

11 January 2008

...towards a safe and just world

Civil Aviation Authority of New Zealand
Aviation House
10 Hutt Road, Petone
PO Box 31-441
Lower Hutt
Wellington

Attention: Steve Douglas
Director of Civil Aviation

NZAID Ref: MOU/54/1
Koru Record: 6199
SCP Ref: Vol 2/10

Dear Steve,

**SUPPORT AND COOPERATION ARRANGEMENT
NIUE – PROGRAMME OF STRENGTHENED COOPERATION**

As outlined in previous correspondence and discussions with your officers, the New Zealand Agency for International Development (NZAID) wishes to engage the Civil Aviation Authority of New Zealand (the Partner Agency) to provide strengthened support to, and cooperation with, the Government of Niue to enhance capacity in the Niue Public Service. This Arrangement sets out the terms and conditions under which that support and cooperation are to be provided.

Background

In recognition of the special relationship with Niue and in fulfilment of New Zealand's constitutional obligations, the Government of New Zealand has committed additional resources and support to Niue (Cabinet Minute POL Min (04) 23/3 of 6 October 2004 attached as Annex A). On the 30th anniversary of the relationship of free association between the countries, the Governments of New Zealand and Niue entered into the Halavaka Ke He Monuina Arrangement (HKHM) in October 2004 (attached as Annex B). This provides for inter-governmental agency cooperation to strengthen and support the Niue Public Service in the form of support, training, mentoring and other capacity building assistance. It may comprise in-line advisors, short or long term advisory assignments, specialist advice and on-going counterpart linkages.

Within the New Zealand Ministry of Foreign Affairs and Trade (MFAT) a Special Relations Unit (SRU) has been established to manage and administer New Zealand Government agency inputs under the HKHM. The SRU is to be the key point of contact for all parties to this Arrangement.

Initial for NZAID	
Initial for Partner Agency	

Objectives

The objectives of this Arrangement are to establish through NZAID's official development assistance a cooperative relationship between the Partner Agency and the Government of Niue counterpart to facilitate effective cooperation and strengthened support. Specific details of individual activities, interventions and projects shall be recorded in a separate Letter of Engagement.

Principles

The relationship between NZAID, the Partner Agency, and the Government of Niue under this Arrangement will be based upon the constitutional obligations of New Zealand to Niue, the provisions of the Cabinet Minute and HKHM, and the special relationship between the countries, and characterised by a partnership approach guided by the following principles:

- a. a partnership approach based on fairness, transparency, openness, accountability and mutual trust.
- b. a focus on contributing to Niue's development needs.
- c. quality, relevance and excellence in service delivery, and a commitment to good governance.
- d. the effective and efficient use of funding and resources.
- e. a focus on sustainable and equitable development.

Period

The HKHM provides for an initial engagement of five years. This Arrangement is effective from the date of its execution and will expire, unless renewed, at the end of that five-year period in September 2009.

The terms of this Arrangement may be amended by the written agreement of both parties recorded in the form of a Letter of Variation, and signed by both parties.

Financing

NZAID will reimburse the Partner Agency such sums as are agreed in relation to individual activities, interventions and projects. All costs under this Arrangement are to be zero rated for GST purposes.

Reporting

Day to day correspondence in relation to the management and administration of inputs under this Arrangement, and any subsequent Letter of Engagement shall be directed to the SRU. In addition, the Cabinet Minute requires six monthly reporting to Cabinet on progress and the Partner Agency shall provide to the SRU six monthly summary reports, due in March and September each year, providing a statement of activities undertaken, progress against objectives achieved, and risks identified.

Any reporting requirements relating to individual activities, interventions and projects will be contained in the Letter of Engagement.

Initial for NZAID	
Initial for Partner Agency	

Performance

The Partner Agency will ensure that only suitably qualified and experienced persons are employed under this Arrangement and that the all activities, interventions and projects are carried out with due diligence, efficiency and economy, whilst observing sound management and technical practices, and complying with professional consulting standards recognised by relevant professional bodies.

The Partner Agency will take steps to ensure that none of its personnel involved in the Project makes any commitments on behalf of the New Zealand Government relating to the expenditure of official development assistance or any other official funds, except as may have been authorised in writing and in advance by NZAID.

Publicity

Both parties shall endeavour to ensure that any publicity given to activities, interventions, or projects under this Arrangement indicate that they are being undertaken as part of New Zealand's official development assistance programme.

Responsibilities

Each party is deemed to be independent and nothing contained or implied in this Arrangement shall be construed as creating an employer/employee or principal/agent or legal partnership relationship between them.

The Partner Agency is responsible for the liability of its employees, sub-contractors and agents for all taxes and ACC or insurance premiums, or such other costs as are attributable to its employment or engagement of its employees, sub-contractors and agents.

The Partner Agency shall be responsible for maintaining its own insurance cover throughout the term of this Arrangement in relation to relevant public liability, and such individual insurance cover for its employees, sub-contractors and agents involved in travelling overseas, against loss of life, accident, general sickness, medical evacuation, and loss, damage or theft of personal effects and equipment.

In undertaking activities, interventions and projects the Partner Agency shall be mindful of, and where appropriate comply with the laws of Niue.

Information

Both parties agree that all information obtained or produced under this Arrangement and marked as 'confidential' 'restricted' or 'commercial in confidence' will be treated as confidential except in so far as the information has been made available on public release. The Partner Agency and the SRU will consult and seek agreement in advance on the release to any third party of any such information, whether under an Official Information Act request or not.

Extraordinary Events

Neither party shall be liable for any failure to perform or any delay in performing under this Arrangement to the extent that the cause of such failure or delay is beyond that party's reasonable control, (*force majeure*), providing notice claiming suspension of its obligations is given to the other party in writing. The parties may mutually determine to suspend or terminate any part or the whole Arrangement, or Letter of Engagement, in the event of *force majeure*.

Initial for NZAID	
Initial for Partner Agency	

If the Project is in whole, or in part suspended or terminated as the result of *force majeure*, NZAID will reimburse the Partner Agency such costs reasonably incurred to the date of suspension or termination.

Notices

All legal and formal notices provided for, or permitted under this Arrangement shall be addressed to the chief executive officer of that party and sent by mail, or be hand delivered, to that party's head office in Wellington.

NZAID

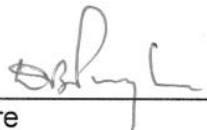
NZAID is a semi-autonomous body within the Ministry of Foreign Affairs and Trade and is responsible for managing New Zealand's official development assistance. In executing this Arrangement NZAID is acting for and on behalf of the Secretary of Foreign Affairs and Trade.

Resolving Disputes

NZAID and the Partner Agency will act in good faith and endeavour to resolve any disagreement in a spirit of goodwill. A dispute that cannot be resolved at an operational level will be referred to the Executive Director, NZAID and Director / CEO of the Partner Agency for the purpose of endeavouring to resolve the dispute on mutually acceptable terms.

SIGNED

For and on behalf of the New Zealand Agency for International Development



Signature

David Payton

Full Name

Director, Special Relations Unit, MFAT

Position

11 January 2008

Date

SIGNED

For and on behalf of the Civil Aviation Authority of New Zealand



Signature

Steve Douglas

Full Name

Director of Civil Aviation

Position

11 January 2008

Date

**ANNEX A
CABINET MINUTE**

Initial for NZAID	
Initial for Partner Agency	



Cabinet Policy Committee

Minute of Decision

Restricted

POL Min (04) 23/3

Copy No: 09

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

New Zealand - Niue: Strengthened Cooperation Programme

On 6 October 2004 the Cabinet Policy Committee [POL]:

- 1 noted that the Minister of Economic Development and the Associate Minister of Foreign Affairs and Trade (ODA) visited Niue from 25 to 27 September 2004 and held discussions with Niuean Ministers on Niue's situation and outlook, and New Zealand-Niue relations;
- 2 agreed that Niue's deteriorating viability and depopulation and its status as part of the Realm of New Zealand warrant a change in New Zealand's approach toward managing its relationship with Niue;

Strengthened Co-operation Programme

- 3 agreed that New Zealand should pursue with Niue a Strengthened Co-operation Programme (SCP) over a five year period commencing in 2004/05, with the programme to be reflected in a Memorandum of Understanding;
- 4 agreed that the outcomes sought through the SCP should be economic viability, through sustainable enterprise growth, reduced dependence on Official Development Assistance (ODA), strengthened governance on Niue, reduced environmental vulnerability, retention of Niue's culture, and population growth on the island;
- 5 agreed that the SCP would require a Whole of Government approach through active involvement from New Zealand Government agencies, including their involvement through mentoring and other support arrangements;
- 6 noted the recent significant New Zealand private sector investment in Niue and initiatives by the Niue Government to support commercially oriented agriculture and fisheries development;

Initiatives

- 7 agreed that the SCP Memorandum of Understanding specify a series of initiatives aimed at fostering Niue economic development and culture viability in the following areas:
 - 7.1 Budget Support: continued budget support to Niue over a five year period at no less than the current annual provision of \$8.25 million;

- 7.2 Inter-Governmental Agency Co-operation: provision of in-line advisors, specialist advice and mentoring in the following areas:
- 7.2.1 two co-ordinator positions: one based in the Premier's Department in Niue, and a counterpart position in Wellington supported by the Ministry of Foreign Affairs and Trade (MFAT)/New Zealand Agency for International Development (NZAID) linked to the New Zealand Department of Prime Minister and Cabinet;
 - 7.2.2 a public sector advisor to provide support and on-going mentoring to the Niue Government on public sector reform;
 - 7.2.3 financial sector: on-going fiscal advice and support by Treasury and the Inland Revenue Department;
 - 7.2.4 legal sector: legal, attorney-general and legislative drafting support from New Zealand agencies, including Crown Law Office, Parliamentary Counsel Office, the Ministry of Justice;
 - 7.2.5 health sector: the provision of a doctor, health management support, and effective referral services, facilitated by the Ministry of Health;
 - 7.2.6 education sector: enhanced linkages between the Niue Department of Education and New Zealand education agencies;
 - 7.2.7 law enforcement and border control: provision of a Commissioner of Police, enhanced policing support and exchanges, support and advice to Niue in the development of immigration and border control policy and procedures by the Department of Labour and other relevant agencies;
- 7.3 Economic and Social Development: development of initiatives to support enterprise growth and social development on Niue, including business advisory support, business financing support, and possible applicability of New Zealand's Regional Partnership and Major Regional Initiative (MRI) programmes to Niue. These areas would be progressed through discussions between counterpart agencies including the Ministry of Economic Development, New Zealand Trade and Enterprise and Niue's Department of Economic Planning;
- 7.4 Infrastructure: provision of support and staffing for an asset management and capital replacement and development plan for Niue, including possible engineering assistance, and urgent consideration of assistance to achieve the extension and enhancement of wharf facilities, including a safe and reliable crane;
- 7.5 Environmental Recovery: New Zealand assistance to achieve the implementation of the following environmental recovery projects:
- 7.5.1 centralise, palletise and safe storage of stockpiled asbestos by early 2005 through technical support and funding from Vote: ODA of \$168,000;
 - 7.5.2 scrap metal stockpile: compression and removal by early 2005;

- 7.5.3 feral pig eradication: New Zealand will assist Niue in the eradication of feral pigs;

Targets and monitoring

- 8 noted that the following indicators will be monitored as targets to pursue over the five year period of the SCP:
- 8.1 reduce Niue's reliance on official development assistance as a percentage of its GDP;
 - 8.2 increase the Niue Government's domestic revenue base through more efficient and effective taxation measures;
 - 8.3 enable the emergence of sustainable export industries generating foreign exchange reserves and increased employment in tourism, agriculture and fisheries;
 - 8.4 reduce Niue's vulnerability to future cyclones;
 - 8.5 strengthen the transparency, accountability and efficiency of governance structures;
 - 8.6 increase Niue's population and cultural strength;
- 9 noted that the targets in paragraph 8 would be the subject of monitoring by New Zealand and annual review with the Government of Niue through annual joint Ministerial consultations;

Funding

- 10 agreed that the total level of budget support over the period 2004/05 to 2008/09 will be at least \$41.25m to be funded from within existing baselines of Vote ODA;
- 11 noted that additional resources would be required to implement the SCP;
- 12 agreed that the additional funding of \$2 million for the inter-Governmental agency co-operation will be met in 2004/05 within the current Vote: ODA baseline;
- 13 agreed that additional funding of \$2 million annually in outyears 2004/05 to 2008/09 will be sought in the 2005 budget process to support ongoing inter-governmental agency co-operation;
- 14 noted that additional funding will be required for Vote: ODA to fund capital and infrastructure projects as follows:
- 14.1 2004/05: \$5 million;
 - 14.2 2005/06: \$6 million;
 - 14.3 2006/07: \$3 million;
 - 14.4 2007/08: \$3 million;

14.5 2008/09: \$3 million;

15 **agreed** to increase the multi-year appropriation for Pacific Development Assistance by \$5.000 million in 2004/05;

16 **noted** that the decision in paragraph 15 impacts on the Government's operating balance;

17 **approved** the following changes to appropriations to put into effect the decision in paragraph 15:

	\$m – increase / (decrease)	
Vote Official Development Assistance – multi-year appropriations	2003/04 – 2005/06	GST
Non-departmental Other expenses to be Incurred by the Crown		Incl
Pacific Development Assistance	5.000	
Total	5.000	

18 **agreed** that the change to the multi-year appropriation for 2003/04 – 2005/06 above be included in the 2004/05 Supplementary Estimates and that, in the interim, these expenses be met from Imprest Supply;

19 **agreed** that the additional funding for the period 2005/06 to 2008/09 totalling \$15 million will be sought in the 2005 budget process to fund capital and infrastructure projects;

20 **noted** that the amount and disbursement of these allocations would be guided by the outcome of the Annual Ministerial Consultations provided for in the Strengthened Cooperation Programme;

21 **agreed** that New Zealand government departments and agencies will be required to meet ongoing salary costs of staff involved in short-term advisory assignments (less than three months) under the SCP but that additional non-salary costs and the full cost of long-term assignments or assignments from outside Government Agencies will be fully funded by the SCP from Vote: ODA;

Other issues

22 **noted** that Niue would welcome any greater flexibility that could be provided around the portability of New Zealand national superannuation, such as enabling Niueans to return to Niue in their 50s to work there without jeopardising their entitlement to superannuation;

23 **directed** the Ministry of Social Development and Treasury, in consultation with other agencies as appropriate, to consider the issue referred to in paragraph 22 in the current review of superannuation portability currently under preparation for consideration by Cabinet later in 2004;

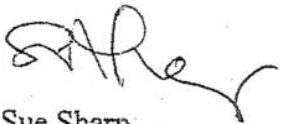
24 **noted** that there had been instances of Niueans referred to New Zealand for medical treatment having difficulty gaining consistent access to relevant welfare benefit entitlements;

25 **directed** the Ministry of Social Development, in consultation with the Ministry of Health and other agencies as appropriate, to develop clear guidelines in English and Niuean to clarify the question of entitlements referred to in paragraph 24;

- 26 **noted** that Niue has difficulties in accessing insurance and underwriting facilities both for investment and cyclone risk;
- 27 **directed** the Ministry of Economic Development, in consultation with other agencies as appropriate, to provide advice on what options might be available to Niue, for example from commercial sources, to address these difficulties;
- 28 **noted** that tourism offers Niue an opportunity to achieve a sustainable economy;
- 29 **directed** the Ministry of Tourism and the Department of Conservation to undertake urgently the development of a larger and more coherent vision of Niue's future as a tourist destination;
- 30 **noted** that Niue is the world's largest raised coral atoll with unique features to its associated flora and fauna;
- 31 **directed** the Department of Conservation to work with Niue to assess the case and procedures for Niue to seek World Heritage status;

Next steps

- 32 **noted** the Prime Minister's proposed visit to Niue on 29-30 October, to mark the 30th anniversary of New Zealand's constitutional relationship with Niue;
- 33 **agreed** that the Prime Minister should sign and announce with the Premier of Niue a Memorandum of Understanding, based on the draft attached to this minute, which outlines the proposed SCP;
- 34 **directed** an inter-agency group comprising relevant participating agencies to:
- 34.1 report to the Prime Minister, Minister of Finance, Minister for Economic Development, Minister of Foreign Affairs and Trade, Associate Minister of Foreign Affairs and Trade (ODA), and other Ministers as appropriate, on a monthly basis;
- 34.2 report twice a year to the Cabinet Committee on External Relations and Defence (ERD) on progress with the implementation of the SCP;
- 35 **invited** the Associate Minister of Foreign Affairs and Trade (ODA), in consultation with other Ministers as appropriate, to provide a report to POL on progress with implementation of the SCP, including the issues referred to in paragraphs 22-31, by early December 2004;
- 36 **noted** that the Associate Minister of Foreign Affairs and Trade (ODA) indicates that consultation is not required with government caucuses or other parliamentary parties.


Sue Sharp
Secretary

Reference: POL (04) 273

Present:

Rt Hon Helen Clark (Chair)
Hon Jim Anderton
Hon Steve Maharey
Hon Phil Goff
Hon Annette King
Hon Jim Sutton
Hon Trevor Mallard
Hon Pete Hodgson
Hon Margaret Wilson
Hon Parekura Horomia
Hon Paul Swain
Hon Marian Hobbs
Hon David Benson-Pope
Hon Harry Duynhoven

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet

Copies to:

Cabinet Policy Committee
Chief Executive, DPMC
Director PAG, DPMC
Secretary to the Treasury
Commissioner of Inland Revenue
Chief Executive, Ministry of Economic Development
Chief Executive, New Zealand Trade and Enterprise
Chief Executive, Ministry of Social Development
Secretary for Justice
Chief Executive, Ministry of Pacific Island Affairs
Director-General of Health
Director-General of Agriculture and Forestry [Agriculture]
State Services Commissioner
Chief Executive, Ministry of Education
Solicitor-General
Chief Executive, Te Puni Kokiri
Minister of Police
Commissioner of Police
Minister of Tourism
General Manager, Ministry of Tourism
Minister of Labour
Secretary of Labour
Secretary of Labour [Immigration]
Secretary of Labour [OSH]
Associate Minister of Foreign Affairs and Trade [ODA]
Secretary of Foreign Affairs and Trade
Secretary for the Environment
Minister of Conservation
Director-General of Conservation
Minister of Customs
Comptroller of Customs
Minister of Fisheries
Chief Executive, Ministry of Fisheries
Associate Minister of Pacific Island Affairs
Controller and Auditor-General
Chief Parliamentary Counsel
Secretary, ERD

DRAFT

Memorandum of Understanding/Halavaka Ke Monuina

Preamble

Upon the occasion of the 30th anniversary of the 1974 Niue Constitution Act the Governments of New Zealand and Niue have agreed to, and have committed themselves to, the objectives set out in this MOU.

Objectives

Affirming Niue's status as a self-governing nation in free association with New Zealand.

Reaffirming the constitutional relationship between New Zealand and Niue, including New Zealand citizenship and the obligation to provide necessary economic and administrative assistance;

Recognising the importance of retaining and strengthening Niue's language and culture, and

Determined to pursue Niue's economic development and population growth.

The Governments of Niue and New Zealand commit themselves to strengthened partnership and cooperation to achieve these objectives.

Content

The two Governments have agreed to the following specific initiatives:

- *Budget Support*

New Zealand commits itself to an initial 5 year programme of budgetary support to Niue as follows :

5 year programme to be outlined

- *Inter-Governmental Agency Cooperation*

To enhance capacity in the Niue Public Service and to facilitate more effective support and cooperation between Niue and New Zealand counterpart Government Agencies, New Zealand commits to providing strengthened support.

The form of the initial assistance could be in-line advisors, long or short-term advisory assignments, specialist advice and on-going counterpart linkages and will include :

- *Policy support coordination in Niue and New Zealand.*

A long-term advisory position based in the Premier's Dept in Niue, and a counterpart position based the New Zealand Department of Prime Minister and Cabinet.

Advisory support and on-going mentoring to help the Niue Government develop possible options for government structures and their implementation.

- *Financial Sector*

Provision of fiscal advice and support from New Zealand including provision of support by Treasury and IRD on specialist tax issues, ongoing linkages, and other assignments as may be agreed.

- *Legal Sector*

The availability of counterpart legal and legislative drafting support from New Zealand for Niue.

- *Health Sector*

Completion of a new hospital will be given urgent consideration by New Zealand. A package of health support will be developed to include the provision of a Doctor, provision of health management support, and effective referral services into the New Zealand public health system, including the issue of welfare entitlements.

- *Education Sector*

Enhanced linkages will be developed between the Niue Department of Education and New Zealand Education Agencies.

- *Law Enforcement and Border Control*

New Zealand commits to provide a Commissioner of Police and enhanced Policing support and exchanges. The New Zealand Department of Labour and other Agencies will provide support and advice in the development of immigration and border control policy and procedures.

Economic and Social Development

New Zealand and Niue will develop practical initiatives to support enterprise growth and social development. Opportunities to be considered include business advisory support, business financing support, and investigating the applicability of New Zealand's Regional Partnership and Major Regional Initiative (MRI) programmes to Niue. Priority will be given to tourism, fisheries, agriculture and land use issues. This will be progressed through discussions between counterpart agencies including MED/NZTE and EPD.

Infrastructure

In order to produce an infrastructural priority capital plan for Niue, New Zealand will provide support and staffing for an asset management and capital replacement and development plan for Niue.

Extension and enhancement of wharf facilities will be given urgent consideration by New Zealand.

Environmental Recovery

New Zealand and Niue will cooperate with a view to early completion of the following environmental recovery projects :

- Asbestos : centralise, palletise and safe storage of stockpiled asbestos. New Zealand will fund this stage at \$168,000.
- Scrap Metal Stockpile : compression and removal
- Derelict/Abandoned Houses : Niue will consider and develop a programme to rehabilitate, remove or demolish
- Feral Pig Eradication : New Zealand will assist Niue in the eradication of feral pigs

Taoga Niue

New Zealand will assist Niue to retain and strengthen its language and culture through enhanced support, including the first Fono Taoga Niue.

Review

Joint Ministerial Consultations will be held annually in Niue. These will be preceded by a meeting of the Joint Consultative Group at official's level.

This Halavaka ke Monuina Memorandum will enter into force on date of signature for a period of 5 years unless otherwise mutually agreed.

ANNEX B
HALAVAKA KE HE MONUINA ARRANGEMENT

Initial for NZAID	
Initial for Partner Agency	

1/6/01

HALAVAKA KE HE MONUINA

**AN
ARRANGEMENT**

between

**the
Government of New Zealand
and the
Government of Niue**

**For a Programme of
Strengthened Cooperation**

2004 - 2009

Halavaka Ke He Monuina Arrangement

1. Preamble

- 1.1 The Government of New Zealand (the 'GNZ') and the Government of Niue (the 'GON') desiring to strengthen the existing cordial relations between the countries, and upon the occasion of the 30th anniversary of the relationship of free association between the countries, have affirmed their intent to pursue the objectives set out in this Halavaka ke he Monuina Arrangement (the 'Arrangement').
- 1.2 This Arrangement will come into effect on the date of signature by both signatories and will remain in effect for a period of 5 years, unless otherwise mutually decided.

2. Objectives

- 2.1 The GNZ and the GON will work together through strengthened partnership and closer cooperation toward achievement of the following objectives:
 - a. the GNZ acknowledges and affirms Niue's status as a self-governing state in free association with New Zealand
 - b. both signatories hereby reaffirm the special relationship between New Zealand and Niue, including the right of Niueans to New Zealand citizenship and New Zealand's obligation to provide necessary economic and administrative assistance to Niue
 - c. both signatories hereby recognise the importance of retaining and strengthening Niue's language and culture
 - d. both signatories are determined to pursue Niue's economic development and population growth.

3. Activities

- 3.1 The two Governments intend to pursue the following specific initiatives:
 - a. Budget Support
 - i. The GNZ will fund an initial 5-year programme of budgetary support to the GON, as per the schedule attached at Annex A.
 - b. Inter-Governmental Agency Cooperation
 - i. The GNZ will provide strengthened support and will facilitate more effective cooperation between Niue and New Zealand counterpart Government Agencies to enhance capacity in the Niue Public Service.

- ii. The form of the initial assistance may comprise in-line advisors, long or short-term advisory assignments, specialist advice and on-going counterpart linkages.
- c. Policy support coordination in Niue and New Zealand.
 - i. The signatories recognise the need for a long-term advisory position based in the Premier's Department in Niue, and a counterpart position linked to the New Zealand Department of Prime Minister and Cabinet. These positions will, among other things, be responsible for coordinating and facilitating effective cooperation amongst Niue and New Zealand government agencies and departments.
 - ii. Such advisory support and on-going mentoring will be provided as required, to help the GON enhance the capacity, effectiveness and efficiency of the Niue Public Service.
- d. Financial Sector
 - i. The signatories recognise the need for the provision of fiscal advice and support from New Zealand including provision of support by Treasury and the Inland Revenue Department on specialist tax issues, ongoing linkages, and other assignments as may be agreed.
- e. Legal Sector
 - i. The signatories recognise the need for the availability of counterpart legal and legislative drafting support from New Zealand for Niue.
- f. Health Sector
 - i. Completion of a new hospital will be given urgent consideration by the GNZ. A package of health support will be developed to include the provision of a doctor, health management support, and effective referral services into the New Zealand public health system, including the issue of welfare entitlements.
- g. Education Sector
 - i. The current education development support programme whose aim is to improve standards in the early childhood centre, primary and secondary schools, and enhance the strategic planning capability of the Department of Education will conclude on 31 December 2005. Enhanced linkages will be developed between the Niue Department of Education and New Zealand Education Agencies.
- h. Law Enforcement and Border Control
 - i. The GNZ will provide a Commissioner of Police and enhanced Policing support and exchanges. The New Zealand Department of Labour and other Agencies will provide support and advice in the development of immigration and border control policy and procedures.

4. Economic and Social Development

- 4.1 Both signatories will develop practical initiatives to support enterprise growth and social development in Niue. Opportunities to be considered include business advisory support, venture capital options, suspensory loans and investigating the applicability of New Zealand's Regional Partnership and Major Regional Initiative (MRI) programmes to Niue. Priority will be given to tourism, fisheries, agriculture and land use issues. This will be progressed through discussions between counterpart agencies including the Ministry for Economic Development, New Zealand Trade and Enterprise, and the Economic Planning Department and Niue Treasury Department.

5. Infrastructure

- 5.1 New Zealand will provide support for an asset management and capital replacement and development plan for Niue.
- 5.2 Extension and enhancement of wharf facilities will be given urgent consideration by New Zealand.

6. Environmental Recovery

- 6.1 Both signatories will cooperate with a view to early completion of the following environmental recovery projects:
- a. Asbestos: centralise, palletise and safe storage of stockpiled asbestos. New Zealand will fund this stage at up to \$168,000
 - b. Scrap Metal Stockpile: compression and removal
 - c. Derelict/Abandoned Houses: Niue will consider and develop a programme to rehabilitate, remove or demolish abandoned houses
 - d. Feral Pig Eradication: New Zealand will fund a feasibility study on options to eradicate feral pigs, and subject to the findings, will consider further assistance to eradicate feral pigs.

7. Taoga Niue

- 7.1 The GNZ will assist the GON to retain and strengthen Niue's language and culture through enhanced support, including the first Taoga Niue Fono.

8. Review

- 8.1 Joint Ministerial Consultations will be held annually in Niue. A meeting of the Joint Consultative Group at officials level will precede these.
- 8.2 These consultations will review progress on the actions provided for in this Arrangement and the effectiveness of links between Niue and the New Zealand public services in supporting Niue's economic and social development.

8.3 Niue and New Zealand will jointly develop indicators to monitor progress and effectiveness, within four months after this Arrangement comes into effect.

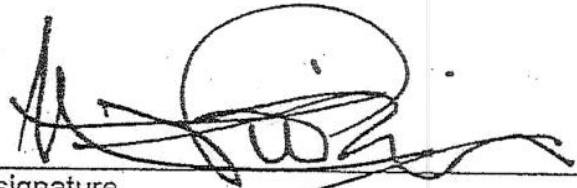
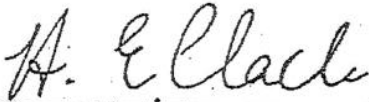
9. Appropriation of Funds

9.1 The provision by the GNZ of funding under this Arrangement is conditional upon New Zealand Parliamentary approval of appropriations.

IN WITNESS WHEREOF, the undersigned, being duly authorised to act for and on behalf of their respective countries, have signed this Arrangement as follows:

signed for and on behalf of
New Zealand

signed for and on behalf of Niue



signature

signature

Prime Minister Helen Clark

Premier Young Vivian

name

name

date

30/10/04

date

30/10/04

Annex A
Schedule of Budget Support

Year #	Financial Year	Estimated Budget Support	Other Assistance	Total
1	2004/05	NZ\$7.323 million	Continuation of the education programme, technical assistance, economic development initiatives NZ\$927,000	NZ\$8.25 million
2	2005/06	NZ\$6.664 million	Completion of the education programme, technical assistance, economic development initiatives NZ\$1.586 million	NZ\$8.25 million
3	2006/07	NZ\$6.80 million	Technical assistance, economic development initiatives NZ\$1.45 million	NZ\$8.25 million
4	2007/08	NZ\$8.25 million	Nil	NZ\$8.25 million
5	2008/09	NZ\$8.25 million	Nil	NZ\$8.25 million
Total estimated budget support				NZ\$41.25 million

This budgetary support will be provided in accordance with the guidelines adopted by the Joint Consultative Group in July 2004, or as may be amended at future Joint Consultative Group meetings.