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

STATEMENT OF NON-DEPARTMENTAL EXPENSES AND CAPITAL EXPENDITURE INCURRED WITHOUT, OR IN EXCESS OF, APPROPRIATIONS OR OTHER AUTHORITY

For the year ended 30 June 2023

The Ministry had no unappropriated capital expenditure at as 30 June 2023 (30 June 2022: \$23 million).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2022-23.

Our legal responsibilities

For the year ended 30 June 2023

Crown entities

The Ministry of Foreign Affairs and Trade's relationship with Crown entities and other organisations that provide non-departmental output classes funded under Vote Foreign Affairs is as follows.

New Zealand Antarctic Institute (Antarctica New Zealand)

The New Zealand Antarctic Institute is a Crown entity established under the New Zealand Antarctic Institute Act 1996. Its purpose is to develop, manage, and execute New Zealand's activities in Antarctica and the Southern Ocean, in particular the Ross Dependency, and maintain and enhance the quality of New Zealand Antarctic scientific research while cooperating with other institutions and organisations that have similar objectives.

Our main responsibility is to monitor on behalf of the Minister the Institute's effectiveness, efficiency, and management of risks. We do this by providing advice on strategic direction and capability, assessing the appropriateness of output and performance measures for the Statement of Intent, providing advice to the

Minister on board appointments and inductions, and monitoring performance against expected outputs and outcomes.

Pacific Cooperation Foundation

The Pacific Cooperation Foundation was established as a charitable trust in June 2002 with accountability to the Crown under the Public Finance Act 1989. By undertaking targeted activities the Foundation acts as a catalyst for strengthening New Zealand-Pacific relationships, providing information, facilitating outcomes, and developing networks within the Pacific region.

The Foundation has been funded since 2004 through Vote Foreign Affairs. The Foundation's Board of Trustees includes one MFAT representative. We act on behalf of the Minister as purchase and ownership adviser in respect of the Foundation. We assist with the preparation of the annual Statement of Performance Expectations between the Foundation and the Minister, coordinate the appropriation process, provide financial and performance monitoring, advise on the Foundation's strategic direction and capability, and report to the Minister.

Asia New Zealand Foundation – Te Whītau Tūhono

The Asia New Zealand Foundation – Te Whītau Tūhono was established in 1994 as an incorporated trust with accountability to the Crown under the Public Finance Act 1989. The Government provides funding to the Foundation through MFAT on the basis of an annual statement of performance expectations agreed at the beginning of each financial year by the Foundation and the Responsible Minister.

The Foundation works to deepen New Zealanders' knowledge and understanding of Asia through its activities in education, business, media, Track II informal diplomacy dialogues, research, arts, entrepreneurship, leadership and sports. We act on behalf of the Minister as purchase adviser and contract manager in respect of the Foundation. We oversee the preparation of the annual statement of performance expectations and coordinate the appropriation process as part of the Foundation's performance and financial monitoring.

Our Chief Executive is an ex-officio member of the Board of Trustees.

New Zealand Trade and Enterprise – Te Taurapa Tūhono

New Zealand Trade and Enterprise (NZTE) is a Crown entity. MFAT, in conjunction with the Ministry of Business, Innovation and Employment (MBIE), has a joint role in monitoring the performance of NZTE on behalf of the Ministers for Trade and Export Growth and the Minister for Economic Development, although NZTE is not funded from Vote Foreign Affairs. We work with MBIE to provide briefing and comment to Ministers on NZTE's performance. Our Chief Executive acts as a special adviser to the NZTE Board. This dialogue ensures high-level policy coordination and close alignment of goals between the two organisations.

PRIMARY LEGISLATION WE ADMINISTER

Foreign affairs

- Commonwealth Countries Act 1977
- Consular Privileges and Immunities Act 1971
- Diplomatic Privileges and Immunities Act 1968
- Foreign Affairs Act 1988

Peace, rights and security

- Anti-Personnel Mines Prohibition Act 1998
- Brokering (Weapons and Related Items) Controls Act 2018
- Chemical Weapons (Prohibition) Act 1996
- Cluster Munitions Prohibition Act 2009
- Geneva Conventions Act 1958
- International Crimes and International Criminal Court Act 2000 (jointly administered with the Ministry of Justice)
- Maritime Powers Act 2022
- Mercenary Activities (Prohibition) Act 2004
- New Zealand Nuclear Free Zone, Disarmament and Arms Control Act 1987
- Nuclear Test Ban Act 1999
- Russia Sanctions Act 2022
- Terrorism Suppression Act 2002 (jointly administered with the Ministry of Justice)
- United Nations Act 1946

Antarctica

- Antarctica Act 1960
- Antarctica (Environmental Protection) Act 1994
- Antarctic Marine Living Resources Act 1981
- New Zealand Antarctic Institute Act 1996

Law of the sea

- Continental Shelf Act 1964
- Territorial Sea, Contiguous Zone, and Exclusive Economic Zone Act 1977
- United Nations Convention on the Law of the Sea Act 1996

The Pacific

- Cook Islands Act 1915
- Cook Islands Constitution Act 1964
- Kermadec Islands Act 1887
- Niue Act 1966
- Niue Constitution Act 1974
- Pitcairn Trials Act 2002
- Tokelau Act 1948
- Tokelau (Territorial Sea and Exclusive Economic Zone) Act 1977
- Western Samoa Act 1961

Multilateral treaties:

1. Signed 22/11/2019 ratified 10/05/2023
Revisions to the Radio Regulations adopted by the Final Acts of the World Radiocommunication Conference 2019
2. Acceded to on 30/5/2023
Cape Town Agreement of 2012 on the Implementation of the Provisions of the 1993 Protocol relating to the Torremolinos International Convention for the Safety of Fishing Vessels, 1977 (noting that the requirements for EIF have not yet been met).

Bilateral treaties:

1. Signed on 16/09/2019 entered into force 20/03/2023
Protocol Amending the Agreement between the Government of New Zealand and the States of Guernsey For the Exchange of Information with Respect to Taxes and the Allocation of Taxing Rights with Respect to Certain Income of Individuals done at London on 21 July, 2009
2. Signed 28/02/2022 entered into force 31/05/2023
Free Trade Agreement between New Zealand and the United Kingdom of Great Britain and Northern Ireland
3. Signed 9/8/2022 entered into force 9/11/2022
Framework Agreement between the Government of New Zealand and the Government of the United States of America on Cooperation in Aeronautics and the Exploration and use of Airspace and Outer Space for Peaceful Purposes
4. Signed 8/11/2022 entered into force 2/06/2023
Agreement between New Zealand and the Kingdom of Spain for the Mutual Recognition and Exchange of National Driving Licences
5. Signed 30/6/2022
Agreement between the European Union, of the one part, and New Zealand, of the other part, on the exchange of personal data between the European Union Agency for Law Enforcement Cooperation (Europol) and the authorities of New Zealand competent for fighting serious crime and terrorism
6. Signed 14/06/2023
Agreement Between the Government of the Republic of Fiji and the Government of New Zealand on Cooperation in the Field of Defence and the Status of Visiting Forces

Independent Auditor's Report

To the readers of the Ministry of Foreign Affairs and Trade's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of the Ministry of Foreign Affairs and Trade (the Ministry). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages [146](#) to [170](#), that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023 on pages [110](#) to [143](#);
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2023 on pages [182](#) to [185](#);
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages [172](#) to [181](#) that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
 - the schedules of expenses; and revenue for the year ended 30 June 2023;
 - the statement of trust monies for the year ended 30 June 2023; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages [146](#) to [170](#):
 - present fairly, in all material respects:
 - » its financial position as at 30 June 2023; and
 - » its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023:
 - presents fairly, in all material respects:
 - » what has been achieved with the appropriation; and
 - » the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages [182](#) to [185](#) are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages [172](#) to [181](#) present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
 - expenses; and revenue for the year ended 30 June 2023; and
 - statement of trust monies for the year ended 30 June 2023.
 - Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.
 - The basis for our opinion is explained below. In addition, we outline the responsibilities of the Secretary of Foreign Affairs and Trade and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary of Foreign Affairs and Trade for the information to be audited

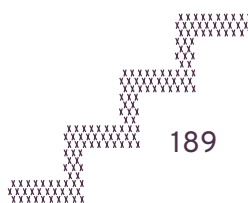
The Secretary of Foreign Affairs and Trade is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry’s financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Secretary of Foreign Affairs and Trade is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary of Foreign Affairs and Trade is responsible on behalf of the Ministry for assessing the Ministry’s ability to continue as a going concern. The Secretary of Foreign Affairs and Trade is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Secretary of Foreign Affairs and Trade’s responsibilities arise from the Public Finance Act 1989.



Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Strategic Intentions 2021–2025, the Estimates and Supplementary Estimates of Appropriation 2022/23 and the 2022/23 forecast financial figures included in the Ministry's 2021/22 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary of Foreign Affairs and Trade.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Ministry.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary of Foreign Affairs and Trade and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary of Foreign Affairs and Trade regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Secretary of Foreign Affairs and Trade is responsible for the other information. The other information comprises the information included on pages 2 through to 203, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Report by the Minister of Foreign Affairs on non-departmental appropriations in Annex 2 in the Ministry's annual report is not part of the Ministry's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit, we have carried out probity assurance reviews in the procurements of a replacement financial management information system and InvestPacific Fund.

For the year ended 30 June 2023 and subsequently, the independent Chair of the Ministry's Audit and Risk Committee is also the independent Chair of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it provides independent advice to the Auditor-General and does not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Ministry.

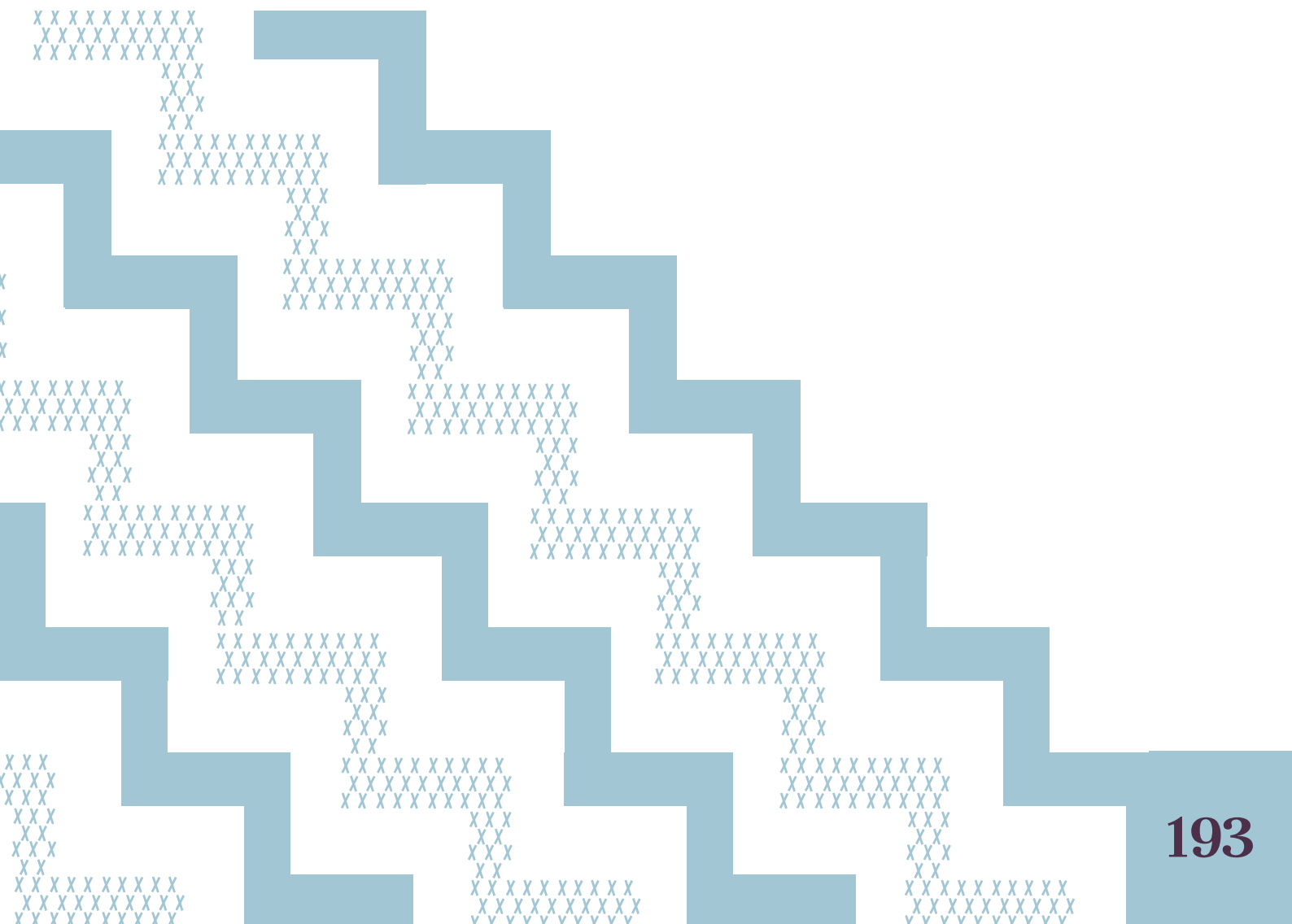
Other than the audit, the probity assurance reviews, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with, or interests, in the Ministry.

Karen Young

Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Additional information

He Mōhiohio Tāpiri



Diplomatic immunity cases

For the year ended 30 June 2023

In the interests of transparency, the Ministry of Foreign Affairs and Trade publishes an aggregate list of alleged serious criminal offences committed by foreign representatives and accredited family members, along with requests for waivers of foreign diplomatic immunity.

The dates of the incidents and the names of the countries involved are not published. Given the small number of cases and the small size of the [Diplomatic Corps](#) resident in New Zealand (refer to [p.131](#) for more information), releasing the yearly statistics on immunity cases could lead to the identification of the individual(s) concerned (including the alleged victims). We therefore use a rolling five-year reporting period. Not all requests for waivers of immunity relate to offending; in many cases waivers are requested to enable New Zealand Police to interview members of the Diplomatic Corps when they are witnesses to or victims of crime in New Zealand.

The table below outlines the number of alleged serious offences involving foreign representatives (and members of their families) who held immunity, whether the offences were considered to warrant prosecution by Police, whether a waiver of immunity was sought by the Ministry, and whether a waiver of immunity was granted by the sending Government.

Offence Reporting Period: July 2018 - June 2023	
Number of alleged serious offences	3
Number of alleged serious offences considered to warrant prosecution	2
Waivers of immunity sought	13
Waivers of immunity granted	6
Percentage of cases warranting prosecution where waiver sought	100%
Percentage of waivers granted to waivers sought	50%

Notes:

1 A serious offence is defined as one which carries a penalty of imprisonment for 12 months or more.

2 Police do not prosecute in every serious case for a variety of reasons, for example, strength of evidence, alleged offender no longer in New Zealand.

3 A waiver can be requested for any matter that involves the New Zealand judicial or administrative system.

Asset performance

For the year ended 30 June 2023

7/12
MET BUDGET
STANDARD

What we intend to achieve

This appropriation is intended to achieve the provision of modern, secure and effective premises for The Ministry is a tier-two investment-intensive public service department. It has a \$642 million asset base that comprises property (95 percent), information and communications technology assets (4 percent) and motor vehicles (1 percent).





The Ministry actively manages a portfolio of 360 owned and leased properties around the world to support its goals.

Measuring performance

The following measures are used to monitor the performance of our property and information and communications technology assets. These measures inform the Investor Confidence Rating indicator on asset performance.

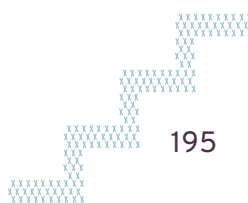
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












- 
 MET BUDGET STANDARD – Achieved
- 
 DID NOT MEET BUDGET STANDARD – Not achieved
- 
 PROPERTY ASSET
- 
 INFORMATION AND COMMUNICATIONS TECHNOLOGY ASSET





Asset Performance Measure	Asset Performance Indicator	Target Level	2022-23 Actual Level	2021-22 Actual Level
 Chancery buildings with a performance gap ≤ 2 ^	Functionality (fit-for-purpose)	More than 80%	 83%	82%
 Official residences with a performance gap ≤ 2 ^	Functionality (fit-for-purpose)	More than 90%	 95%	95%

^The Ministry uses a fit-for-purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.

^The Ministry uses a fit-for-purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.



Asset Performance Measure		Asset Performance Indicator	Target Level	2022-23 Actual Level	2021-22 Actual Level
	Head Office occupancy rate ^	Utilisation	Less than 16m ²	 13m ²	13m ²
^Occupancy of Head Office assessed using the GPG standard as a target, and as at December 2021 there were 1,116 onshore staff (excluding contractors) in Head Office and Willeston Street occupying a total of 13,600m ² .					
	Assessed chancery buildings with an overall building quality gap of <=2	Condition	More than 80%	 78%	73%
Not achieved – The measure relates to part of the fit-for-purpose assessment of the Ministry’s chancery buildings. The Ministry assesses building quality elements such as air-conditioning, age of the fit-out and age of premises to determine whether building quality meets the level of service desired. Building quality declines with age and building rejuvenation projects are sometimes required to address this. Although the Ministry did not achieve the budget standard, the actual result of 78% in 2022-23 is an improvement from last year’s results of 73%. This is due to the building rejuvenation project in Riyadh now being completed.					
	Assessed official residences with an overall building quality gap of <=2	Condition	More than 80%	 80%	80%
	Proportion of time networks are available	Functionality (fit-for-purpose)	More than 99.7%	 99.71%	99.6%
	Proportion of time critical services are available	Functionality (fit-for-purpose)	More than 99.7%	 99.93%	100%
	Proportion of available data storage capacity being used in the production environment: SAN MGMT pools (note 3)	Utilisation	Less than 85%	 12.03%	78%
Not achieved – During 2022-23 data storage was migrated to new systems presented as Storage as a Service					
	Proportion of available data storage capacity being used in the production environment: SAN IC pools (note 3)	Utilisation	Less than 85%	 17.83%	62%
Not achieved – During 2022-23 data storage was migrated to new systems presented as Storage as a Service					
	Proportion of available data storage capacity being used in the production environment: SAN Restricted pools (note 3)	Utilisation	Less than 85%	 65.31%	74%
Not achieved – During 2022-23 data storage was migrated to new systems presented as Storage as a Service					

Asset Performance Measure	Asset Performance Indicator	Target Level	2022-23 Actual Level	2021-22 Actual Level
 Proportion of available data storage capacity being used: Data Domain (note 3)	Utilisation	Less than 85%	 77.13%	82%
Not achieved – During 2022-23 data storage was migrated to new systems presented as Storage as a Service				
 Proportion of server machines patched each month	Condition	More than 95%	 94.40%	95%

Our structure and governance

For the year ended 30 June 2023

Meet the people leading MFAT today

Our senior leadership team (SLT) includes the Chief Executive, two Deputy Chief Executives and five Deputy Secretaries.



Chris Seed

Chief Executive



Ben King

Deputy Chief Executive Policy

- Executive Services
- Audit and Risk
- Communications
- International Security and Disarmament
- Strategy and Performance
- Strategic Investment
- Māori Policy
- Russia Sanctions*
- Export Controls Review Programme
- Mātauranga Māori Implementation Programme

*Russia Sanctions – this was reported to Deputy Chief Executive Policy until April 2023, and then transferred to become New Zealand Sanctions Unit of the Legal Division.



Vangelis Vitalis

Deputy Secretary Trade and Economic Group

- Trade Policy Engagement and Implementation
- Economic
- APEC Policy
- Trade Policy and Negotiation



Deborah Geels

Deputy Secretary Americas and Asia Group

- America
- Asia Regional
- North Asia
- South and South East Asia



Taha Macpherson

Deputy Secretary Europe, Middle East, Africa & Australia Group (Acting)

- Australia
- Middle East and Africa
- Europe



Bernadette Cavanagh

Deputy Secretary Pacific and Development Group

- Partnerships, Humanitarian & Multilateral
- Pacific and Development
- Pacific Bilateral – Polynesia & French Pacific
- Pacific Bilateral – Melanesia & Micronesia
- Global Development & Scholarships
- Pacific Regional
- Development People and Planet
- Development Economy & Prosperity
- Capability & Insights



Victoria Hallum

Deputy Secretary Multilateral and Legal Affairs Group

- Legal
- United Nations and Commonwealth
- Corporate Legal
- Climate Change
- Protocol
- Environment
- Consular



Rob Taylor

Deputy Chief Executive People and Operations (Acting)

- Information Management
- Commercial
- People
- Finance
- Asset Management
- Security and Organisational Resilience
- Portfolio and Delivery Services

Our Ministers

Together, MFAT's senior leadership team support the following Ministers in their portfolio:

Ministers of Foreign Affairs

We are accountable to the Ministers of Foreign Affairs for the delivery of our services and day-to-day operations.

Minister of Disarmament and Arms Control

We are accountable to the Minister of Disarmament and Arms Control for our work with the UN for helping create and maintain a peaceful world.



Hon Nanaia Mahuta
Minister of Foreign Affairs / Minister of Disarmament and Arms Control



Hon Carmel Sepuloni
Associate Minister of Foreign Affairs

Ministers for Trade and Export Growth

We are accountable to the Minister of Trade and Export Growth for international trade negotiations and addressing market access issues facing New Zealand exporters.



Hon Damien O'Connor
Minister for Trade and Export Growth



Hon Rino Tirikatene
Minister of State for Trade and Export Growth

Minister of Climate Change

We are accountable to the Ministers of Climate Change for representing New Zealand in negotiations with the rest of the world to reach smart solutions to global environmental challenges.



Hon James Shaw



Dame Jacinda Ardern

Prime Minister

We service the Prime Minister with advice and supporting his off-shore travel and Guest of Government inwards visits.



Rt Hon Chris Hipkins

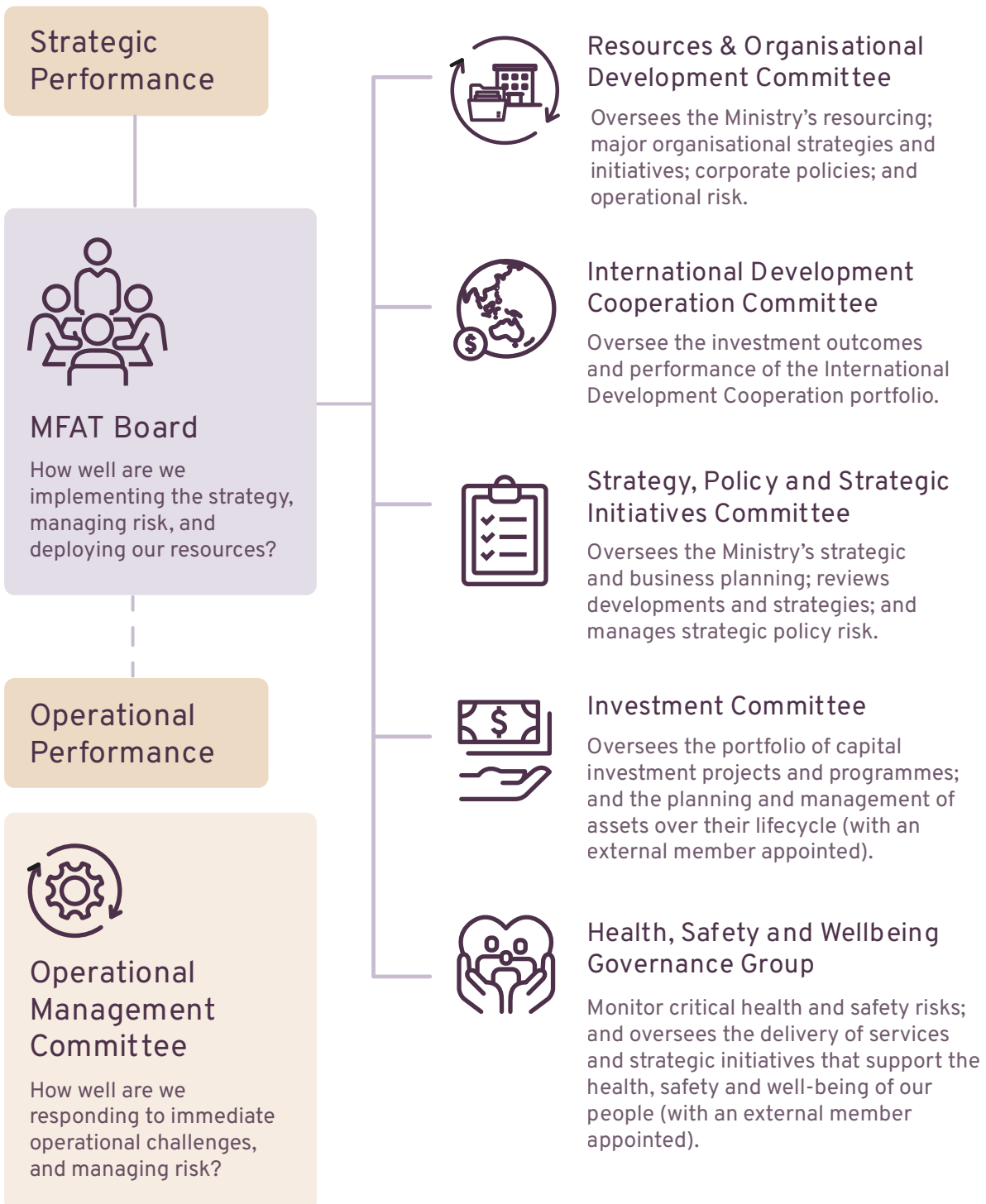
Special Envoy for Christchurch Call

We support the role of the Special Envoy via a joint venture with DPMC which includes MFAT providing policy advice, communications expertise, support through our post network, and organisational support for the annual Christchurch Call Summit.

Our governance framework

The Ministry’s governance framework is made up of the MFAT Board and committees (with a membership reflective of a public service governance approach) which convene to exercise strategic governance of the Ministry and to oversee its organisational performance. The framework provides a platform to exercise leadership and strategic direction for the Ministry, make key decisions, and monitor its performance and risks in order to achieve what the Ministry sets out to do.

The Ministry also has an Audit and Risk Committee with three external members appointed.



Glossary

APEC	Asia Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
BBNJ	Biodiversity of Areas beyond National Jurisdiction
Bilateralism	Refers to dialogue, cooperation or agreements between two countries.
BIWAB	Bangsamoro Islamic Women Auxiliary Brigade
CCAMLR	Commissions for the Conservation of Antarctic Marine Living Resources
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CER	NZ-Australia Closer Economic Relations
Christchurch Call	The Christchurch Call is a community of over 120 governments, online service providers, and civil society organisations acting together to eliminate terrorist and violent extremist content online.
COP 27	2022 United Nations Climate Change Conference of the Parties
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
DEPA	Digital Economy Partnership Agreement
Disinformation	False information which is deliberately intended to mislead
EAS	East Asia Summit
ERW	Explosive remnants of war
EWIPA	Explosive Weapons in Populated Areas
FOMA	Federation of Māori Authorities
FTAs	Free Trade Agreements
GBF	Kunming-Montreal Global Biodiversity Framework
GCERF	Global Community Engagement and Resilience Fund
GDP	Gross domestic product represents the country's income earned from production in that same country.
ICJ	International Court of Justice - The Court is the principal judicial organ of the United Nations, established in 1945 by the Charter and based in The Hague. It settles legal disputes and gives advisory opinions on international law, with 15 judges elected by the United Nations General Assembly and Security Council.
IDC	International Development Cooperation
IPEF	Indo-Pacific Economic Framework for Prosperity
IPETCA	Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA)
IUU	Illegal, unreported and unregulated fishing
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, Asexual, Plus. The 'plus' is used to signify all of the gender identities and sexual orientations that letters and words cannot yet fully describe.
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade

Misinformation	False or inaccurate information – getting the facts wrong.
MOU	Memorandum of Understanding
MPIA	Multi-Party Interim Arbitration Agreement
MPP	Ministry for Pacific Peoples
Multilateralism	Technically refers to dialogue, cooperation or agreements between three or more countries. However, in practice it is usually used to refer to dialogue, cooperation or agreements involving (or open to) participation by all countries, often through organisations that claim or aspire to universal membership (UN, WTO, etc.).
NGOs	Non-Governmental Organisations
NZMATES	New Zealand–Indonesia Maluku Access to Energy Support
OECD	Organisation for Economic Cooperation and Development
OIA	The Official Information Act 1982 helps New Zealand Citizens, permanent residents and anyone in New Zealand access information held by Government organisations and Ministers. This promotes openness and transparency and enables greater public participation in government.
OIV	International Organisation of Vine and Wine
Page impressions	A digital metric that captures the number of views an element within a web page has potentially received.
PIF	Pacific Islands Forum
Plurilateralism	This is a particular type of multilateralism, which involves dialogue, cooperation or agreements with a limited number of countries with a particular interest in an issue (e.g. the Antarctic Treaty).
RAMSI	The Regional Assistance Mission to Solomon Islands
RSE	Recognised Seasonal Employer
Rule-based international system	The framework of rules, norms and institutions that has governed relations between states since the end of World War II. It is underpinned by principles such as the peaceful settlement of disputes, respect for sovereignty and territorial integrity, and the promotion of sustainable development and respect for fundamental human rights.
SOGIESC	Sexual Orientation, Gender Identity, Gender Expression and Sex Characteristics
SPNFZ	The South Pacific Nuclear-Free Zone
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children’s Emergency Fund
UXO	Unexploded ordnance – explosive weapons that did not explode when they were employed and still pose a risk of detonation.
WHO	World Health Organisation
WTO	World Trade Organisation

Kaitiakitanga	Guardianship, stewardship, trusteeship.
Kanohi-ki-te-kanohi	Face to Face
Karakia	Prayers or chants used in many formal and informal daily rituals.
Kotahitanga	Unity, togetherness, solidarity, collective action.
Manaakitanga	Process of showing respect, generosity and care for others.
Manatū Aorere	Ministry of Foreign Affairs and Trade
Mātauranga Māori	Māori knowledge'. Within this body of knowledge originating from Māori ancestors are Māori world views, values and perspectives, Māori creativity, and cultural practices and recognition of the inter-related connectedness between all life forces, both those seen and unseen with the human eye.
Mauri	The lift spark or essence inherent in all living things that has been passed down from ancestors through whakapapa.
Ngā Hoe Tuputupu-mai-tawhiti	New Zealand's International Development Cooperation Programme. The name of the programme translates to 'The paddles that bring growth from afar'.
Papa Pounamu	It was established in 2017 to bring together diversity and inclusion practices and initiatives across the public service. Papa Pounamu sets the Diversity and Inclusion work programme for the wider public service. It covers five priority areas that are focused on making the most positive impact across all diversity dimensions.
Te Ao Māori	The Māori world, which refers to the Māori language, protocols and customs, and the Treaty of Waitangi
Te Moana-nui-a-Kiwa	Pacific Ocean, the Blue Pacific Continent
Te Tiriti o Waitangi	The Treaty of Waitangi
Tuia te Waka a Kiwa	New Zealand International Climate Finance Strategy
Tukutuku	Ornamental lattice-work between upright slabs of the walls in a traditional house
Tūwharetoa	The Māori Trust Board is committed to maintaining and enhancing the health and wellbeing of Taupō Waters and enabling Ngāti Tūwharetoa to achieve our social, cultural, environmental and economic aspirations.
Whakapapa	Traditionally used to describe genealogical or ancestral lineages
Whanaungatanga	A relationship through shared experience and working that provides people with a sense of belonging.

ANNEX 1: Minister of Foreign Affairs' report on the non-departmental statement of performance

Consular loans (Capital)

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

	2022-23		2021-22	2020-21	2019-20
	Budget standard	Actual	Actual	Actual	Actual
Number of New Zealanders assisted in emergency situations overseas through the provision of new consular loans (approved in accordance with policy)	30	39 ✓	25	46	New Measure

The performance measure wording has been revised to improve the qualitative characteristic. (Original measure: Number of new approved consular loans). In terms of 'approved in accordance with policy', the Ministry can provide short term financial assistance through a consular loan to New Zealanders and permanent residents in financial difficult overseas to ensure their immediate safety and well-being or return to New Zealand. The loan must be necessary and in the public interest, no more generous than is necessary, and the New Zealander must have no other financial options available to them, and a plan and commitment to repay the loan.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
95	Consular loans (Capital Expenditure)	125	1,700	1,575

30/06/22 Balance \$000		30/06/23 Loans \$000	30/06/23 Repayments \$000	30/06/23 Impairment \$000	30/06/23 Balance \$000
560	Consular loans (Asset Balance)	125	(232)	(49)	404

Explanation of significant budget variance

The variance is due to lower than expected activity in Consular cases requiring financial assistance for New Zealanders in distress overseas through the provision of loans.

Consular loan expenses

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

Assessment of performance

	2022-23		2021-22	2020-21	2019-20
	Budget standard	Actual	Actual	Actual	Actual
Under 10% of opening loans balance is expensed in the year	Met	✓ Met	Met	Met	Met

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
163	Consular loans expenses	49	50	1

Explanation of significant budget variance

Loan impairment increased by \$0.049 million to a total of \$0.282 million.

Subscriptions to International Organisations

This appropriation is limited to non-discretionary payments required as formal obligations arising from New Zealand's membership of international organisations, and as signatory to international treaties and conventions.

An exemption from reporting performance measures for this appropriation has been granted under section 15D (2) (b) (ii) of the Public Finance Act 1989.

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
55,074	Subscription to international organisations	58,619	60,729	2,110

Explanation of significant budget variance

Subscriptions to International Organisations underspent as unfavourable foreign exchange movements and increases didn't occur to the level expected.

Disbursements made and exemptions from taxation PLA

Refund of New Zealand local body rates for offices and residential premises of overseas diplomatic missions and consular posts pursuant to section 21 of the Diplomatic Privileges and Immunities Act 1968

Assessment of performance

	2022-23		2021-22	2020-21	2019-20
	Budget standard	Actual	Actual	Actual	Actual
Number of rate reimbursements processed	65-80	58	67	65	94
Not achieved – For the rates refunds, less were processed as less missions applied for their refunds this year.					

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
1,681	Disbursements made and exemptions from taxation PLA	2,260	2,700	440

Explanation of significant budget variance

The timing of these refunds is dependent on claims being submitted by the New Zealand based overseas diplomatic missions and the appropriation includes a contingency for unexpected prior year claims.

Support for Ukraine

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

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
7,500	Support for Ukraine	-	-	-

Explanation of significant budget variance

There is no funding for this appropriation in 2022-23 year.

Annex 2:

Minister of Foreign Affairs’ report on the International Development Cooperation non-departmental appropriation within Vote Foreign Affairs 2022–23

This report is prepared under Section 19B of the Public Finance Act 1989: Provision of end of year performance information by Ministers.

Aotearoa New Zealand's International Development Cooperation (IDC) Programme Ngā Hoe Tuputupu-mai-tawhiti is funded by a non-departmental appropriation within Vote Foreign Affairs. The Pacific and Development Group of the Ministry of Foreign Affairs and Trade manages the IDC Programme, disbursing the funding provided under this appropriation to a range of delivery partners (including Aotearoa New Zealand government agencies, partner governments, non-government organisations, companies, and regional and multilateral organisations).

The non-departmental IDC appropriation for the triennium July 2021–June 2024 is \$3,012 million¹. Three-year appropriations allow expenditure to be managed across years, which enables the Ministry to focus on longer term quality and impact. A separate departmental appropriation is provided under Vote Foreign Affairs to fund the Ministry's management of the IDC Programme.

This report provides an overview of IDC Programme performance for the 2022–23 financial year. The first section features key achievements for the year, including the Ministry's work with other government agencies; delivery against the new climate finance commitment; and findings from the recent OECD Development Assistance Committee peer review of Aotearoa New Zealand's development cooperation.

The second section sets out results against each of four major funding allocations within the IDC appropriation:

- Humanitarian
- Multilateral Agencies and Partnerships
- Pacific Development Cooperation
- Global Development Cooperation

¹This figure is current at 30 June 2023. For latest allocation figures, see: <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/>



Training exercise to practice delivery of initial services in the event of a natural disaster in the Cook Islands. Credit: IPPF/Hannah Maule-Finch.

Aotearoa New Zealand's International Development Cooperation Programme Ngā Hoe Tuputupu-mai-tawhiti

The Ministry of Foreign Affairs and Trade – Manatū Aorere (hereafter ‘the Ministry’) is the agency with primary responsibility for administering Aotearoa New Zealand’s international development cooperation. The Ministry administers this development cooperation through Aotearoa New Zealand’s International Development Cooperation (IDC) Programme – Ngā Hoe Tuputupu-mai-tawhiti².

Aotearoa New Zealand delivers Official Development Assistance (ODA)³, knowledge and skills to help improve sustainable development and reduce poverty in developing countries, with a strong focus on the Pacific. Our humanitarian action saves lives and relieves suffering in natural disasters and protracted crises. We seek coherence across development, diplomatic, trade and economic, climate change, environment, and security objectives to ensure we deliver sustainable progress in developing countries, and advance Aotearoa New Zealand’s interests and values. Aotearoa New Zealand’s international development cooperation (both policy and financial) is an integral pillar of our foreign policy. It reflects our network of international relationships and commitments, and is an expression of our values.

Aotearoa New Zealand’s Policy Statement on International Cooperation for Effective Sustainable Development⁴ identifies the overall purpose of Aotearoa New Zealand’s IDC: *to contribute to a more peaceful world, in which all people live in dignity and safety, all countries can prosper, and our shared environment is protected.*

Aotearoa New Zealand’s IDC priorities support individual country objectives and needs in order to promote sustainable development; align to the Sustainable Development Goal (SDG) pillars of people, planet, prosperity and peace; and reinforce the global commitment to leave no one behind: kaua tētahi e whakarērea.

We seek effective, inclusive, resilient, and sustained outcomes⁵, and work in line with international development effectiveness principles.

²The paddles that bring growth from afar

³ODA definition: Aotearoa New Zealand is a member of the OECD Development Assistance Committee (OECD DAC) which determines at a high level what can be counted and reported internationally as Official Development Assistance (ODA). Only support which has as its primary purpose the economic development and welfare of developing countries and which is provided on concessional terms can be counted. Aotearoa New Zealand’s support under the International Development Cooperation appropriation within Vote Foreign Affairs is more expansive than the OECD DAC definition, in that some high income Pacific countries are also eligible under this appropriation.

⁴ See: <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

⁵ See: <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/New-Zealands-International-Development-Principles.pdf>

Overview

In the 2022–23 year, as the world started to emerge from the COVID-19 crisis, global crises have continued to set back development gains globally and in our region, and disrupted shared efforts to support achievement of Sustainable Development Goals (SDGs). Aotearoa New Zealand's IDC Programme has continued to provide flexible, responsive and impactful support, responding to crises while maintaining our long term funding commitments where possible. Foreign and domestic policy levers and approaches, as well as strong and trusted relationships, augmented our financial contributions.

Aotearoa New Zealand's key IDC priorities in 2022–23 were:

- fostering country ownership and inclusive, locally-led development
- delivering climate action
- strengthening resilience to wide-ranging security⁶ threats
- supporting regional and multilateral solutions to shared challenges.

Global challenges and responses

The global economy continues to face a number of challenges, particularly with regards to rising inflation, tightening financial conditions, elevated uncertainty due to the war in Ukraine and geopolitical tension, lockdowns and COVID-19 outbreaks in China, and heavy debt burdens. These pressures come on top of longer term issues such as efforts to decarbonise economies.

Development and humanitarian assistance needs continue to grow globally. The United Nation's SDG Report 2022⁷ highlights the severity and magnitude of the challenges before us. The confluence of crises, dominated by ongoing COVID-19 impacts, climate change and conflicts, are creating spin-off impacts on food and nutrition, health, education, the environment, peace and security.

Aotearoa New Zealand's IDC programme beyond the Pacific has provided a targeted contribution to the global response to these challenges, delivering a range of development and humanitarian interventions, focussing on the broader Indo-Pacific region.

A Pacific focus

Global crises are having direct and indirect impacts on our Pacific partners. Recent community transmission of COVID-19 for some partners, the legacy of long term border closures on tourism sectors and Government accounts, the impacts of inflation on fuel and food, and regular significant weather events are all exposing the vulnerabilities our Pacific partners face.

Aotearoa New Zealand continues to stand alongside our Pacific whānau, facing these challenges together. We have worked to provide responsive support to help lessen the impact of crises, and continue to honour our commitment to working alongside our partners in delivering tangible long-term impact and strengthened resilience with an emphasis on promoting climate change adaptation, economic resilience; peace and stability; and good governance.

Growth is forecast to return in 2023 and 2024 to most Pacific countries, shaped by continued recovery from economic impacts of the COVID-19 pandemic, reopening of borders and the return of international travel benefiting tourism-dependent economies. It is expected that high rates of inflation and ongoing labour-supply challenges will continue to affect the region. As Pacific economies return to growth, Aotearoa New Zealand will pivot away from emergency budget support, back to budget support linked to the achievement of macroeconomic and public financial management reforms. Working closely with other development partners, this reform-linked budget support will ensure the sustainability of economic recoveries in the region.

Expenditure

Total expenditure for the IDC appropriation in 2022–23 (the second year of the funding triennium) was \$971.5 million, the highest ever IDC expenditure in a single year. We are committed to providing at least 60% of our IDC funding to the Pacific region, and in the 2022–23 financial year we delivered 61% of our total IDC funding to the Pacific (\$592.2 million).

⁶We use an expanded concept of security inclusive of human security, health security, humanitarian assistance, environmental security, cyber security, and disaster and climate resilience.

⁷ See: <https://www.un.org/development/desa/dspd/2022/07/sdgs-report>

FIGURE 1: PROPORTION OF IDC FUNDING SPENT ON KEY PRIORITIES 2022-23

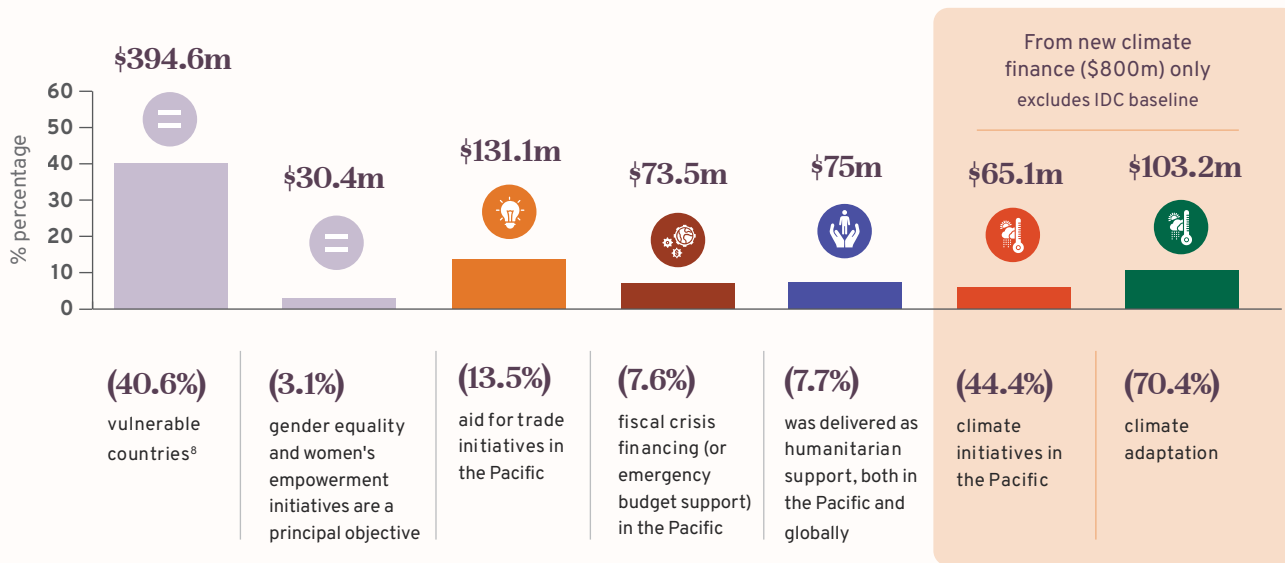
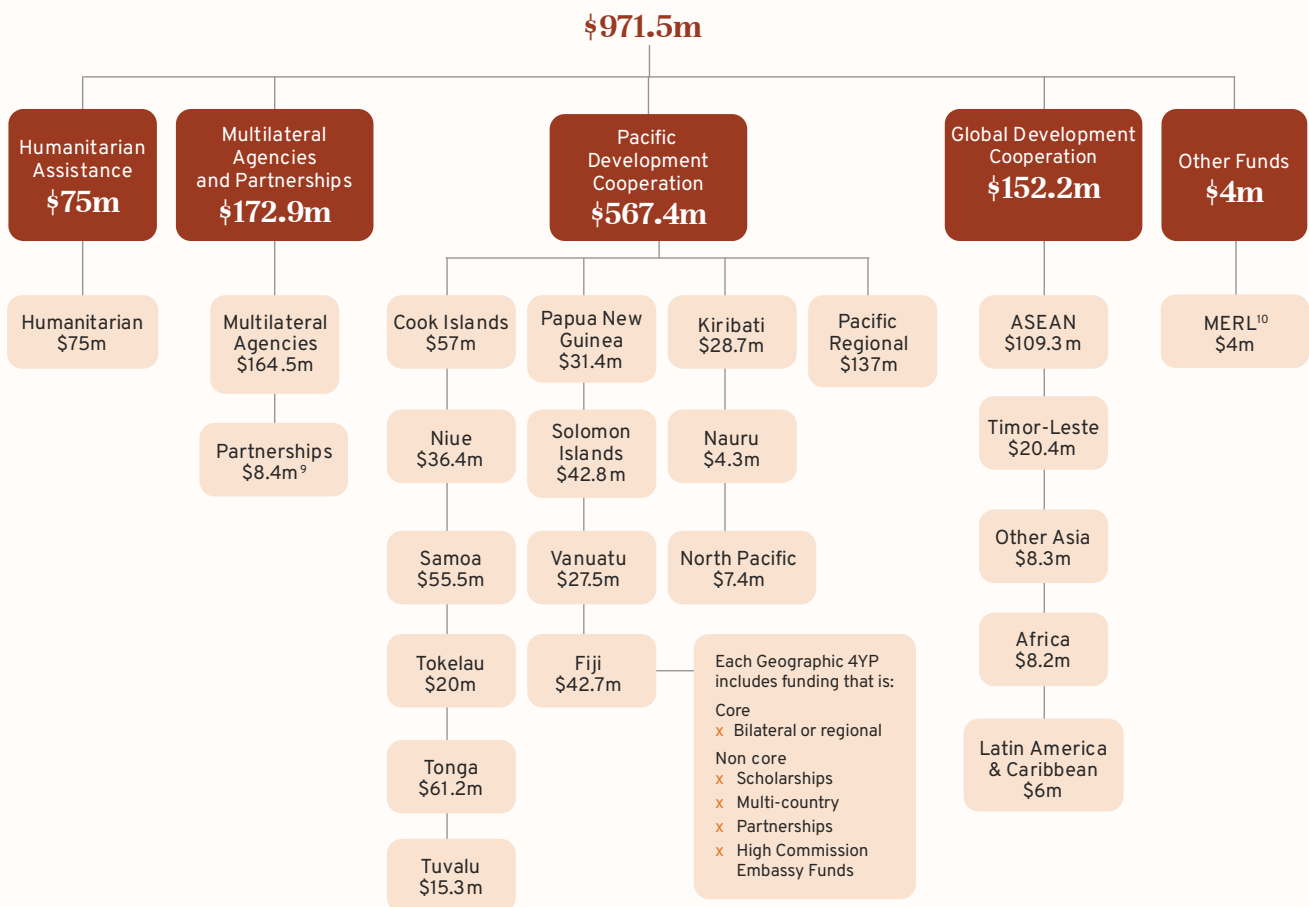


FIGURE 2: NGA HOE TUPUTUPU-MAI-TAWHITI: 2022-23 EXPENDITURE BY ALLOCATION GROUP AND FOUR-YEAR PLAN (4YP)



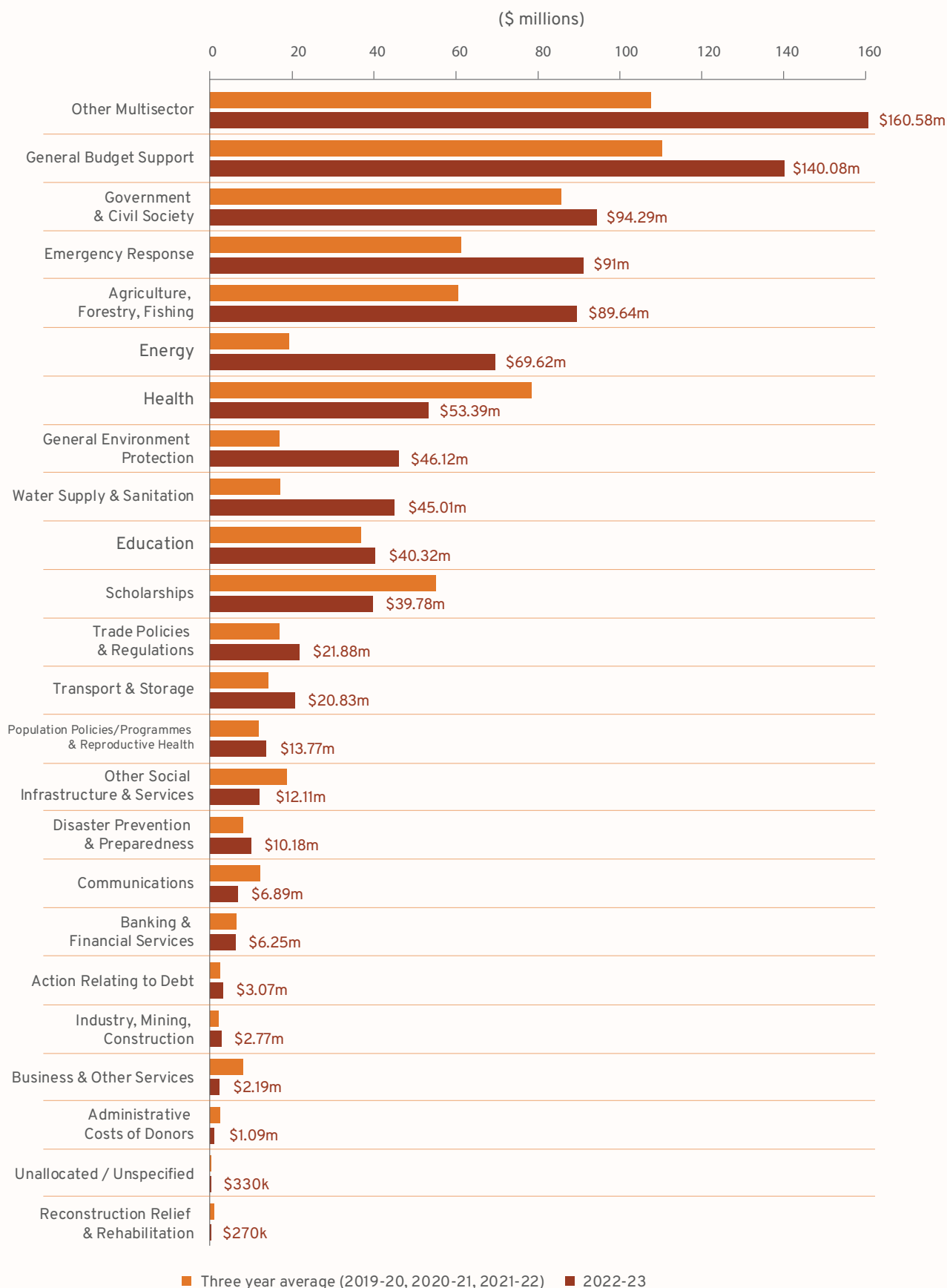
⁸Vulnerable countries are defined as countries which have a score of 36 or greater on the UN Economic and Environmental Vulnerability Index, see: <https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html> (EVI tab). NB. The EVI does not include data on non-UN member states i.e. territories. In absence of country-specific data the Ministry has deemed all micro-state territories (population <100,000) to be vulnerable by definition.

⁹ Note that the total spend for the Partnerships programme was \$34.05 million, most of which is allocated to geographic four-year plans.

¹⁰ MERL stands for Monitoring, Evaluation, Research and Learning.

FIGURE 3: NGĀ HOE TUPUTUPU-MAI-TAWHITI: 2022-23 EXPENDITURE BY SECTOR (compared with three year average from 2019-20, 2020-21, 2021-22)

Aotearoa New Zealand’s total IDC spend for 2022-23 was \$971.5 million. Of this, the top three areas of expenditure were multi-sector activities (core support to multilateral and regional agencies), general budget support, and government and civil society – together totalling \$395 million.





New Zealand Police (International Service Group) consultations with Bougainville community members to inform the design of the next phase of the Bougainville policing programme. Credit: New Zealand Police/Bougainville Police Partnership Programme.

Working across government — partnering in delivery

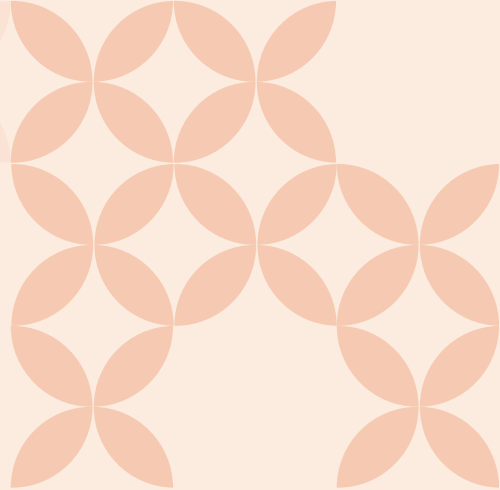
The Ministry works in collaboration with over 30 New Zealand Government agencies to deliver development cooperation across the Pacific. In line with the Pacific Resilience principle: Arongia ki Rangiaātea (Focus toward Excellence)¹¹, we have a ‘whole of government’ approach to working with the state sector through ongoing consultation and engagement with Pacific countries on development priorities, including education, health, fisheries, safe and secure communities, disaster management and building climate resilience.

IDC delivery through Aotearoa New Zealand Government agencies takes a ‘system to system’ approach with Aotearoa New Zealand agencies working directly with their Pacific country counterparts to build and maintain capability and capacity as well as building institutional links.

In 2022–23 more than \$60 million in IDC funding was delivered with and through New Zealand Government agencies in support of development outcomes.

Increased inter-agency engagement over the past year has strengthened joint action on delivery of the IDC programme. This approach is exemplified by the highly successful Polynesian Health Corridors Programme which has forged a strong partnership between the New Zealand Ministry of Health and Departments /Ministries of Health in six Polynesian countries. This programme has been the main conduit for the provision of public health advice to participating countries, particularly during their COVID-19 responses. The programme has also established and enabled connections to other essential parts of Aotearoa New Zealand’s health system.

¹¹ A link to the Cabinet Paper (NZ Pacific Engagement From Reset to Resilience) proactive release on the MFAT external website here: <https://www.mfat.govt.nz/en/media-and-resources/proactive-release-new-zealands-pacific-engagement-from-reset-to-resilience/>.



Other major partnerships with state sector agencies which provide hands on practical support to their counterpart organisations in Pacific countries include:

- New Zealand Police to build safer communities
- Ministry of Primary Industries to develop fisheries and strengthen biosecurity and export assurance systems, as well as capacity to respond to new and emerging pests and diseases impacting plants and animals
- New Zealand Customs to strengthen leadership, trade and institutional strengthening
- Ministry of Business, Innovation and Employment for the Recognised Seasonal Employer scheme
- Ministry for Civil Defence and Emergency Management to build disaster resilience
- Ministry of Education to build teacher capability and improve access to quality education
- Computer Emergency Response Team New Zealand (CERT NZ) to strengthen cyber security and planning through the Pacific Partnerships Programme
- Ministry for the Environment to enable a just transition to a low-emissions and climate-resilient future.

Some examples of results achieved through New Zealand Government agencies from 2022–23 include:

- The New Zealand Transnational Crime Unit (NZTCU) is made up of representatives from the Ministry, New Zealand Police, New Zealand Customs, Immigration New Zealand and Corrections, with the objective of building relationships and developing capability within Pacific Transnational Crime Units (TCUs). A primary focus is delivering intelligence training with Pacific TCUs. The NZTCU also supports the identification and analysis of persons of interest, and gang identification and awareness training.

- Statistics New Zealand's Pacific Programme ran training on Population Estimates and Projections for the Tonga National Statistics Office. The Tongan Ministry of Education relies on these estimates and projections to understand future primary school enrolment numbers, allowing them to implement estimation and projection methods unique to Tonga's requirements.
- Within the Police Partnership, ten New Zealand-trained tracker dogs have successfully integrated within the Fiji Police Force, following New Zealand Police training of eight Fiji Police Force staff as dog handlers and completion of kennels.
- Establishment and delivery of the National Certificate of Education Achievement (NCEA) in Tokelau was a cross-agency effort involving the Ministry of Education, New Zealand Qualifications Authority, the Education Review Office and Te Kura. Students in the Pacific sit their exams at the same time as those in Aotearoa New Zealand, and are marked to the same standards.
- The Parliamentary Counsel Office (PCO) supported Niue Crown Law to prepare eleven pieces of legislation in 2022–23 including support to introduce and pass the Family Relationships Bill which would recognise de facto relationships and provide protections when marriages and relationships break down. Niue's Speaker described the legislation as "the most significant bill passed by Niue in more than two terms".
- The New Zealand Electoral Commission provided technical support to the Papua New Guinea Electoral Commission and Office of the Bougainville Electoral Commissioner as part of our support to governance in Papua New Guinea. Assistance included training and support for a system to manage and pay temporary election workers.



Representatives from Aotearoa New Zealand, Australia and Pacific countries in Auckland for Pacific labour mobility consultations in March, 2023. Credit: MFAT/Pacific Connections.

Working across Government to strengthen Pacific labour mobility

Aotearoa New Zealand’s Recognised Seasonal Employer (RSE) scheme, established in 2007, responds to dual needs: (1) a shortage of seasonal labour in Aotearoa New Zealand’s horticulture and viticulture sectors; and (2) the demand in Pacific countries for greater opportunities for workers to earn income for themselves, their families and the wider community, and to develop skills.

Aotearoa New Zealand’s Pacific labour mobility consultations took place in Auckland in March 2023, jointly hosted by the Ministry and the Ministry of Business, Innovation and Enterprise (MBIE). Pacific representatives included officials from eight countries. The purpose of the meeting was to seek Pacific input on the policy options proposed under the RSE policy review, and the redesign of the Strengthening Pacific Labour Mobility (SPLM) development programme (funded through the IDC programme) to:

- ensure Pacific viewpoints are strongly represented and considered
- understand key issues from the perspective of Pacific governments and wider Pacific stakeholders, and test policy and design options and the extent they address identified issues
- enhance understanding of the difference and intersection between the RSE policy, and the SPLM development support programme, and how both can deliver increased resilience and maximise social and economic outcomes.

Enabling time and space for Pacific countries to caucus among themselves proved an effective way to gain a collective view on the policy options proposed under the RSE policy review. Pacific representatives reflected on the differences in Pacific countries’ labour mobility environments and the need for different approaches to achieve their respective desired outcomes. This was reflected in the recommendations agreed by the caucus.

The commitment and willingness of countries to engage and share freely built a positive and constructive meeting dynamic and generated valuable insights. The consultations highlighted the value of regular, in-person engagement with Pacific partners. The meeting also provided the opportunity to demonstrate Aotearoa New Zealand’s partner-led approach, with the Pacific caucus delivering a collective response that acknowledged the different challenges countries are facing in managing both their ambitions and challenges of labour mobility. The outcomes from the consultations have directly fed into the RSE policy review and redesign of the SPLM programme.

Findings from OECD Review highlight Aotearoa New Zealand's partner-led approach

Every five to six years, the OECD's Development Assistance Committee (DAC) carries out a comprehensive review of the policy and implementation of each member's development cooperation. In late 2022, DAC undertook its Peer Review of Aotearoa New Zealand's IDC programme. The OECD DAC Peer Review (the Review) is the most prominent external assessment of the effectiveness of Aotearoa New Zealand's development assistance.

The Review team visited Aotearoa New Zealand and consulted with Ministers, Ministry officials, other government agencies, NGOs and academics. The team then visited Vanuatu, gaining an on-the-ground perspective of our development cooperation from an important partner country. The review focused on four broad issues:

- a fit-for-purpose system
- ensuring quality and results
- partner-led development and empowering local counterparts
- managing an increase in finance for climate change.

The Review team were particularly interested in the Ministry's approach to integrating Te Āo Māori into practice, and how mātauranga Māori underpins and informs policy positions such as the Pacific Resilience Approach. While acknowledging the Ministry is in early stages of embedding mātauranga Māori into its work, being able to share these experiences proved valuable¹².

The Review¹³ highlighted the strength and quality of Aotearoa New Zealand's partnerships in the Pacific, core strengths of flexibility and agility as demonstrated by our COVID-19 response in the Pacific, as well as the close alignment of domestic policy settings and development objectives in the region. During the official launch of the Review in May 2023, DAC Chair Carsten Staur encouraged the Ministry to share more with stakeholders and other donors about Aotearoa New Zealand's partner-led approach to development, utilisation of budget support and other high trust modalities, and integration of development and foreign policy, all of which contributed to Aotearoa New Zealand's standing as a "trusted, reliable and flexible partner".

The report also found areas where Aotearoa New Zealand could continue to improve, including:

- anchoring development work more robustly across the Ministry
- clarifying policy settings and strengthening use of evidence and results
- streamlining governance and decision-making processes
- better integrating the cross-cutting issues of gender equality, climate and the environment, child and youth well-being, and human rights at all stages of the investment lifecycle.

The Ministry welcomes the Review as a platform from which to drive change and has published a management response¹⁴ that sets out planned actions and implementation timelines against each of the recommendations.

¹² See case study Integrating indigenous worldviews and knowledge into New Zealand's foreign policy: <https://www.oecd.org/development-cooperation-learning/practices/integrating-indigenous-worldviews-and-knowledge-into-new-zealand-s-foreign-policy-e216bed0>

¹³ OECD (2023), OECD Development Co-operation Peer Reviews: New Zealand 2023, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/10883ac5-en>

¹⁴ Link to published management response here: <https://www.oecd.org/dac/peer-reviews/oecd-dac-peer-review-management-response-2023.pdf>

FIGURE 4: OECD DEVELOPMENT COOPERATION PEER REVIEW
 - NEW ZEALAND 2023 - SUMMARY

NEW ZEALAND'S STRENGTHS...

Strong political commitment to being partner led



New Zealand provides general budget support to **eight Pacific partner countries**

A focus on indigenous knowledge and values in policy making



Staff undergo training to better integrate Māori knowledge and values into policy

Civil society funding that strengthens local organisations



MFAT's revamped approach to **civil society funding** drew lessons from an evaluation

Scaled-up international climate finance



New Zealand significantly increased its **international climate finance** and launched a new strategy

...AND AREAS FOR IMPROVEMENT

Streamline the policy framework building on the closer integration of foreign and development policy in the Pacific



Undertake strategic human resource planning to build and retain development expertise and knowledge



Strengthen transparency to support accountability at home and in partner countries



Consistently integrate cross-cutting priorities such as gender equality and the environment in project design and implementation



PROGRESS SINCE THE PREVIOUS PEER REVIEW

New Zealand has partially or fully implemented **14 of the 17 recommendations** from its review in 2015.



FULLY IMPLEMENTED



PARTIALLY IMPLEMENTED



NOT IMPLEMENTED

Source: OECD (2023), OECD Development Co-operation Peer Reviews: New Zealand 2023, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/10883ac5-en>



Taro Island, Choiseul Airport seawall construction as part of Solomon Islands Provincial Airfields Upgrade. The team shown is primarily local workers who are engaged and trained by Downers as part of the Ministry's commitment to leave a legacy behind in trained staff, and to provide local employment. 80% of all staff on this project are locally resourced. Credit: Downer Group.

Delivering Aotearoa New Zealand's International Climate Finance Commitment 2022–2025

Climate change remains the most significant security and development issue facing the Pacific region. Aotearoa New Zealand, as a developed country party to the United Nations Framework Convention on Climate Change and the Paris Agreement, has an obligation to provide and mobilise financial resources to assist developing countries' mitigation and adaptation efforts. Building resilience remains at the heart of Aotearoa New Zealand's engagement with the Pacific, and access to adequate climate finance is key to this resilience.

In October 2021, the Government announced \$1.3 billion funding for climate finance over 2022–25 – more than four times the size of its previous commitment (\$300 million, 2019–22). This includes a commitment to invest at least 50% in adaptation activities, and at least 50% within the Pacific. Of this funding, \$800 million is new and additional finance, and \$500 million is mainstreamed across the existing IDC programme.

In August 2022, Cabinet agreed the International Climate Finance Strategy (ICFS) *Tuia te Waka a Kiwa*¹⁵ would guide investment decisions to deliver on this commitment. At 30 June 2023, eighteen months into the four year programme, 84% of the funding has been approved for delivery within the commitment period – and of that, 65% will be disbursed within the Pacific, and more than 50% is for adaptation activities¹⁶. In 2022–23, of the \$800 million in new and additional finance, \$146.6 million was disbursed.

The international climate finance strategy is focused around the four following goals.

¹⁵ See: <https://www.mfat.govt.nz/assets/Aid/Climate-finance/International-Climate-Finance-Strategy-At-a-glance-FINAL.pdf>

¹⁶ 'Adaptation only' activities account for 36% of committed funding; however cross-cutting activities that contribute to 'adaptation' account for another 40% of committed funding.



Accelerated climate change mitigation

Aotearoa New Zealand is working with countries in the Pacific and globally on initiatives identified by individual countries as priorities to achieve reductions in greenhouse gas emissions to meet their nationally determined contribution (NDC) targets. Just over a third of the initiatives with a mitigation focus have (or will have), directly reduced the total carbon dioxide (tCO₂) emitted; the remainder provide technical assistance to inform strategies and roadmaps.

Enhanced adaptation and resilience to the impacts of climate change

Aotearoa New Zealand is working directly with countries, as well as supporting regional activities in the Pacific, Africa, Asia and Caribbean, to implement adaptation and resilience priorities. Investments largely align with countries' National Adaptation Plans (or equivalent). Initiatives include those relating to enhancing water and food security, strengthening ecosystem resilience, supporting the transition to renewable energy, establishing early warning systems, and supporting countries to access additional climate finance.

Improved institutional capability and evidence-based decision making

Initiatives under this goal include increasing information for climate related decision making and supporting its use; and initiatives focused on incorporating indigenous knowledge in implementation. It also includes activities that support countries to plan for low emission, climate resilient futures.

Leveraged investment to achieve greater climate impact

Initiatives under this goal are focused on using Aotearoa New Zealand's climate finance to 'crowd-in' increased private climate finance and tap into private sector expertise, and leverage greater investment by bilateral donors and multilateral organisations. This includes the Pacific Insurance and Climate Adaptation Programme that focuses on developing a range of disaster risk finance products, particularly at the household and micro-, small-, and medium-sized enterprise level, by partnering with the private sector.



Tokelau student poster on ocean acidification. Credit: MFAT

Country flexible finance — supporting Pacific countries to lead their own climate response

The Ministry's new programme of country flexible finance has been established as an important mechanism for delivering the ICFS. This programme of work will support Pacific countries to accelerate, scale up, and lead their responses to climate change. It will also change the way Aotearoa New Zealand delivers climate finance to some partner governments, reflecting high trust relationships based on the provision of predictable and flexible finance, not tied to specific projects.

This is complemented by technical assistance to support – where requested – areas that Pacific governments would like to strengthen such as public financial management and project implementation to enable more effective delivery of climate finance. This approach is partner-led, responsive to priorities set by individual countries, and provides greater predictability and flexibility of climate finance.

In 2022–23, this approach was approved by Cabinet. Flexible finance has been allocated to Samoa, Tonga, Fiji and the Cook Islands, and we are working with other Pacific partners to determine governance arrangements for the delivery of further funding.

Community-based adaptation is achieving outcomes

The Aotearoa New Zealand–Pacific Partnership on Ocean Acidification (PPOA) has supported communities in Kiribati, Tokelau and Fiji to better adapt to the impacts of climate change-induced ocean acidification through support for research and community-based adaptation actions. The PPOA project was a collaborative effort between Secretariat of the Pacific Regional Environment Programme (SPREP) and the University of the South Pacific (USP), which carried out two key activities.

- Engaging communities in coral restoration in Tokelau. Results showed that the programme helped build capacity to establish coral nurseries, and strengthened community understanding of ocean acidification and the importance of coral. The project included a school awareness programme that resulted in the development of a Tokelau Coral Gardening Manual for use by any household interested in setting up their own coral nursery.
- Establishment of locally managed marine areas (LMMA) on the island of Taveuni, Fiji. This initiative aimed to strengthen governance in communities to enable local natural resource management and to build more resilient and sustainable livelihoods. At the establishment of each LMMA, relevant stakeholders including project partners, Ministry of Fisheries, and the Vanua (traditional qoliqoli owners), were present as the church pastor blessed the marked area thus declaring it tabu (tapu or sacred). With relevant protocols performed, the likelihood of the tabu rules being respected by members of the villages (and district) is high. Since their establishment, communities have witnessed increased fish stocks as well as the restoration of some marine species that were previously depleted, or had disappeared.



Stall holders and small farmers who lose their crops or houses can receive rapid financial support after storms, through innovative micro-insurance products developed with private sector support in the Pacific. Credit: UNCDF, Fiji.

Breakthrough partnership with private finance

A new kind of insurance is giving small farmers and businesses in the Pacific increased hope of surviving through the more frequent storms that come with climate change. Policy holders in these micro insurance schemes receive a pay out when wind or rain levels exceed a certain level. The new kind of insurance coverage – in a region where access to insurance is very low in spite of high exposure risk – is helping Pacific communities prepare better for the impacts of climate change.

Aotearoa New Zealand is a founding funder for the Pacific Insurance and Climate Adaptation Programme (PICAP), which is working with private providers to deliver parametric weather-indexed micro-insurance products. The policies are designed to be affordable, and importantly, to pay out quickly. There's no damage assessment process, and no travelling to physical insurance offices to claim payments.

The PICAP is a joint initiative of the United Nations Capital Development Fund (UNCDF), the United Nations Development Programme, and the United Nations University. It was developed with initial support of the Government of Fiji and other public and private partners – and is recognised internationally as a breakthrough initiative in working with the private sector to leverage finance for development.

The programme was initiated in Fiji, Tonga and Vanuatu and is now expanding to cover Samoa, Solomon Islands, Kiribati, Papua New Guinea, and potentially, Timor-Leste. It is funded by Aotearoa New Zealand (as well as Australia, India and Luxembourg) as part of our regional focus on supporting Pacific governments and communities to address disaster risk and climate change.

Proven benefits

In the first three months of 2023, major climate events hit Fiji and Vanuatu: a tropical depression brought heavy rainfall and flooding to Fiji, and two Category 4 cyclones hit Vanuatu. Nearly one thousand parametric insurance pay-outs were made to policy holders in the two countries – approximately 74% received pay-outs directly into bank accounts or mobile e-wallets within 2 weeks of receipt of verified data from the insurers.

Of these beneficiaries, about 40% were women and 24% persons with disabilities, which demonstrates the value of the targeted PICAP approach, aiming to ensure inclusion for the most vulnerable to financial loss from storms.



AUT Manaaki Scholar Enrichment Event, Ngā Wai o Horotiu Marae, July 2023. Credit: AUT.

Scholarships — building mana through manaaki

The Ministry’s Manaaki New Zealand Scholarships Programme (MNZSP) is committed to supporting developing countries across the globe to achieve their development goals. Over the past year a major change to the delivery of the MNZSP was initiated through a partnership with Education New Zealand (ENZ), where the Ministry continues to provide strategic, policy and delivery oversight for the programme, while ENZ leads operational delivery. Almost one year into its journey, the partnership continues to be built, with joint governance structures and agency collaboration helping to drive continuous improvement of the programme.

Aotearoa New Zealand’s scholarships programme faced new challenges in a post-COVID-19 context, including management of deferred scholars as a result of the two year border closure, capacity constraints in processing visa applications, cessation of English language testing in certain partner countries, and reduced international student management capability of partner education institutions.

Despite this, in 2022–23 a total of 496 scholars completed their study across all MNZSP programmes. Of those, 164 studied at a tertiary institution (75 male, 89 female); 332 studied on a vocational short term training scholarships (185 female, 145 male, 2 other). Similar to last year, regionally the largest number of completing scholars came from the Pacific, followed by ASEAN, then Africa, Latin America and Caribbean, and Other Asia respectively.

Highlights across the programme included:

- Delivery of new short term thematic courses in response to needs identified by partner countries, including trade policy (Africa; Latin America and Caribbean), and good governance (Africa; Latin America and Caribbean).
- The resumption of English Language Training for Officials in Aotearoa New Zealand after a 2 year hiatus.
- Delivery of He Mānawa Tití, a bespoke Pacific youth leadership course forming part of the Government’s Dawn Raids Apology.
- Progress in delivery of the MNZSP Alumni Strategy 2022–26, including over 65 individual scholar and alumni engagement activities in Aotearoa New Zealand and offshore.

Ngā Hoe Tuputupu-mai-tawhiti: Aotearoa New Zealand's development and humanitarian programmes in 2022–23

The following pages provide an overview of impact achieved through Aotearoa New Zealand's IDC programme in 2022–23 from the four major funding allocations within the IDC appropriation: Humanitarian, Multilateral agencies and Partnerships, Pacific, and Global.

Market Stall in Vanuatu. Credit: UNCDF



Results at a glance

In the 2022–23 financial year as a direct result of Aotearoa New Zealand's international development cooperation funding



15,700+

PEOPLE

participated in a labour mobility initiative



3,000+

PEOPLE

received training or capability-building support in fisheries and oceans'



5,600+

PEOPLE

in the education workforce received training or capability-building support

490+

PEOPLE

completed tertiary or vocational scholarships

12,000+

PEOPLE

benefitted from enhanced learning through ICT



172,000+

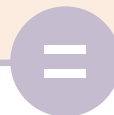
PEOPLE

benefitted from sexual and reproductive health services

13,000+

PEOPLE

in the health workforce received training for capability-building support



5,600+

PEOPLE

received training or capability-building support in equity and inclusion



5,900+

PEOPLE

directly benefitted from initiatives which aim to increase resilience to climate change and environmental degradation



251,000+

PEOPLE

were provided with essential and useful humanitarian assistance following a natural or human-induced disaster



64,000+

PEOPLE

directly benefitted from improved infrastructure and services

2,600+

PEOPLE

received training or capability-building support in infrastructure



65,000+

PEOPLE

received training or capability-building support in peace and security



5,200+

PEOPLE

received training or capability-building support in governance



184,000+

PEOPLE

were supported to improve their livelihoods



UNICEF Hygiene-kit distribution point in a displacement camp in north of Aleppo, northwest Syria. Credit: © UNICEF/Oweis.

Humanitarian

\$75.04
MILLION

The global humanitarian situation continued to worsen in 2022–23, particularly due to intensifying conflicts, rising levels of severe food insecurity, COVID 19-related factors, and the increasing impacts of climate change. The UN estimates that 339 million people – one out of every 23 people globally – need humanitarian assistance in 2023¹⁷, up from one out of every 33 people in 2022.

Aotearoa New Zealand was able to provide timely, effective and well targeted humanitarian responses. Over 2022–23 Aotearoa New Zealand disbursed \$75.04 million in humanitarian assistance, which was significantly higher than previous years. We provided support across 22 different countries, with \$11.5 million (15%) going to preparedness initiatives, \$5 million (7%) going to responses in the Pacific, and \$58.5 million (78%) going to responses outside the Pacific.

¹⁷Source: OCHA (UN Office for the Coordination of Humanitarian Affairs)

In addition to supporting Vanuatu’s response to Tropical Cyclones Judy and Kevin, and an earthquake in the Solomon Islands, we mobilised support to a number of other natural disasters, including water stress in Kiribati, the significant earthquakes in Türkiye that also affected Syria, and the drought and resulting food crisis in Africa.

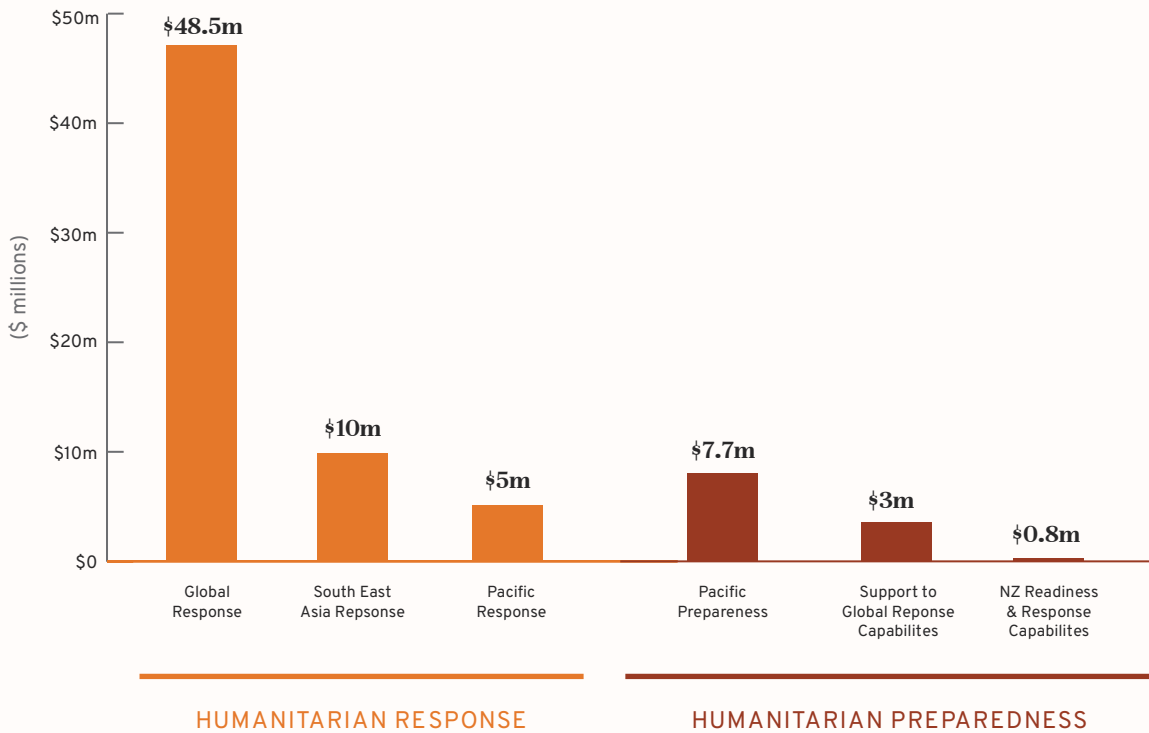
We also continued to respond to significant spikes in need in many of the world’s largest and most severe conflict-related humanitarian crises and to countries with major food insecurity crises.

Humanitarian contributions in Africa increased significantly over the last year, with support provided to humanitarian responses in Ethiopia, Kenya, Nigeria, Somalia, Sudan and South Sudan. These humanitarian contributions complement development programming which is essential for sustainable development.

In comparison to previous years, the Pacific had a relatively quiet cyclone season with Tropical Cyclones Kevin and Judy in March 2023 being the only events to significantly impact populated areas. This allowed us to redirect some humanitarian funding towards crises driven by conflict, with significant response funding going to crises outside the Pacific, including \$10 million to Myanmar and Bangladesh (for the Rohingya refugee response), \$8 million to the Afghanistan humanitarian response, and \$7m to the Ukraine response.

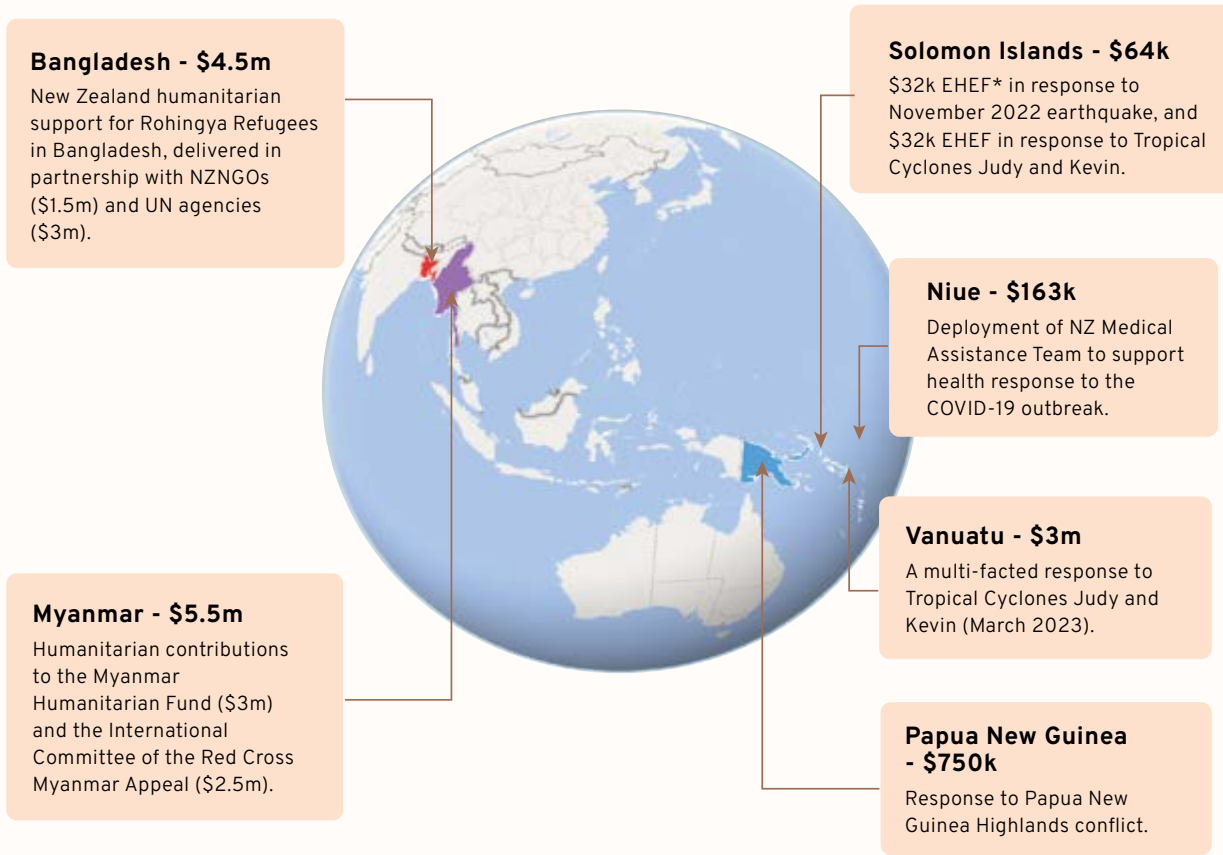
Overall in 2022–23, as a direct result of Aotearoa New Zealand support, over 250,000 people were provided with essential humanitarian assistance following a natural or human-induced disaster¹⁸.

FIGURE 5: AOTEAROA NEW ZEALAND'S HUMANITARIAN ASSISTANCE IN 2022–23 BY RESPONSE TYPE



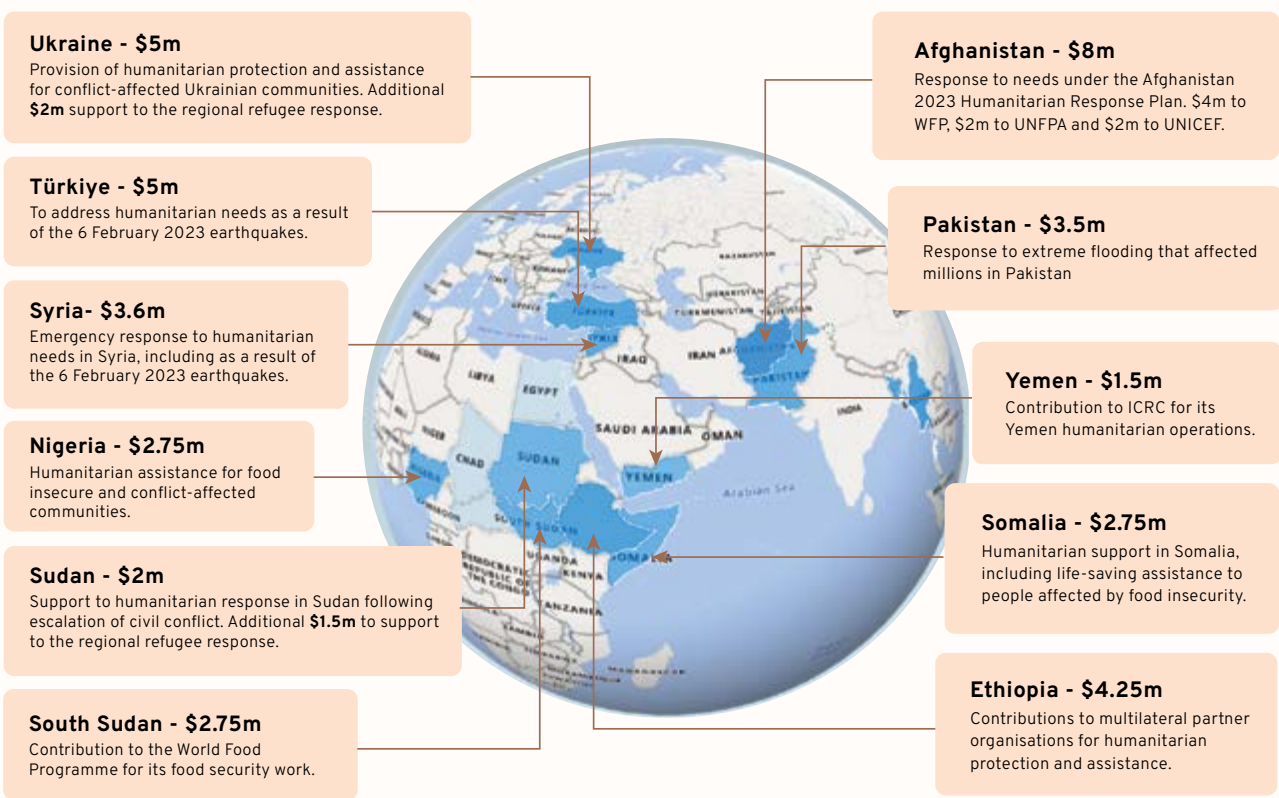
¹⁸ Reported figures are an estimate of affected people provided with relief. Calculations are partly based on an estimated average number of people per household (e.g. number of family hygiene kits distributed x 5 people per household). As this figure relates to direct support, we have not included people supported from Aotearoa New Zealand contributions to appeals/response plans from global humanitarian partners.

FIGURE 5: HUMANITARIAN ASSISTANCE - PACIFIC & SOUTH EAST ASIA



*Emergency New Zealand Embassy/High Commission Fund

FIGURE 6: HUMANITARIAN ASSISTANCE - REST OF THE WORLD



Highlights from our humanitarian support

Supporting Vanuatu to respond to the impacts of Tropical Cyclones Kevin and Judy

Over 72 hours in March 2023, Vanuatu was hit by two Category 4 Tropical Cyclones, Kevin and Judy, damaging infrastructure and causing widespread destruction of crops. According to the National Disaster Management Office (NDMO), 197,388 people were affected. Aotearoa New Zealand's approach was to support response efforts that reflected the needs and priorities identified by Vanuatu. As a result, our humanitarian response measures were provided in a timely manner and undertaken in coordination with the ongoing domestic response efforts associated with Tropical Cyclone Gabrielle.

Our Port Vila High Commission utilised an Emergency Head of Mission Fund to support a range of local response efforts such as the transportation of assessment teams to affected areas to determine priority humanitarian needs. Royal New Zealand Air Force (RNZAF) C-130 flights delivered relief supplies identified by the Government of Vanuatu including mother and infant kits, shelter tool kits and family hygiene kits, providing targeted support to those affected.

RNZAF flights also transported New Zealand Red Cross personnel and equipment, and provided three flights to transport Fijian humanitarian response personnel and relief supplies from Fiji. A Forward Planning Team was deployed to Port Vila, comprising staff from the Ministry, Fire and Emergency New Zealand (FENZ) and the New Zealand Defence Force (NZDF). FENZ staff quickly embedded into the NDMO, providing data mapping support and local coordination structures.

Funding provided through the contestable New Zealand Disaster Response Partnership also supported the response efforts of Aotearoa New Zealand NGOs and their local partners with activities focused on improving water, sanitation and hygiene access, health and protection services, food security, and livelihoods support. The response measures ensured that Vanuatu's domestic response and coordination mechanisms were reinforced, supporting the Government of Vanuatu in leading their humanitarian response.



Relief supplies being loaded onto the C-130 for Vanuatu as part of response efforts to Tropical Cyclones Judy and Kevin. Credit: MFAT/Sophie Jones-Williams.

Responding to devastation in Türkiye and Syria

Major earthquakes in Türkiye in February 2023 caused widespread devastation and destruction, with northern Syria also severely affected. Millions were affected by significant loss of life and injury; widespread damage to homes, infrastructure, medical facilities; and loss of livelihoods. Aotearoa New Zealand mobilised financial contributions within the first 24 hours after the initial earthquake and provided a total of \$8.5 million in funding to support the humanitarian response.

In Türkiye, Aotearoa New Zealand supported the International Federation of the Red Cross and Red Crescent Societies (IFRC), World Food Programme (WFP), the United Nations Population Fund (UNFPA) and two New Zealand Disaster Response Partnership NGOs. In Syria, we supported the IFRC and UNICEF. Aotearoa New Zealand also mobilised remote technical support, as FENZ supported the international search and rescue response in Türkiye with a contribution of two Urban Search and Rescue specialists working remotely from Aotearoa New Zealand.

Assisting Kiribati's drought response

In mid-2022, the atoll of Tarawa experienced significantly below average rainfall levels, causing significant water stress. Aotearoa New Zealand's response included funding to procure, deliver and install a seawater reverse-osmosis desalination plant; transporting drought response supplies; repairing existing water infrastructure; and deploying technical specialists from NEMA to support Kiribati's National Disaster Management Office.

Support under the humanitarian allocation was well complemented by initiatives under the bilateral development allocation and climate change programme, including provision of materials to replace leaking pipeline connections, and work on outer islands to repair desalination units and set up enduring maintenance for solar-powered systems that draw from sustainable sources of groundwater.

Kiritimati Island Safe and Secure Drinking Water project. Credit: SPC





Supporting humanitarian action in Africa

Extreme food insecurity severely impacted a number of African countries during the year, with conditions in the Horn of Africa particularly acute. Aotearoa New Zealand's response included a \$2 million New Zealand Disaster Response Partnership round with NGO partners that supported food security response efforts in Ethiopia, Kenya and Somalia. The Ministry also partnered with WFP and the ICRC to support a range of life-saving protection and assistance for communities affected by conflict, food insecurity, drought, disease outbreaks, and significant economic instability in Somalia, Nigeria and South Sudan.

Overlapping crises of severe drought, conflict and inter-communal violence, alongside influxes of refugees, resulted in humanitarian needs in Ethiopia reaching extreme levels. In response, Aotearoa New Zealand provided a \$2.5 million contribution to the ICRC and a \$1.75 million contribution to the Ethiopian Humanitarian Fund.

The sudden outbreak of civil conflict in Sudan in April 2023 also had a range of devastating impacts for civilians. More than 3 million people have been displaced, both internally and across the borders into neighbouring countries. Attacks on health care centres and the disruption of essential services exacerbated an already dire humanitarian situation.

In response, Aotearoa New Zealand provided \$2 million to the ICRC to support its humanitarian response in Sudan, including the provision of healthcare, food distribution, and restoration of vital services (including water and electricity for hospitals), and \$1.5 million to the United Nations Refugee Agency (UNHCR) to support its regional refugee response.



A health worker from Samaritan's Purse, a UNICEF implementing partner, conducts a routine check-up on a child in Caraga, Philippines. Credit: Samaritan's Purse/2022/Jodie Adao.

Multilateral agencies and partnerships

\$172.89
MILLION

Multilateral agencies

Aotearoa New Zealand invests financially and diplomatically to strengthen international rules and norms to address global problems such as poverty, conflict, instability, and climate change, and to strengthen human rights. The Ministry engages in policy dialogue with multilateral institutions, and provides core, programme, and project funding to help them deliver global development and humanitarian outcomes. Reflecting Aotearoa New Zealand's size in the global system, the Ministry focuses engagement where it can have the most impact and add the most value, building on Aotearoa New Zealand's robust and long-standing relationships. Partners include multilateral development banks, UN development and humanitarian organisations, non-government organisations and Commonwealth agencies.

The Ministry works to ensure effective, transparent, and collaborative action by institutions focused on development (including sustainable and inclusive social and economic development), peace, human rights, and humanitarian challenges, to deliver results. There is a particular interest in delivery by these institutions in the Pacific, and ensuring that they take fully into account the region's unique needs and vulnerabilities.

Aotearoa New Zealand delivered \$164.51 million in core funding to multilateral organisations in 2022–23, and participated in the governance mechanisms of all of the agencies funded. Over the past year, the multilateral development system has continued to deliver global development and humanitarian outcomes while operating in the context of funding constraints, unprecedented levels of humanitarian need, negative trends on democratic rights and norms, and reversals in progress toward attainment of the Sustainable Development Goals (SDGs).

Aotearoa New Zealand has continued to act as a valued and influential voice advocating for Pacific priorities, an effective and innovative multilateral system, and principles-driven development.



Highlights from Aotearoa New Zealand's multilateral development cooperation

Improved coordination in the UN Development System (UNDS) benefits Pacific countries

The UN Secretary General's report¹⁹ presented at the annual meeting on UNDS Reform reflects strong and increasing satisfaction with the contribution of collective UN efforts to results that clearly reflect developing countries' national priorities. The UN Pacific Strategy Fund midterm review completed in 2022 reflects improvements in coordination between UN agencies in the Pacific, as well as with the Council of Regional Organisations of the Pacific (CROP) agencies, such as the Pacific Community (SPC).

A new Pacific regional strategy, the United Nation Sustainable Development Cooperation Framework (UNSDCF), is under development. The strategy is based on common country analyses and supported by country implementation plans that reflect Pacific country priorities and baselines, and advance the regional development aspirations, as set out in the Pacific Islands Forum 2050 Strategy for the Blue Pacific Continent. This reflects stronger cross-UN planning, and will enable more accurate measuring and reporting of UNDS impact.

Advocating for increased access to finance for Pacific countries

The International Development Association (IDA) and the Asian Development Fund (ADF) are the key vehicles through which the World Bank and Asian Development Bank (ADB) provide concessional support to low-income countries in the Pacific. In 2022–23, total World Bank net financial commitments in the Pacific were US\$121.8 million, and total ADB financial commitments (including co-financing) totalled US\$1.31 billion.

In 2022–23, the Pacific also continued to benefit from the World Bank's Papua New Guinea and Pacific Islands Umbrella Facility (PPIUF) and the ADB's Pacific Partnership Facility, both of which provide critical support for World Bank and ADB activities in the Pacific, including project implementation.

Recent years have seen the development and introduction of multilateral development bank (MDB) policies that recognise the unique challenges, including climate change, facing Pacific small island developing states (SIDS). With continued advocacy by Aotearoa New Zealand and Australia, among others, ADB is moving forward with the development of softer lending terms for SIDS, with intended implementation by January 2024.

In addition, ADB is examining ways of increasing the volume of concessional finance available to those SIDS that are not eligible for grants under the ADF. These initiatives build on a series of earlier reforms advocated by Aotearoa New Zealand and Australia that have been favourable to Pacific SIDS. This includes introducing minimum levels of ADF country allocations, the inclusion of vulnerability as a factor in determining levels of ADF financing, and the reclassification of Fiji and the Cook Islands (and the classification of Niue) as Group B countries, which made them eligible for concessional assistance.

¹⁹ Operational Activities for Development Segment (OAS) report see <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N23/114/23/PDF/N2311423.pdf?OpenElement>



Hesalyn, who had become blind due to bilateral cataracts, had her sight restored at the Regional Eye Clinic, Solomon Islands, allowing her to return to work on her family's self-sufficient farm. Credit: The Fred Hollows Foundation New Zealand.

Civil society partnerships

Civil society plays a vital role in promoting sustainable development, democratic processes, human rights, good governance, active citizenship and a strong sense of community. The IDC programme supports Aotearoa New Zealand non-government organisations (NZNGOs) to deliver a range of development outcomes. NZNGOs tend to have long-standing relationships with local authorities, civil society actors and local communities. These established networks enable Aotearoa New Zealand to expand and extend our reach to communities and vulnerable and marginalised populations, including in remote and hard to reach places in the Pacific.

In 2022–23, the IDC-funded Partnerships programme worked across 20 countries in the Pacific, South East Asia and other focus countries²⁰ through 28 NZNGOs and 53 programmes and initiatives. Based on projections of initiatives currently in implementation (at 30 June 2023), 1.6 million people will directly benefit and 2.4 million people will indirectly benefit, in areas including economic self-reliance, human rights and inclusive development, governance and democracy, climate change, and human development.

²⁰ Other focus countries in 2022–23 included Nepal and Sri Lanka.

Key results reported in 2022–23 from Aotearoa New Zealand’s partnerships with NGOs

Health

- In Vanuatu, 1,717 students in 14 schools gained access to basic sanitation; 859 students in seven schools gained access to basic water supply; and 223 girls in 18 schools gained access to menstrual health management services. (UNICEF Aotearoa New Zealand)
- At the completion of a project in Papua New Guinea 25,415 people had been screened for ear and eye health, and 841 eye surgeries performed. (cbm New Zealand)
- Over 900 community members in the Solomon Islands received COVID-19 hygiene training. (The Nature Conservancy)

Equity and inclusion

- 236 adolescents gained life-skills in developing peaceful relationships and positive interactions with their peers, their families and other adults in their communities in Timor-Leste. (World Vision New Zealand)
- Six communities in Fiji received training to ensure members can identify modern slavery issues, allowing communities to establish their own ‘safety net’ systems to prevent and respond to human trafficking, exploitation and abuse. (Tearfund New Zealand)
- 58 frontline workers from various Solomon Island organisations were trained in child protection policy and procedures. (ChildFund New Zealand)

Economic resilience

- The Vanuatu Engineers Association was established and has grown to more than 100 members. Ten teachers have been trained on engineering modules. (Engineers Without Borders New Zealand)
- Following participation in a programme of education and training, 1,088 (674 females and 414 males) in Papua New Guinea are actively practising savings. (World Vision New Zealand)
- 85 people in Fiji (32 women, 53 men) participated in Participatory Approach to Safe Shelter Awareness (PASSA) and Water Sanitation and Hygiene (WASH) and Financial Literacy training. (Habitat for Humanity New Zealand)

Climate change, Disaster risk reduction and Environment

- Disaster risk reduction (DRR) capacity increased for 318 households in rural Viet Nam, with DRR plans developed for schools and communes, committees established, and preventive measures implemented. (ChildFund New Zealand)
- To date, 6,423 households in the Philippines have been trained in DRR and climate change adaptation, and demonstrate an understanding of preparation for a natural disaster. (Tearfund New Zealand)
- In Ethiopia, 8,491 farmers (including 5,192 women) have adopted climate-smart agriculture practices to date. (Tearfund New Zealand)

Resilience and hope in the Philippines

In 2013, when Typhoon Yolanda swept through Samar Island in the Philippines, Jaime Busa and his family lost everything. Through SPS Biota's²¹ programme of work, and after intensive training, Jaime started his career as a private service provider in early 2016, offering a wide range of services to farmers of six remote communities in crop and livestock production. Simultaneously, his local Gundalitan Farmer Association received another grant for the establishment of a cacao nursery, and Jaime was invited for a study tour in Mindanao to learn more about the benefits of cacao cultivation.

He planted almost 2,000 cacao seedlings on his coconut farm over the next two years. Most of these seedlings came from the Aotearoa New Zealand-funded Cacao Livelihood Improvement Programme. Today, Jaime's farm is an excellent example of an integrated production system. Besides cacao and coconuts, Jaime also grows pineapple and banana, and breeds pigs and tilapia in the pond he dug himself. Jaime can provide for his whole family thanks to the farm, including keeping seven kids in school and still setting aside money for further farm improvements.

Besides looking after his farm, Jaime also provides technical support to more than 100 growers. His association also owns and oversees fermentation facility operations funded by Aotearoa New Zealand. The facility buys wet beans from local growers, dries them, and then sends them onto the market. Jaime's first shipment of the beans from the fermentary to Aotearoa New Zealand is planned for 2023.



One of the fermentation facilities that dries beans to sell to market. Credit: SPS Biota.

²¹ SPS Biota page here: <https://spsbiota.co.nz/pages/about-us>



Samoa market stall. Credit: Darren James Photography

Pacific development cooperation

\$567.36
MILLION

Aotearoa New Zealand's home and heart is in the Pacific. Our engagement in the Pacific is partner-led, supporting each country's determination to chart its own development path, with a shared commitment to the Sustainable Development Goals (SDGs).



North Pacific

TOTAL SPEND: \$7.36m

HIGHLIGHT: Through the Pacific Regional Anti-Corruption Programme, journalists in Palau and Marshall Islands received training on the Teieniwa Vision* and investigative financial reporting. The Palau Media Council adopted its first Code of Conduct and a Pacific Journalists Reporting on Corruption Toolkit was launched in the Marshall Islands.

*A PIF Leaders declaration to unite against corruption.



Nauru

TOTAL SPEND: \$4.31m

HIGHLIGHT: Nauru Accountable and Inclusive Governance project successfully supported the 2022 General Election. There was a particular effort to include people with sight, intellectual and psychosocial disabilities by meeting with advocates and holding outreach sessions for those living with disabilities.



Papua New Guinea

TOTAL SPEND: \$31.41m

HIGHLIGHT: Aotearoa New Zealand supported construction of the new Kimbe fresh produce market; and completion of main power lines in the eastern sector of Enga Province, providing 2,500 households with new access to electricity.



Vanuatu

TOTAL SPEND: \$27.46m

HIGHLIGHT: As a direct result of Phase 1 of the Water Sector Partnership, an estimated 5% more of Vanuatu's population now have access to safely managed drinking water.



Fiji

TOTAL SPEND: \$42.74m

HIGHLIGHT: Business Link Pacific (BLP) and the Pacific Small and medium enterprises (SME) Finance Facility assisted 144 businesses (including 81 women-led businesses) employing 1264 people, with grants and concessional loans. SMEs report \$1.8 million in additional investment since receiving a BLP grant. 80 businesses took action to address environmental and climate related issues.



Tonga

TOTAL SPEND: \$61.21m

HIGHLIGHT: Aotearoa New Zealand provided general budget support in alignment with a reform programme agreed with the government and other development partners. The reform programme progressed the Revenue Services Administration Regulations 2022; the Public Financial Management Bill; the National Disaster Risk Management Policy, and Treasury Instructions that govern the National Emergency Fund.



Niue

TOTAL SPEND: \$36.44m

HIGHLIGHT: Polynesian Health Corridors programme supported Niue to manage its border re-opening and community transmission of COVID-19 providing 510 COVID-19 vaccine doses, 27,990 rapid antigen tests; 160 COVID-19 anti-viral courses; and two deployments of a public health physician in July and December 2022.

Pacific Impacts



Solomon Islands

TOTAL SPEND: \$42.84m

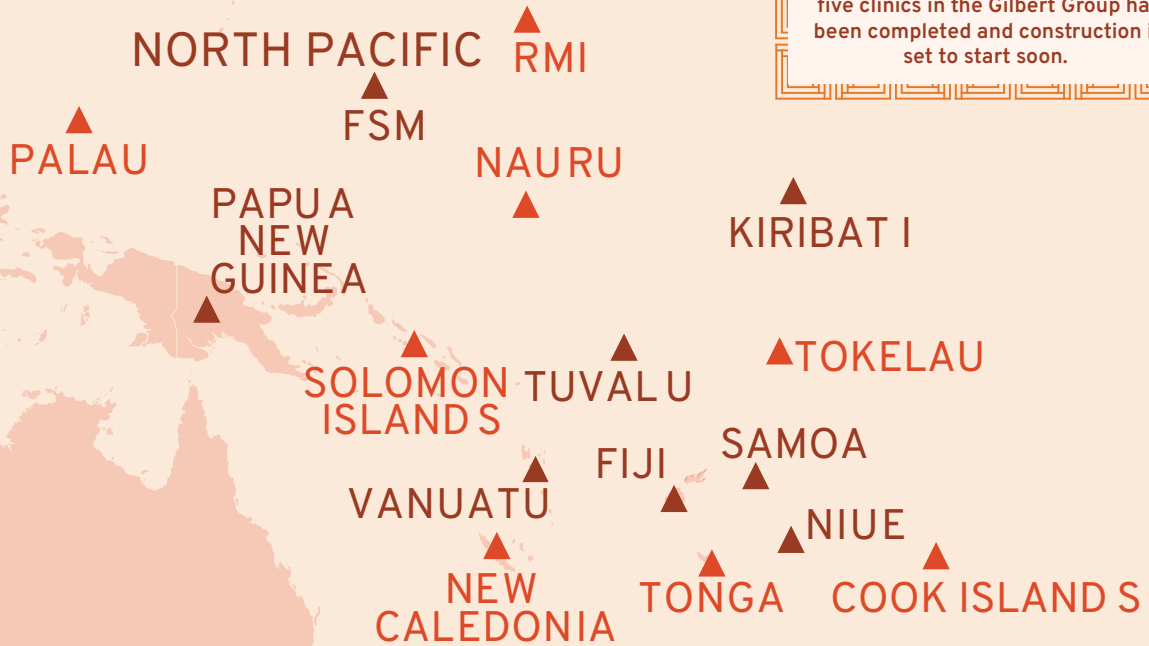
HIGHLIGHT: Solomon Islands Policing Support Programme supported around 500 Police officers to complete mind-set training, focused on improving the Royal Solomon Islands Police Force organisational culture, ethics and values, and approaching problems with a prevention focus.



Kiribati

TOTAL SPEND: \$28.69m

HIGHLIGHT: Aotearoa New Zealand supported construction of four new public health clinics in the Line and Phoenix islands, increasing quality and coverage of health services. Procurement of materials for the next five clinics in the Gilbert Group has been completed and construction is set to start soon.



Cook Islands

TOTAL SPEND: \$57.13m

HIGHLIGHT: Findings from Pacific Tourism Data Initiative's International Visitor Survey shows an increase in average length of stay and higher visitor spending (daily and per visit) compared to pre-COVID-19 period, with satisfaction levels and willingness to recommend to others remaining strong.



Samoa

TOTAL SPEND: \$55.51m

HIGHLIGHT: Through the Education Sector Support Programme, two new school buildings (Faga Primary School and Nofoali'i Primary School) and a College Hall for Lepa and Lotofaga College were officially opened; and a National Plan for Inclusive Education was launched.



Tuvalu

TOTAL SPEND: \$15.28m

HIGHLIGHT: Aotearoa New Zealand is funding development of a new modelling approach to assess the probability of sea level rise and resulting coastline impacts, to inform Tuvalu's development plan, land use planning and resilient coastal management.



Tokelau

TOTAL SPEND: \$19.93m

HIGHLIGHT: Under the Strengthening Education programme, 51 Year 11 students transitioned to the NCEA Level 1 curriculum, commencing studies in English, Maths, Science, Digital Technologies and Pathways.



Vanuatu Tourism Office celebrate the reopening of Vanuatu's border. Credit: New Zealand High Commission Vanuatu.

Supporting Pacific regionalism

A strong regional architecture – owned and supported by all Pacific countries – enables the Pacific region to deliver its own solutions to priority regional challenges and take advantage of strategic opportunities. One of Aotearoa New Zealand's enduring principles of partnership in the Pacific is *Turou Hawaiki* (navigating together), which frames how we want the regional architecture to support regional governance.

Aotearoa New Zealand's partnership approach in the Pacific region is facilitative and consultative, so we are able to support our Pacific partners bilaterally, regionally and multilaterally to achieve outcomes that are regionally-owned.

As we reconnect as a region (and with the world) after the disruption of COVID-19, our key message is that our strength and success as a region relies on Pacific countries acting together to secure the future of our Blue Pacific Continent. Aotearoa New Zealand considers itself to be a member of the Pacific *whānau*, including the way in which we are embedded into existing Pacific regional architecture.

The Pacific Islands Forum (PIF) launched the 2050 Strategy for the Blue Pacific Continent²² in July 2022. It guides how Pacific countries will work together to secure the region's future against the challenges of today and the coming decades, to achieve a free, safe and prosperous region.

The 2050 vision is for “a resilient Pacific Region of peace, harmony, security, social inclusion, and prosperity that ensures all Pacific people can lead free, healthy, and productive lives”. The Strategy sets out the region's approach to collectively work together to achieve this vision through seven key thematic areas: political leadership and regionalism; people-centred development; peace and security; resource and economic development; climate change and disasters; ocean and natural environment; and technology and connectivity.

Aotearoa New Zealand is guided by and will support implementation of PIF's 2050 Strategy for the Blue Pacific Continent. Key to this support is our role as a member and funder of Pacific regional agencies. These intergovernmental organisations apply their technical and policy capacity, established programmes and relationships, and deep knowledge of the region to support Pacific countries to strengthen their resilience, rebuild from COVID-19 impacts and achieve the SDGs.

Aotearoa New Zealand's core funding to these organisations supports them to deliver on their work programmes and strategic priorities in line with the 2050 strategy. In 2022–23 the IDC programme provided \$28 million in core contributions to seven Pacific regional agencies. Key achievements from each agency are set out over the page.

²²See: <https://www.forumsec.org/wp-content/uploads/2022/08/PIFS-2050-Strategy-Blue-Pacific-Continent-WEB-5Aug2022.pdf>

Results from Pacific Regional Agencies

Pacific Islands Forum Secretariat (PIFS)

Coordinates implementation of Pacific Leaders' decisions including policy advice on regional economic growth, political governance and security.

Key achievements in 2022–23:

- Worked closely with Member countries to develop the 2050 Strategy for the Blue Pacific Continent, which was endorsed by Pacific Islands Forum Leaders at the 51st PIF Leaders Meeting in July 2022.
- In late 2022, the PIFS Sub-Committee on Regional Security adopted the Teieniwa Vision Action Plan, and in-country workshops on the Teieniwa Vision and the UN Convention against Corruption helped bring together a wide range of stakeholders to agree priority actions.
- Supported the PIF Chair, Cook Islands Prime Minister Mark Brown, to attend and deliver three statements to the Group of Seven (G7) at their May 2023 summit in Hiroshima, Japan.

University of the South Pacific (USP)

Research institute and the Pacific region's provider of tertiary education, including distance and flexible learning.

Key achievements in 2022–23:

- USP signed a new ten year partnership with Aotearoa New Zealand that is underpinned by a values-based Partnership Framework.
- There are currently over 16,000 students enrolled in USP, with women comprising 60% of enrolments.
- USP successfully co-hosted the inaugural Conference of Pacific Education Ministers in Auckland in March 2023.

The Pacific Community (SPC)

Scientific and technical services to Pacific countries in agriculture, public health, geosciences, fisheries, statistics, educational assessment, disaster risk reduction, transport, energy, climate change, gender, youth and human rights.

Key achievements in 2022–23:

- SPC's Pacific Community Centre for Ocean Science secured the role of regional coordinating centre for the UN Decade of Ocean Science for Sustainable Development, providing a key platform to better engage external actors in ocean science in the Pacific.
- SPC hosted the 6th Pacific Ministers of Culture meeting in New Caledonia in June. SPC's first Pacific Regional Culture Strategy 2022-2032 was launched by PIF in July 2022.
- SPC's technical support and data helped enable the Declaration on Preserving Maritime Zones in the Face of Climate Change-Related Sea-Level Rise, the Framework for Energy Security and Resilience in the Pacific; and more than 20 regional meetings to discuss issues relating to climate change, trade, ocean and land management, health and education.
- SPC provided training to more than 11,800 Pacific people across multiple sectoral areas.

Forum Fisheries Agency (FFA)

Advice and services to enable Pacific countries to maximise economic and social benefits from the sustainable management of their tuna fisheries.

Key achievements in 2022–23:

- FFA has embedded new systems and processes to support implementation of the 2020-2026 Strategic Plan, resulting in improved annual budget and reporting alignment to priorities and work plans.
- FFA is delivering a joint project with the International Organisation for Migration, the International Labour Organisation and the UN Office on Drugs and Crime to improve labour standards on fishing vessels – a priority for Pacific countries.
- Fisheries Ministers from FFA member countries advanced regional fisheries priorities at their 20th meeting in June 2023. Ministers endorsed the Principles for FFA Engagement in Regional Tuna Fisheries Project Partnerships with Donors, and emphasised the principle of inclusivity and that FFA will ensure all Pacific country members are treated equally and have equitable access to funds.

Pacific Tourism Organisation (SPTO)

Regional tourism sector umbrella organisation focused on destination marketing and sustainable development, data and statistics.

Key achievements in 2022–23:

- The Pacific Tourism Data Initiative, which analyses visitor flows and perceptions, business confidence and community attitudes to tourism across seven Pacific nations, was agreed to transition from the New Zealand Tourism Research Institute to SPTO later in 2023. This fortifies SPTO's position as the premier hub for Pacific Tourism Research and insights.
- SPTO's Pacific Sustainable Tourism Destination Standard attained full recognition from the Global Sustainable Tourism Council, signifying that the Standard adheres to the highest international standards of sustainable tourism.
- Tuvalu became the 17th signatory to the Pacific Leader's Sustainable Tourism Commitment.

Secretariat for the Pacific Regional Environment Programme (SPREP)

Technical and policy assistance on environmental issues such as climate change, biodiversity and ecosystem management, waste management and pollution control.

Key achievements in 2022–23:

- SPREP is celebrating the 30th anniversary of the signing of the SPREP Treaty, which brought about establishment of the organisation as a separate, autonomous body, tasked with the protection and conservation of the Pacific environment.
- SPREP and the Pacific Regional Infrastructure Facility delivered training on Gender Equality and Social Inclusion in Pacific infrastructure projects. SPREP has developed policies and internal coordination mechanisms to support the mainstreaming of gender equality and social inclusion.
- SPREP's Pacific Regional Invasive Species Management Support Services instigated a rat eradication programme in Palmerston Atoll (Cook Islands) to strengthen invasive species management.

Pacific Aviation Safety Office (PASO)

Aviation safety and security services to the Pacific.

Key achievements in 2022–23:

- PASO's Strategic Plan 2023–32 was formally adopted by the PASO Council of Directors. This Plan provides a clear long-term vision aligned to the 2050 Strategy for the Blue Pacific Continent and the 10-year Pacific Regional Aviation Strategy.
- The PASO Reform project completed in November 2022, following eight years of implementation, and resulted in the transformation of PASO to a high functioning and truly regional organisation spanning the Pacific.



Environmentalist and youth activist, Okalani Mariner, presents 'Remember Us', a call to action for Pacific youth to carry the ancestors' wisdom to fight for our ocean and environment, for present and future generations. Source: Mana Moana Pasifika Voices 2022.

Highlights from Aotearoa New Zealand's international development cooperation in the Pacific

Amplifying Pacific voices

In a world where it can be hard for small states to be heard, Aotearoa New Zealand is committed to supporting Pacific partners to reach a global audience with their climate experience and issues. This includes supporting representatives from the small island states of our region to reach key international meetings, as well as building technical evidence and public understanding of the Pacific reality.

Sharing the concerns – and hard-won resilience – of the countries of the Blue Pacific Continent is the focus of the \$4.5 million four-year Pacific Voice activity.

One of our key partners in this work is the SPREP. SPREP Director-General Mr Sefanaia Nawadra says the focus is on securing the future of Pacific communities, and “ensuring the Pacific’s voice is heard and considered as we work towards the needed global action to address climate change”.

This included supporting a strong Pacific presence at the annual UN climate conference. In November 2022, in Sharm el-Sheikh, Egypt, SPREP designed and delivered a welcoming space for Pacific advocacy and information-sharing. Seventy five side events were hosted across the fortnight in the Moana Blue Pacific Pavilion, and also live-streamed to the world.

The real world accounts of Pacific experiences and action on climate change demonstrated our region’s climate leadership – as communities who have already developed and tested innovative ways of addressing climate change impacts.

At the same time, two major communication campaigns took the Pacific issues beyond conference corridors to wider audiences. SPREP’s social media campaign²³ provided powerful Pacific stories to light up the “1.5 to stay alive” slogan that echoed through COP27, and Mana Moana Pasifika Voices 2022²⁴ featured on screen at the Pavilion and has gone on to other public showings. This collection of artistic video works gathered from around Te Moana-nui-a-Kiwa “provide offerings of wisdom and insight for a new generation and audience to see, hear and understand the interconnected relationship of Pacific Island people with the earth, sky and sea”, says curator Audrey Brown-Pereira. “A journey of words and art that will let you feel the spirit of resilience that transcends borders.”

Part of ensuring the Pacific is influential in the global climate context is providing support to small island developing states to meet their commitments under the Paris Agreement. The Pacific Voice activity in this period has included support for developing and updating greenhouse gas inventories in Pacific nations, and funding research on the consistency of countries’ finance flows with their climate plans. That research by Overseas Development Institute will feed into the global stocktake on finance to support the long-term temperature goal under the Paris Agreement.

²³ Survival tips from the Pacific see: <https://vimeo.com/767160562/d5700a3407>

²⁴ See <https://www.manamoana.co.nz/pasifikavoices2022/>



New Zealand Deputy High Commissioner Alex Shahryar-Davis attends the launch of the Fiji Country Gender Assessment Report. Credit: New Zealand High Commission Suva/Emma Christopher.

Marama Ni Viti: Fiji’s Gender Transformative Institutional Capacity Building Initiative

The Institutional Capacity Building (ICD) initiative is an example of an effective cross-government partnership that is raising awareness for a whole-of-government approach to advancing gender equality for Fiji’s women and girls. ICD is led by Fiji’s Ministry of Women, Children and Poverty Alleviation with support from Fiji’s Ministry of Economy (MOE). The Fiji Women’s Rights Movement is the lead technical partner, with Aotearoa New Zealand and Canadian support.

ICD complements the MOE’s Gender Responsive Budgeting processes and supports the Government’s implementation of the Fiji National Development Plan, National Gender Policy and the recently released Fiji National Action Plan to Prevent Violence Against all Women and Girls. The initiative aims to gain the commitment of the Government of Fiji to implementing all the intergovernmental agreements from CEDAW²⁵ to the SDGs.

ICD Phase 1 (2020–2022) achieved significant progress including:

- formation of gender mainstreaming action groups across nine government ministries
- ten gender mainstreaming lead facilitators trained from the two lead government ministries
- eighteen gender responsive budgeting submissions to the national budget which were approved, and resulted in allocation of government budget to gender mainstreaming across the nine ministries.

In addition, a significant new knowledge product was developed – the Fiji Country Gender Assessment (FCGA) – which analyses existing sources of data held by Government agencies across a range of sectors (education, women’s leadership and decision-making, violence against women and girls, health, the environment, and social and cultural norms).

Marama Ni Viti ICD Phase 2 is now under way and will build on the outputs and achievements of the previous phase.

²⁵ Convention on the Elimination of All Forms of Discrimination against Women. See: <https://www.un.org/womenwatch/daw/cedaw/>

Collaborating for fiscal reform

In 2022–23, Aotearoa New Zealand provided \$21.7 million in reform-linked general budget support to the Pacific region, focusing on strengthening economic governance across Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Tuvalu.

In the Solomon Islands, the Joint Policy Reform Group (JPRG) is a partnership led by the Government of Solomon Islands, where development partners comprising Australia, the Asian Development Bank (ADB), the European Union, Japan, and the World Bank, along with Aotearoa New Zealand, collaborate to foster policy dialogue on the government's economic and fiscal reforms and to coordinate development partner support through technical assistance and budget support.

The JPRG partnership on economic and public financial management policy reforms in the Solomon Islands continues to grow stronger, focused on strengthening governance processes, accountability and transparency, and increasing resilience to economic shocks.

Steady reform progress is being made in a number of areas, including through the ADB's tax reform programme. Highlights over the past year include the passing of the Tax Administration Bill in 2022; development of a five-year roadmap to achieve Green Climate Fund accreditation; and public financial management budget regulations. A three-year forward programme of reforms has now been endorsed.

Aid for trade: enabling a better way of working

The Pacific Private Sector Project Fund (PPSPF) is a small, regional project fund established to trial and test a way of working that supports businesses and value chains to effectively connect Pacific goods and services to markets.

The Fund was established to enable the use of innovative solutions to explore import and export opportunities between Aotearoa New Zealand and the Pacific and unblock supply chain barriers.

A recent appraisal found that more flexible and participatory partnerships with commercial private sector actors had enabled the PPSPF to build networks and connections, gain knowledge and intelligence about what is happening on the ground, and test new ways of addressing value chain barriers to unleash the economic potential of private sector partners.

For example, in the trial shipments of Tahitian limes from Vanuatu to Aotearoa New Zealand, the Ministry was able to bring together Ministry of Primary Industries; Vanuatu agencies including Biosecurity and Department of Agriculture and Rural Development; PHAMA Plus²⁶; and the private sector in both countries to collectively map every part of the value chain and work out where the barriers are.

Perhaps the most important benefit from this collaboration was prioritising Biosecurity Vanuatu's needs in the process, which may not have occurred otherwise.

²⁶ Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus) Program

Empowered to lead change: Bougainville Healthy Communities Programme

The Ministry has provided long-term support (18 years) to the Bougainville Healthy Communities Programme (BHCP), delivered through Leprosy Mission New Zealand. The programme provides health and leadership training to community volunteers and local level government employees in over 400 wards in Bougainville, to prevent disease and improve health outcomes for communities.

Key results include increased routine immunisation coverage, an increase in mothers attending antenatal clinics and having attended births, increased access to safe drinking water, increased use of toilets and sanitation equipment, improved individual and community cleanliness and hygiene practices, and increased identification and referrals for leprosy, tuberculosis and malaria.

George Tsora, Chief of Papasa Village describes below the impact the programme has had in his community.

"The most significant change that happened in Papasa was community respect and ownership to support the Community Improvement and Implementation Plan and the community treasury set-up to raise funds for community initiatives like toilets, animal fencing, residential house maintenance and a new meeting house for public gatherings.

I am so glad to see the transformation taking place in my community, from an individual person to the larger community level. The diseases have been reduced and controlled, social issues have been resolved and leadership is highly respected. Thank you, BHCP, for the training and continuous mentoring support to Papasa Community. As a leading Chief of Papasa community, I am empowered to transform Papasa into a model village."



Residential house and animal fencing in Papasa Village, Selau Suir District, North Bougainville. Credit: Bougainville Healthy Communities Programme.



Kaitai Kaitai and Tukua Upokomanu from the Aitutaki Island Government Water Works Department installing the smart sensors. Credit: Engineers Without Borders New Zealand.

Technology and community connections combine to provide water shortage warning systems

Running out of fresh water is a growing risk for many Pacific nations, as climate change advances. A new partnership has brought together information technology, weather forecasts and local water use information to provide a Drought Early Warning System (DEWS).

The new system has been tested in Aotearoa New Zealand and is being trialled on the islands of Aitutaki and Rakahanga in the Cook Islands. The first step was for communities there to decide who would test the system, so it could be set up to suit local conditions and the families and organisations who will use it. Next steps include trialling satellite-enabled water tank sensors to make data collation easier than through the current base stations, and potentially including a third island in the trial.

The DEWS warning system is based on smart sensors that detect the current level in a water tank, and link it with information provided by families about their daily water use. This is then combined with weather forecasts, to give the household warning when supplies are running low.

The information can be combined for a geographical area, to help communities recognise shortages, and give disaster response organisations early notice of the need for water relief in different areas. The aim is to avoid crises and build community resilience to the increased risk of droughts on Pacific islands, as temperatures rise and rainfall patterns shift.

Progressing gender equality

Aotearoa New Zealand's core support to the Pacific Island Forum Secretariat (PIFS) has enabled continued progress towards gender equality and women's empowerment at the political level. The 2012 Pacific Leaders' Gender Equality Declaration²⁷ (PLGED) was commissioned for independent review in 2021 and endorsed for revitalisation by the inaugural Pacific Islands Women Leaders Meeting (PIFWLM) and PIF Leaders in June 2022.

PIFS undertook to hold in-person and virtual stakeholder consultations in member countries. In Aotearoa New Zealand these included workshops jointly hosted by Tuia Tāngata/Ambassador for Gender Equality (Pacific) and Manatū Wāhine Ministry for Women in late 2022 with Māori, Pasifika and diverse women's rights organisations, academics and government representatives. Aotearoa New Zealand has also engaged closely with Australia in this work.

PIFS is in the process of validating the emergent draft revitalised PLGED with members prior the second PIFWLM in August 2023. Among key outputs will be the alignment of the PLGED with other Pacific gender equality frameworks, such as the Pacific Platform for Action and the 2050 Strategy for the Blue Pacific Continent. A dashboard of measures will accompany this to provide visibility of and accountability to the new PLGED.

Coming together on regional education priorities

Aotearoa New Zealand and the University of the South Pacific (USP) co-hosted the inaugural Conference of Pacific Education Ministers (CPEM) in March 2023. The conference, held in Tāmaki Makaurau Auckland, brought together Ministers of Education, representatives and senior officials from around the Pacific, along with other education partners and stakeholders.

The ministerial forum replaces the previous Forum Education Ministers Meeting, reflecting the transition of the organising body from PIFS to USP, where the Pacific Regional Education Framework (PacREF) is now hosted. It also reflects the opening up of membership to include educators, development partners, civil society organisations and policy makers to address key education priorities within the Pacific.

The conference enabled Ministers to hear from a range of diverse participants and stakeholders, and highlighted the commonalities that the sector faces across the Pacific, including in Aotearoa New Zealand.

Ministers agreed the need for a renewed emphasis on indigenous knowledge, culture and language in education; the importance of quality teaching; and a shared commitment to focus on the priority areas of early childhood, technical and vocational training, inclusion, and building resilience in and through education.

The success of CPEM was an illustration of the importance of reconnecting in person after the pandemic.



Pacific Island Education Ministers and Aotearoa New Zealand Education Minister Hon Jan Tinetti at the 2022 Conference for Pacific Education Ministers. Credit: MFAT/Lucy Squire

²⁷ See: <https://www.forumsec.org/2012/08/30/plged/>



Red Dao ethnic minority community members at a distribution centre for agricultural supplies and social protection cash transfers to households affected by the COVID-19 pandemic. Credit: CARE International in Viet Nam.

Global (non-Pacific) development cooperation

\$152.20
MILLION

Aotearoa New Zealand's global development vision is:

***'Kia tuitui i ngā muka,
koa herea ki tōna painga'***

Tying together the strands to make a strong bind for the greater good.

Beyond the Pacific region, our development cooperation boosts Aotearoa New Zealand's role and credibility as a member of the international community. International Development Cooperation initiatives give Aotearoa New Zealand a platform to advocate for what we and our partners care about. We also support partners to actively pursue progress towards the SDGs.

Aotearoa New Zealand’s development cooperation outside the Pacific region includes a geographic focus on South East Asia, including Timor-Leste, where we are actively working to narrow the economic disparity across, and within, countries in the South East Asia region. Aotearoa New Zealand provides targeted support in the areas of economic and climate resilience (including renewable energy and agriculture); governance; peace and security; and knowledge and skills, particularly to the region’s Least Developed Countries, while supporting Lower Middle Income Countries and the regional role of ASEAN²⁸.

In ASEAN, the profound socioeconomic impacts of the pandemic have set back development progress. Climate change has resulted in more frequent weather events and natural disasters, threatening crop production, food security and livelihoods. Global inflationary pressures and rising cost of living have increased poverty rates and food insecurity even in middle income countries, with minority and marginalised communities worst affected. The Myanmar conflict has pushed an estimated 25 million people (45% of the population) into poverty.

Our development programme has continued to balance timely crisis support with a focus on long term funding commitments. In 2022–23 we doubled the amount of funding provided for Global Development Cooperation (from \$74.7 million in 2021–22).

In 2021–22 our focus started the shift to supporting countries to respond to, and recover from, the socioeconomic impacts of COVID-19, including loss of livelihoods, disruptions in supply chains and increasing food insecurity. In 2022–23 we broadened our focus to development challenges exacerbated by the “4C crisis” – COVID-19, climate, conflict and cost-of-living.

In addition, smaller regional programmes in Africa, Latin America and the Caribbean have allowed us to make an impact and engage on issues of importance, such as on Small Island Developing States interests. In the Middle East, Aotearoa New Zealand’s programmes continue to focus on peace and security.

²⁸Association of South East Asian Nations (ASEAN), established on 8 August 1967, is a collective of ten Southeast Asian states

Highlights from Aotearoa New Zealand's development cooperation beyond the Pacific region

Scaling up investment in sexual and reproductive health and rights (SRHR)

In December 2022, Aotearoa New Zealand signed an agreement to provide \$1 million over 5 years to support the delivery of sexual and reproductive health services and sexual and gender based violence responses in Timor-Leste. Activities commenced in January 2023.

Since 2006, Marie Stopes Timor Leste (MSTL) has been the leading organisation providing sexual and reproductive health and family planning services to Timorese women and their families. With this funding, they have now gained nationwide reach. The organisation provides access to accurate information and services, in safe spaces, enabling women to choose safe, effective and affordable contraception.

Funding has allowed MSTL to officially launch new SRHR activities in Manatuto and Covalima municipalities and extend sexual and reproductive health services, including family planning services and sexual and gender based violence response, in both municipalities.

Marie Stopes' clinical midwives and nurses are working alongside Timor-Leste Ministry of Health staff at community health centres to reach more people with essential health services, and to enable Marie Stopes teams to provide accurate information to clients on other services available near them.

Marie Stopes Timor Leste services being provided in Manatuto Municipalities. Credit: Marie Stopes Timor Leste.



Supporting ethnic minority communities to recover from socioeconomic impacts of COVID-19

Ethnic minority communities in Viet Nam were hit particularly hard by COVID-19. Even before the pandemic, ethnic minority communities were the most economically marginalised group, accounting for 15% of the total population but 61% of the country's poor households in 2020. UN research in 2021 found that that 16.5% of ethnic minority household members lost their jobs temporarily and 64.7% lost jobs permanently due to the impact of COVID-19.

During the height of the COVID-19 Delta outbreak in late 2021, many migrant or seasonal workers lost their jobs and fell into poverty as they returned to their hometowns without any real prospect of employment.

Targeted COVID-19-response activities supported socioeconomic recovery. Through Oxfam in Vietnam, immediate relief was available in the form of cash transfers and food for people in vulnerable communities. Longer-term recovery is focused on sustainable livelihoods through small farming activities to promote debt relief, financial independence and food security.

Over the year, 3,500 households in Viet Nam received livelihood support and social protection cash transfers to meet acute food security and household needs.

Building capacity in additional clean energy for Kenya

The New Zealand-Africa Geothermal Facility (NZ-AGF) has helped advance geothermal power projects in Kenya, Tanzania, Ethiopia and Djibouti by providing technical support to partners to help them secure financing for geothermal drilling, and providing advice and guidance throughout the planning, exploration and drilling stages. Capability building has been a focus across the NZ-AGF, which has contributed to strengthened partner capacity for geothermal exploration and operation. Approximately 843 people have received training from the NZ-AGF in the past year.

In Kenya, the NZ-AGF has assisted the Government-owned Geothermal Development Company to commission a commercial steam field operation that is the culmination of two years of capacity building. This is now partially commissioned and feeding 12MW into the grid. Once fully commissioned, the Menengai Steamfield is expected to contribute 35MW to the grid in Kenya.

Collecting samples to assess steam purity. Menengai Commissioning Assistance project supporting GDC in Kenya. Credit: JRG Energy/Kevin Brown.





UNMAS EOR team supervising an EORE session with kindergarten children Gaza, Occupied Palestinian Territories. Credit: UNMAS.

Supporting recovery from conflict

Aotearoa New Zealand supports a range of partners to detect and remove landmines and explosive remnants of war (ERW) in several conflict-affected countries. This reduces the threat of ERW-related accidents through land release and supports socio-economic development of communities. This also reinforces safety and security by negating the drivers that might cause people to turn to illicit economies to support their families.

- In Cambodia, UNDP has reported 34.25 km² of land cleared, with 57,157 people now able to access and productively use safe land. The clearance also benefited 383 students by clearing school land. Land value has increased by an average of 265% in the three target provinces, and communities have generated almost US\$2 million income from the sale of agricultural produce grown on the cleared land during 2022.
- In the Lao People's Democratic Republic (Lao PDR), 29km² of land contaminated with unexploded ordnances (UXOs) was cleared in in the first six months of 2023, and 13,149 UXO items destroyed. To date, a total of 44,167 UXOs were removed and destroyed, including bombs, bomblets, mines and other ERW.
- In Colombia, the Hazardous Area Life-support Organisation Trust (HALO) cleared 5,706 m² of hazardous land. This project also includes risk education, promotes safe practices in areas impacted by mine contamination, and empowers local people by providing employment opportunities through employment with HALO or through the release of land for productive use.
- United Nations Mine Action Service (UNMAS) Iraq cleared 6.4km² of agricultural and residential land, enabling displaced people to resettle in their lands of origin and rebuild their towns, and farmers to replant their agricultural lands. UNMAS Iraq also delivered explosive ordnance risk education reaching 96,192 people, and trained 600 school teachers and 100 police officers to deliver Explosive Ordnance Risk Education (EORE) sessions.
- In Occupied Palestinian Territories, Aotearoa New Zealand supported capacity building of Palestinian mine-clearance authorities and for the provision of EORE in the West Bank by UNMAS Palestine.



An onion farmer in Myanmar applies Trichoderma bio-pesticide to his crop. Credit: Proximity Designs, Myanmar.

Smart agriculture in Myanmar

As costs of agricultural inputs surge, IDC-funded initiatives in Myanmar, Viet Nam and Cambodia have helped farmers transition to organic fertilisers and biological pest controls in order to produce safe and affordable crops.

The Myanmar Resilient Horticulture²⁹ activity has helped farmers adapt as conflict and COVID-19 have disrupted supply chains and raised prices of agricultural inputs, such as fertiliser. This work has supported organic farming and biological pest controls, which are now being taken up by more than 20,000 smallholder farmers. Biological pest control agents enable more efficient uptake of soil nutrients, so farmers get more from the fertilisers they use, and encourage growth of beneficial organisms, reducing pest and disease outbreaks.

Chemical fungicides cost 3 to 4 times as much as organic pesticides, and farmers have reported that their crop yields have increased by an average of 17%, enabling farmers to earn an average of US\$50 additional profit per acre with each harvest as a result.

²⁹ See <https://medium.com/proximity-field-notes/as-agrochemical-prices-surge-myanmar-farmers-are-turning-to-organic-alternatives-61c8a26d96fa>



Indigenous B'laan leaders in front of the new solar power grid. For the first time, their community can access electricity. Credit: Center for Energy, Ecology, and Development (CEED) Philippines.

Providing support through the New Zealand Embassy/High Commission Fund activities

The the New Zealand Embassy/High Commission Fund supports small-scale, short-term community projects that contribute to wider community well-being. The maximum funding available is \$25,000 for individual projects that are less than two years in duration. While HEF activities are smaller scale than those undertaken under bilateral and Partnerships programmes, they highlight social inclusion in effective development and the impact that smaller activities can have on the well-being of marginalised communities. Aotearoa New Zealand provided \$3.65 million in total HEF funding in 2022-23.

Examples of 2022-23 projects in the ASEAN region include:

- In the Philippines, HEF support provided access to renewable energy in three un-electrified indigenous communities. The B'laan indigenous community lives next to a coal-fired power plant in their ancestral domain but never benefitted from access to electricity. The new off-grid solar photovoltaic system has provided the community with much needed, and transformative, access to electricity.
- In Viet Nam, a kitchen and canteen was constructed in a primary and secondary school, providing a safe and caring environment for 60 boarding students from marginalised ethnic minority communities. As a result, the students could have three cooked meals a day with improved meal quality, and decreased health risk from cooking on open fires.
- In Indonesia, HEF supported an activity to promote empowerment for the indigenous communities of Tau Taa in Central Sulawesi. As a result, the community has increased food security through the development of new crops and an expanded variety of vegetables and fruits into their crops. Installation of fish ponds has provided an increased protein intake, particularly benefiting children and the elderly. Installation of fish ponds has provided an increased protein intake, particularly benefiting children and the elderly.

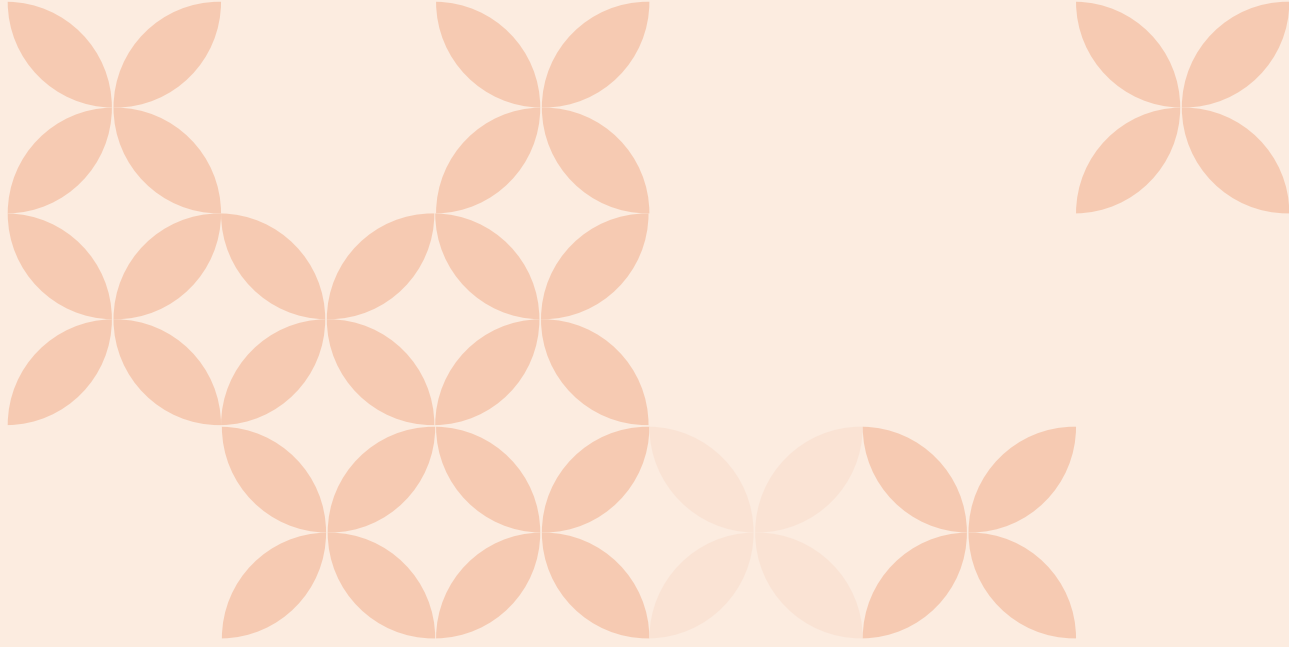


FIGURE 7: EXPENDITURE 2022-23 BY REGION

'Other' category includes:
Multilateral Agency,
Worldwide/Multi-Region,
and Ukraine.

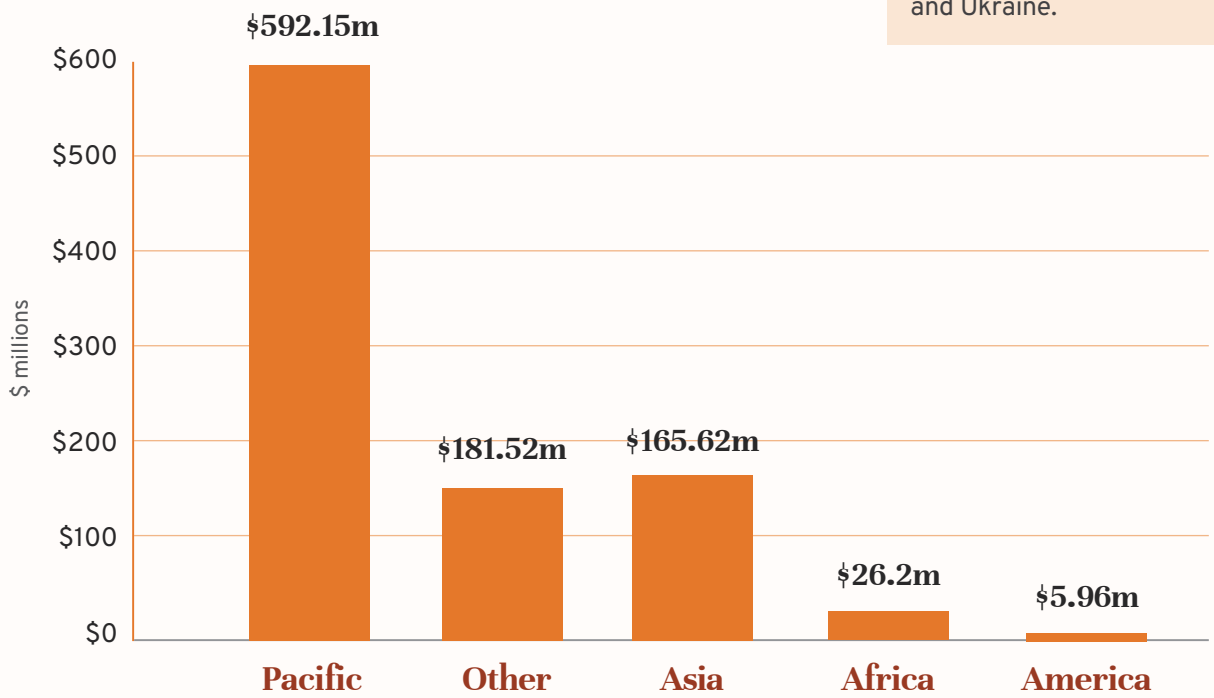


TABLE 1: EXPENDITURE BY REGION, SUB-REGION, AND PACIFIC BILATERAL COUNTRY 2022-2023

REGION, SUB REGION & COUNTRY	Expenditure 2022-23 (\$)	% of total IDC
PACIFIC	592,150,402	61%
PACIFIC POLYNESIA	250,790,119	26%
Cook Islands	58,202,978	6%
Niue	37,249,735	4%
Samoa	56,559,347	6%
Tokelau	20,533,842	2%
Tonga	62,326,034	6%
Tuvalu	15,489,142	2%
Other Polynesia	429,040	0%
PACIFIC MELANESIA	149,329,275	15%
Papua New Guinea	32,257,665	3%
Solomon Islands	43,196,603	4%
Vanuatu	30,308,383	3%
Fiji	43,467,441	4%
New Caledonia	99,183	0%
PACIFIC REGIONAL	150,853,289	16%
Pacific Regional/Multi-Country	150,853,289	16%
PACIFIC MICRONESIA	41,177,720	4%
Kiribati	29,506,848	3%
Nauru	4,310,410	0%
Other Micronesia	7,360,462	1%
ASIA	165,624,596	17%
OTHER - MULTILATERAL & WORLDWIDE	181,519,036	19%
AFRICA	26,203,150	3%
AMERICAS	5,958,165	1%
Grand Total	971,455,348	100%

International Development Cooperation (MYA)

10/12
MET BUDGET
STANDARD

What we intend to achieve

This appropriation is intended to achieve progress by developing countries against their sustainable development priorities and against the 2030 Agenda and Sustainable Development Goals.

TABLE 2: ASSESSMENT OF PERFORMANCE

	2022–23		2021–22	2020–21	2019–20
INTERNATIONAL DEVELOPMENT COOPERATION RESULTS	BUDGET STANDARD	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Number of Pacific Island countries that remain on track on their economic and public sector reform programme	Maintain or improve trend	5/6 countries assessed as "on track" (Kiribati, Samoa, Tonga, Tuvalu, Solomon Islands)	8/8 countries assessed as "on track" (Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu)	7/8 countries assessed as "on track" (Fiji, Kiribati, Nauru, PNG, Samoa, Tonga, Tuvalu)	8/9 countries assessed as "on track". (Cook Island, Fiji, Kiribati, Nauru, Niue, Samoa, Tonga, Tuvalu)
Misalign with Budget Standard - We did not make a disbursement to Nauru in 2022–23 as some reforms are outstanding. While the activity management assessment has not yet been approved, the draft result is 'off-track'. This is expected to correct itself in 2023–24 as all reforms are now close to being met.					
Number of people participating in a labour mobility initiative (No., M/F)	Maintain or improve trend	15,792 people (M: 14,357, F: 1,418, Not specified: 17)	14,882 people (M: 13,722, F: 1,148, Not specified: 12)	10,748 people (M: 9,730, F: 1,018)	New measure
Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation (No., M/F), of those number from new climate finance ³⁰	Standard dependent on need ³¹	5,947 people (M: 2,344, F: 2,216, Not specified – 1,387)	9,795 people (M: 2,538, F: 2,256, Gender diverse: 5, Not specified: 4,996).	7,929 people (M: 2,811, F: 3,191, Not specified: 1,927)	New measure
Number of people supported to improve their livelihoods (No., M/F)	Standard dependent on need	184,255 people (M: 72,459, F: 92,763, Not specified – 19,033)	69,880 people (M: 34,873, F: 32,519, Not specified: 2,488)	124,206 people (M: 50,324, F: 38,177, Not specified: 35,705)	New measure

³⁰ The wording of the measure has been revised to match Cabinet's commitments on climate finance see New Zealand's International Climate Finance Strategy www.mfat.govt.nz/assets/Aid/Climate-finance/International-Climate-Finance-Strategy-At-a-glance-FINAL.pdf

³¹ Performance measures which include the standard 'standard dependent on need' are output measures designed to quantify and aggregate the number of beneficiaries reached through a collection of IDC-funded initiatives every year. In general, where our funding increases, we would expect the numbers of beneficiaries reached to slowly increase. However, this varies greatly from year to year depending on the stage of delivery of individual initiatives. As such it is not appropriate to assign a specific overall target or 'increasing trend' standard to these aggregated measures, and this could in fact lead to perverse incentives around volume of delivery.

INTERNATIONAL DEVELOPMENT COOPERATION RESULTS	2022–23		2021–22	2020–21	2019–20
	BUDGET STANDARD	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Number of people directly benefitting from improved infrastructure and services (No., M/F)	Standard dependent on need	64,145 people (M: 9,453, F: 9,491, Not specified – 45,201)	45,271 people (M: 3,922, F: 3,903, Not specified: 37,447)	100,194 people (M:15,761, F: 16,800, Not specified: 67,633)	New measure
Number of people benefitting from sexual and reproductive health services (No., M/F)	Standard dependent on need	172,123 people (M: 56,339, F: 115,784)	177,310 people (F: 83,001, Not specified: 94,309) ³²	42,155 people (M: 1,766, F: 2,914, Not specified: 37,475)	New measure
Number of people benefitting from enhanced learning through ICT (No., M/F)	Standard dependent on need	12,598 people (M: 5,030, F: 5,434, Gender diverse - 39, Not specified – 2,095)	8,037 people (M: 1,331, F: 2,470, Not specified: 4,236)	1,453 people (M: 33, F: 217, Not specified: 1,203)	New measure
Number of people receiving training or capability-building support in priority sectors (No., M/F)	Standard dependent on need	101,536 people (M: 26,480, F: 26,828, Gender diverse - 5, Not specified – 48,222)	88,441 people (M: 31,090, F: 42,495, Not specified: 14,856)	101,507 people (M: 44,727, F: 41,362, Not specified: 15,418)	New measure
Number and percentage of people, who have been awarded scholarships, that complete tertiary or vocational scholarships (M/F) ³³	>90% of people who were awarded scholarship	Vocational training scholarships: 332/332 or 100% (M: 145, F: 185, unspecified: 2) Tertiary scholarships: 164/201 or 82% (M: 75, F: 89)	Vocational training scholarships: 345/399 or 87% (M: 150, F: 194, Other: 1) Tertiary scholarships: 295/303 or 97% (M: 130, F: 165)	Vocational training scholarships: 89 or 99% (M: 55; F: 34). Tertiary scholarships: 327 or 94% (M: 153; F: 173 Not specified; 1)	Vocational training scholarships: 263 or 99.6% (F: 128; M: 135) Tertiary Scholarships: 347 or 89% (F: 178; M: 169)

Misalign with Budget Standard – The lower than average completion rate for tertiary scholarships was anticipated, given the long deferral periods of some scholars due to the impact of COVID-19 and the closure of the NZ border. During this period situations changed for some scholars, who were unable to continue their studies.

³² 2021–22 results have been amended from those originally published in the 2021–22 Annual Report (89,314) people. A data entry error meant that only 6 months of results were reported. This has now been corrected.

³³ The slight downward trend is reflective of delays and disruptions caused by COVID-19 over the last 2.5 years, which have impacted on effectiveness in terms of delivery of short term outcomes for IDC-funded initiatives.

	2022–23		2021–22	2020–21	2019–20
INTERNATIONAL DEVELOPMENT COOPERATION RESULTS	BUDGET STANDARD	ACTUAL	ACTUAL	ACTUAL	ACTUAL
New Zealand responses to natural disasters in the Pacific are launched within mandated timeframes (%)	100%	100% (1/1) launched within mandated timeframes <ul style="list-style-type: none"> Tropical Cyclone Kevin and Judy – Vanuatu. 	100% (1/1) launched within mandated timeframes: <ul style="list-style-type: none"> Hunga Tonga - Hunga Ha'apai volcano - Tonga 	100% (4/4) launched within mandated timeframes <ul style="list-style-type: none"> Water insecurity Kiribati Tropical Cyclone Yasa Tropical Cyclone Ana Tropical Cyclone Harold 	100% (4/4) launched within mandated timeframes <ul style="list-style-type: none"> Tropical Cyclone Sarai - Fiji Tropical Cyclone Tino, Fiji flooding, Tropical Cyclone
Number of affected people provided with essential and useful assistance following a natural or human induced disaster (No., M/F)	Standard dependent on need	251,633 people (M: 75,934, F: 87,091, Not specified – 88,608)	552,135 people (M: 6,258, F: 6,870, Not Specified: 539,007)	412,348 people	814,923 people
QUALITY					
Percentage of Activities with effectiveness rated as good or better (based on MFAT Activity Completion Assessments)	Maintain or improve trend	73%	62%	65%	-

Financial performance (figures are GST exclusive)

30/06/22 Actual \$000		30/06/23 Actual \$000	30/06/23 Appropriation \$000	30/06/23 Variance \$000
826,901	International Development Cooperation (MYA)	971,455	904,608	(66,847)

Explanation of significant budget variance

There was a significant increase in expenditure in the last two months of the year to achieve an outturn of over \$900 million. The variance has resulted in a slightly reduced budget for 2023–24, year three of the current triennium.



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New Zealand Government

