

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
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[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

## BRIEFING

### Better Public Services (Result 9) – Update on the R9 Accelerator Budget Bid

<b>Date:</b>	20 March 2017	<b>Priority:</b>	High
<b>Security classification:</b>	<b>Budget Sensitive</b>	<b>Tracking number:</b>	2901 16-17

	<b>Action sought</b>	<b>Deadline</b>
<b>Hon Simon Bridges</b> Minister for Economic Development	<b>Note:</b> the update provided on the R9 Accelerator Budget Bid.	20 March 2017

<b>Contact for telephone discussion (if required)</b>					
<b>Name</b>	<b>Position</b>	<b>Telephone</b>		<b>1st contact</b>	
Andrew Bardsley	General Manager, Better for Business	[39]	[23]	✓	
Linda Oliver	Manager Strategic Directions, Better for Business	[39]	[23]		
Sarah Berry	Manager, Communications and Programme Support, Better for Business	[39]	[23]		
<b>The following departments/agencies have been consulted [double click box &amp; click 'checked']</b>					
<input type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input type="checkbox"/> MSD	<input type="checkbox"/> TEC	<input type="checkbox"/> MoE
<input type="checkbox"/> MFAT	<input type="checkbox"/> MPI	<input type="checkbox"/> MfE	<input type="checkbox"/> DIA	<input type="checkbox"/> TPK	<input type="checkbox"/> MoH
		<input type="checkbox"/> Other:	N/A or [Insert agency]; [Insert agency]		

**Minister's office to complete:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

**Comments:**

# BRIEFING

## Better Public Services (Result 9) – Update on the R9 Accelerator Budget Bid

<b>Date:</b>	20 March 2017	<b>Priority:</b>	High
<b>Security classification:</b>	<b>In Confidence</b>	<b>Tracking number:</b>	2901 16-17

### Purpose

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The purpose of this paper is to provide you with an update on the R9 Accelerator Budget bid.

### Recommended action

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The Ministry of Business, Innovation and Employment recommends that you:

- a. **Note** the update provided on the R9 Accelerator Budget bid.

*Noted*

- b. **Agree** to support the revised R9 Accelerator Budget bid of <sup>[33]</sup> would include an allocation of <sup>[33]</sup>

This

*Agree/Disagree*



Andrew Bardsley  
**General Manager, Better for Business**  
Market Services, MBIE

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Hon Simon Bridges  
**Minister for Economic Development**

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## Background

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1. Result 9 Better for Business has in the last two years created a model for a cross-agency accelerator for government in New Zealand (R9 Accelerator). There is now an opportunity to scale this capability into a core part of what government does as part of the Better Public Services (BPS) Result 9 – Better for Business programme.
2. MBIE has prepared a Budget bid which was discussed at the BGA Ministers' meeting on 15 March. Further discussion was held with Minister Bridges and MBIE officials on the viability and benefit of funding the R9 Accelerator for an initial period of two years instead of four years as proposed in the original bid.

[33]

3. This paper provides an update on the revised two-year funding approach, followed by a review after two years. It also provides details of high-level benefits.

## Benefits of R9 Accelerator

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4. The R9 Accelerator has been tested and tuned using BPS seed funding. To continue to run as a public sector innovation tool, it needs to secure ongoing funding to operate effectively. Funding the R9 Accelerator for two years will not provide a firm sustainable footing for the R9 Accelerator but it is a valuable start and provides a platform for review at the end of this period. A two year funding approach will deliver two accelerators and the preparation for a third accelerator.
5. R9 Accelerator is one of the first programmes of its kind in the world, so it is difficult to fully quantify the financial benefits. Early results from the second seed-funded Accelerator sees several “start-up” entities providing business savings and government efficiencies. These include 2Shakes and Traject:
  - 2Shakes estimates potential bankable business cost savings of [25] per year based on a reduction in bookkeeping and accounting costs across small businesses.
  - Traject is in the process of moving the accredited employer application form for Immigration NZ from a slow paper-based process to a smart, plain English online form. This is estimated to reduce effort for businesses from 40 hours to four hours per transaction.
6. It is reasonable to assume that the R9 Accelerator will continue to produce similar results with benefits for both customers and government agencies. Other key benefits include:
  - Reduced effort for customers resulting from time and costs savings contributing towards the Result 9 targets and wider BPS outcomes.
  - Potential for further initiatives that come out of an accelerator to become new, viable businesses moving into the New Zealand GovTech sector with new products or services, adding to economic growth.
  - Creating start-ups which provide export potential once problems have been solved in the New Zealand market. In some cases, there could be revenue opportunities from royalties or levies flowing back from the resulting new business start-ups.
  - Contributions to social and economic well-being by applying the accelerator process in the social sector. Like other countries, New Zealand is confronted by the need to solve

intractable and costly social problems that cut across such areas as health, social welfare, education, and justice. Accelerator 3+ will start to test the effectiveness of the accelerator approach in the social sector.

- New Zealand Government is seen as innovative, gaining even greater momentum for making it easier to deal with government agencies.
- Professional development opportunities for public sector staff to learn new ways to develop solutions, gain greater visibility and exposure to new tools, and support an innovation culture across the public sector.

## **Next Steps**

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7. MBIE requests that you agree to support the revised R9 Accelerator Budget bid of <sup>[33]</sup>
8. MBIE officials will be available to discuss this bid further at the ED Officials meeting on Tuesday 21 March at 5pm.