

From: BERESFORD, Caroline (WSH)
Sent: Tuesday, 6 December 2016 8:03 a.m.
To: BUCHANAN, Felicity (AMER)
Cc: GROSER, Tim (WSH); WOODHAM, Angila (WSH)
Subject: Budget

Hi Felicity

Just a heads up on an upcoming rep activity

s9(2)(g)(i) have accepted our offer to host an inauguration event in January. s9(2)(g)(i)
, will comprise 300+ guests s9(2)(g)(i) in some sense
it's not dissimilar to major events that we have hosted in the past and doesn't outnumber our
Congressional bbq or our annual trade team party. s9(2)(g)(i)
s9(2)(g)(i) We are really lucky to be on the calendar and will certainly be the
only Embassy featuring. Much of the alcohol is being sponsored, but we still estimate the spend as
coming close to \$15k.

OUT OF SCOPE

Talk soon.

Caroline

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

From: BERESFORD, Caroline (WSH)
Sent: Tuesday, 13 December 2016 6:22 a.m.
To: BUCHANAN, Felicity (AMER)
Cc: GROSER, Tim (WSH)
Subject: Inauguration Event

Hi Felicity

Further to our phone call, I wanted to update you on plans for the Embassy inauguration party.

As you know, the Embassy with support from AMER has been pursuing a relationship strengthening exercise designed to enhance the profile of New Zealand as a partner and to build a broader constituency for the relationship in the future. With recent unexpected political developments in the US, this work has now become the number one priority for the post going into next year. We have made a good start and already have some strong linkages into the Trump team. As a result of this, we have been asked to host a gala event during inauguration week. This is a huge opportunity for us to enhance our position as a friend of the new Administration and build our relationships with the inner circle and with Republican Members. Only one other Embassy has got itself on the inauguration week calendar and that is France. So it is a huge coup for us. The guests we are targeting, in addition to the Trump transition teams, are senior Members of Congress, Five Eyes Ambassadors, and titans of industry – we already have an indication that some of this country's biggest CEOs will attend. There will also be a couple of celebrity guests (John Voigt and s6(a))

s9(2)(g)(i)

I will send you the full costings when we have them, but it's looking likely to be somewhere in the \$50k range. We think we can find the money within budget OUT OF SCOPE

OUT OF SCOPE

Anyway, let me know if you have any questions about this work or the event above.

Regards,

Caroline Beresford

Deputy Chief of Mission
New Zealand Embassy Washington | Te Aka Aorere

T +202-328-4878 M +202-560-1854

16 February 2017

DS AAG

OUT OF SCOPE

OUT OF SCOPE

Event Details

3 The event was held at the New Zealand Embassy from 6.30pm – 10.30pm on Tuesday 17 January 2017. It was an official part of the US Presidential Inauguration Programme and only one other diplomatic mission (the French Embassy) was accepted by the US Administration into the Inauguration Programme - hosting this official inauguration event was considered a significant opportunity for New Zealand's engagement interests because of the very high profile and interest it generated in Washington, D.C. The event was part of the Embassy's constituency building strategy to position New Zealand's interests effectively with the new US Administration and Congress – a key Ministry strategic priority for 2016/17 – and the Post believes the event has enabled it to establish a good network with the new US Administration and Congress. A number of senior transition team representatives, senior Republican Congressional members, new US Administration nominees, influential U.S. business and media guests and NZ Inc. business community contacts attended the event. From those that attended the event, there was positive feedback including from Air New Zealand's Chief Marketing and Customer Officer (see attached email). In total the event was attended by 321 guests including the following key US influencers:

- Chris Liddell – Assistant to President-elect
- Stephen Bannon – Chief Strategist to President-elect
- Stuart Jolly – Senior President-elect Advisor
- Mike Rubino - Senior President-elect Advisor
- Alan Cobb – Senior President-elect Adviser
- Kevin McCarthy – Republican Majority Leader of the House of Representatives

Cost

4 The cost of the event was covered by the Post's budget and MFAT's Public Diplomacy Fund. The Embassy contributed US\$38,247.36 and the Public Diplomacy Fund provided US\$20,000. The total cost of the event was US\$58,247.36 or NZ\$80,865.42.

5 Attached is a spreadsheet outlining the total costs for the Gala: WSH - Spreadsheet of total costs for event. The cost of the alcohol for the event was US\$4890 – so less than 8.4% of the total budget for the event.

6 The event can also be viewed relative to other large-scale representational events OUT OF SCOPE

Ministry Budgetary Approval Requirements

7 Given the cost of the function it is appropriate to advise of the Ministry's approval process. Under the Ministry's Finance delegations rules, Budget managers only may approve expenditure against the cost centre for which they are responsible. Budget managers are also authorised to spend up to the uncommitted balance of their approved budget. In this case, the New Zealand Embassy had the financial authority to expend this level of money on this event given it was within its approved budget.

8 In addition, all MFAT expenditure must be in accordance with instructions and policy. In cases where discretion exists, then the expenditure should be in line with good practice. In all instances the Ministry's Code of Conduct and the Sensitive Expenditure policy must be adhered to. Under the Ministry's Sensitive Expenditure Policy hospitality is considered "sensitive expenditure. The approval process is as follows:

"The approval of sensitive expenditure should be given before the event, wherever practical, by a person senior (the one-up principle) to the person who will benefit, or who might be perceived to benefit from the sensitive expenditure, wherever possible."

Approval Process Followed

9 The Post did advise Wellington about this event and flagged sensitivities. This took the form of two e-mails to DM AMER in early December 2016 and a telephone conversation between WSH DCM and DM AMER which included discussion of other important representational activity undertaken by Posts in Washington DC and New York in support of New Zealand's foreign policy priorities. In addition, Post submitted an application form to MFAT's Public Diplomacy Fund in January 2017 which went through the Ministry's PDF assessment and approval process. The event was considered an important part of the Embassy's effort to enhance the profile of New Zealand as partner and constituency building to position New Zealand's interests effectively with the new US Administration and Congress. A number of senior transition team representatives, senior Republican Congressional members, new US Administration nominees, influential U.S. business and media guests and NZ Inc. business community contacts attended the event.

Media Interest

10 There has already been some domestic media reporting of the event – by the NZ Herald and NBR. Given the intense level of New Zealand media interest in US-related stories, and the cost of the event, OUT OF SCOPE

OUT OF SCOPE

Prepared Media Points

- The inauguration event was hosted by the New Zealand Embassy in Washington DC on 17 January 2017.
- A key strategic priority for the Ministry is to position New Zealand interests effectively with the new US Administration and Congress after the November 2016 election.
- The New Zealand Embassy has a critical role in pursuing New Zealand's interests with the US – our third largest trading partner and a high-value market for New Zealand exporters and businesses.
- The event was considered an important part of enhancing the profile of New Zealand as a partner and a constituency building event to position New Zealand's interests effectively with the new US Administration and Congress.
- Over 320 guests attended including a number of senior transition team representatives, senior Republican Congressional members, new US Administration nominees, influential U.S. business and media guests and NZ Inc. business community contacts attended the event.
- The funding for the event came from within MFAT's baseline budget and met standard approval criteria and processes.
- The total cost was US\$58,247.36 or NZ\$ 80,865.42.
- [If raised] The alcohol cost less than 10% of the total budget of the Inauguration Event at US\$4890.
- [If raised] It is not unusual for our Embassy in Washington, D.C to arrange and pay for representational events of this significance where there is a clear business case for New Zealand's interests with the US. OUT OF SCOPE

Consultation

12 We have consulted DM CMD and WSH in the preparation of this note.

US Taskforce
16 February 2017

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Annex : Timeline

- 06/12/2016 DCM WSH emailed DM AMER (cc Ambassador and Administration Manager) about proposal to host inauguration event. DCM WSH and DM AMER had follow up conversation – and that Post had to determine its own business priorities and had the financial authority to expend within approved budgets
- 13/12/2016 DCM WSH emailed DM AMER (cc Ambassador) to update plans on Gala including costings.
- 11/01/2017 Application for Public Diplomacy Fund (PDF) received for US\$20,000 (NZ\$28,345). Endorsed by DCM WSH,
- 12/01/2017 Application for PDF endorsed by Acting Divisional Manager AMER.
- 12/01/2017 Application for PDF signed off by Public Diplomacy Adviser, CMD and Acting DM Communications, CMD for USD20,000 (NZ\$28,345).
- 13/01/2017 Media lines prepared by WSH in advance of inauguration event
- 17/01/2017 Inauguration Gala Event hosted by New Zealand Embassy.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT