

VOTE *Research, Science and Technology*

Terms and Definitions Used

CRI	Crown Research Institute
EI&RD	Economic, Industry and Economic Development
FRST	Foundation for Research Science and Technology
GIF	Growth and Innovation Framework
MFAT	Ministry of Foreign Affairs and Trade
MoRST	Ministry of Research, Science and Technology
REANNZ	Research and Education Advanced Network New Zealand Limited
SSC	State Services Commission
TEI	Tertiary Education Institute

Footnotes

Note 1	REANNZ's ability to achieve these outputs is affected by other parties' willingness to enter into agreements. No payments will be made to REANNZ against the outputs if these standards are not achieved.
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Minister Portfolio Table

56	Minister of Research, Science and Technology
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Research, Science and Technology

VOTE MINISTER: Minister of Research, Science and Technology

ADMINISTERING DEPARTMENT: Ministry of Research, Science and Technology

The Minister of Research, Science and Technology is the Responsible Minister for the Ministry of Research, Science and Technology

Part B - Statement of Appropriations

Summary of Financial Activity

	2005/06	2005/06 Appropriations to be Used				Total \$000
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		
		Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations						
Output Expenses	599,001	13,364	-	603,459	-	616,823
Benefits and Other Unrequited Expenses	-	N/A	N/A	-	-	-
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	849	-	-	3,117	-	3,117
Capital Expenditure	33,143	N/A	N/A	6,932	-	6,932
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
Total Appropriations	632,993	13,364	-	613,508	-	626,872
Crown Revenue and Receipts						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	-	N/A	N/A	N/A	N/A	-
Capital Receipts	-	N/A	N/A	N/A	N/A	-
Total Crown Revenue and Receipts	-	N/A	N/A	N/A	N/A	-

Part B1 - Details of Appropriations

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Contract Management (M56)	643	-	446	-	1,089	-	- Negotiating, managing and monitoring contracts with the Crown's purchase agents and other specific science and technology service providers. Reason for Change: The increase of \$446,000 reflects a transfer from Policy Advice reflecting MoRST's increasing responsibilities with Funding and Investment Agents.
Policy Advice (M56)	12,024	-	251	-	12,275	-	- Policy advice on research, science and technology. This includes investment strategies, the performance and integration of the innovation system, scientific technical advice and ministerial services. Reason for Change: Additional funding of \$62,000 from the SSC for superannuation contributions, third party funding of \$87,000 for investigation and establishment of the Advanced Network, a transfer of \$100,000 for the review of venture capital, a transfer of \$23,000 for a study on the impact of research partnerships on international trade, a transfer of \$200,000 from the Research for Industry output expenses for a science capability assessment, and reimbursement of \$325,000 of incorporation costs from REANNZ, less transfers of \$446,000 to Contract Management and of \$100,000 to MFAT.
Total Departmental Output Expenses (General)	12,667	-	697	-	13,364	-	
Non-Departmental Output Expenses							
Advanced Network (M56)	-	-	20,155	-	20,155	-	- Establishing and operating a high-speed research and education data network connecting education and science institutions throughout New Zealand
CRI Capability Fund (M56)	38,112	-	-	-	38,112	-	- Maintaining the scientific capabilities in CRIs required for the provision of public good science in New Zealand.
Development of International Linkages (M56)	2,360	-	-	-	2,360	-	- Development of international links to access the best international research and researchers, and to promote New Zealand research overseas.

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Environmental Research (M56)	86,377	-	(51)	-	86,326	-	Public good science and technology that enhances the understanding and management of our environment. Reason for Change: The reduction reflects a transfer of \$178,000 for the administration of the Envirolink scheme partly offset by a transfer of \$127,000 from Research for Industry to fully fund costs associated with FRST contracts for the RV Tangaroa.
Health Research (M56)	54,066	-	-	-	54,066	-	Public good science and technology that improves the health status of New Zealanders.
International Investment Opportunities Fund (M56)	7,680	-	(2,134)	-	5,546	-	Supporting the ability of research providers to participate in international research collaborations and to recruit highly experienced researchers from overseas. Reason for Change: The deferral of part of Objective Two (co-investing with international funders) and all of Objective Three (assisting world-leading researchers to establish research programmes in New Zealand) activities.
Māori Knowledge and Development Research (M56)	4,867	-	-	-	4,867	-	Public good science and technology that enhances Māori knowledge and capability and contributes to the positive future development of Māori.
Marsden Fund (M56)	33,928	-	(50)	-	33,878	-	Excellent basic research that broadens and deepens the research skill base in New Zealand, regardless of whether the research contributes to the Government's socio-economic priorities. Reason for Change: The reduction of \$50,000 reflects a transfer to Research Contract Management to provide for increased administration costs.
National Measurement Standards (M56)	4,904	-	-	-	4,904	-	Provision of specified standards to satisfy the needs for traceable physical measurement in New Zealand, provided by Measurements Standards Limited.
New Economy Research Fund (M56)	61,586	-	1,055	-	62,641	-	Investigator-initiated research that stimulates the emergence and growth of new knowledge-intensive enterprises. Reason for Change: An increase of \$1.055 million reflects a re-alignment by FRST of its investment portfolios to be consistent with output expense structure.
Pre-Seed Accelerator Fund (M56)	4,267	-	-	-	4,267	-	Accelerating the rate of commercialisation of research developed through publicly funded research.
Promoting an Innovation Culture (M56)	3,437	-	-	-	3,437	-	Development of activities that engage with New Zealanders over the role of science and technology in supporting innovation. International links will be developed to access the best international research and researchers, and to promote New Zealand research overseas.

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Non-Departmental Output Expenses - cont'd							
Research Contract Management (M56)	18,535	-	318	-	18,853	-	- Negotiating, managing and monitoring research contracts, and providing operational advice to the Minister. Reason for Change: The increase reflects transfers of \$178,000 for the administration of the Envirolink scheme, \$142,000 for the administration of the Fulbright Scholarships for Science, \$39,000 for the administration of the Talented Young New Zealanders and Teacher Fellowship schemes and \$50,000 for the administration of the Marsden Fund, less the deferral of \$91,000 for the International Investment Opportunities Fund.
Research for Industry (M56)	188,001	-	(1,382)	-	186,619	-	- Public good science and technology that improves the competitiveness of the industrial sector. Reason for Change: A transfer of \$1,055,000 reflects a re-alignment by FRST of its investment portfolios to align with the output expense structure, a transfer of \$127,000 to Environmental research to fully fund costs associated with FRST contracts with the RV Tangaroa and a transfer of \$200,000 to MoRST for a science capability assessment.
Social Research (M56)	5,860	-	-	-	5,860	-	- Public good science and technology that improves social well being.
Supporting Promising Individuals (M56)	16,972	-	(181)	-	16,791	-	- Development of human resources in research, science and technology through awards and fellowships. The recipients include post-doctoral researchers, teachers, and Māori researchers and technologists. Reason for Change: The reduction reflects a transfer of \$142,000 for the administration of Fulbright Scholarships for Science and of \$39,000 for the Talented Young New Zealanders and Teachers Fellowships Schemes.
Technology New Zealand (M56)	54,404	-	-	-	54,404	-	- Enhancing the technological capability of businesses to grow through the development and adoption of new technologies.
Venture Investment Fund - Governance and Operation (M56)	978	-	(605)	-	373	-	- Operational costs of the Venture Investment Fund, which co-invests with the private sector to commercialise innovation in New Zealand. Reason for Change: The reduction of \$605,000 reflects the transfer of the administration of this output class to Vote Economic, Industry & Regional Development.
Total Non-Departmental Output Expenses	586,334	-	17,125	-	603,459	-	

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
Advanced Network Capability Building (M56)	-	-	1,221	-	1,221	-	- Development of capability within the Advanced Network user group (TEIs and CRIs) to make effective use of the Advanced Network.
Australian Synchrotron (M56)	759	-	1,047	-	1,806	-	- New Zealand contribution to the establishment and operation of a synchrotron located in Victoria, Australia.
Convention Du Metre (M56)	90	-	-	-	90	-	- Payment of New Zealand's annual subscription to the Convention du Metre.
Total Other Expenses to be Incurred by the Crown	849	-	2,268	-	3,117	-	
Capital Expenditure							
Investment in Commercialisation of Publicly Funded Research and Development (M56)	5,000	-	(2,000)	-	3,000	-	- Targeted equity investments into publicly funded research institutes to develop commercial prospects. Reason for Change: Deferral of investments.
New Zealand Venture Investment Fund (M56)	28,143	-	(24,212)	-	3,931	-	- Capital investment to accelerate the development of the New Zealand venture capital market. Public funds will be co-invested with the private sector to increase the rate of formation of new businesses based on high added value goods and services. Reason for Change: A transfer of \$24.212 million of capital to Vote Economic, Industry & Regional Development.
Research and Education Advanced Network New Zealand (M56)	-	-	1	-	1	-	- Equity investment in Research and Education Advanced Network New Zealand Ltd, to support the company's operations in establishing and operating the Advanced Network.
Total Capital Expenditure	33,143	-	(26,211)	-	6,932	-	
Total Appropriations	632,993	-	(6,121)	-	626,872	-	

Part C - Explanation of Appropriations for Output Expenses

Part C2 - Non-Departmental Output Expenses

Advanced Network

The Advanced Network output expense funds the establishment and operation of a high-speed research and education data network connecting education and science institutions throughout New Zealand.

This output consists of the governance and operation of REANNZ on behalf of the Minister. For the period up to June 2006 this will mainly relate to milestone payments to telecommunications network service providers contracted to build the advanced network for REANNZ.

Purchase agent

Research and Education Advanced Network New Zealand Limited.

Providers

Open to Crown research Institutes and Tertiary Education Institutes plus other similar organisations as approved by the Minister.

Quantity, quality, timeliness

Performance Measures	Performance Standards
Governance	Good governance of REANNZ in accordance with its Constitution, Statement of Intent and the expectations of shareholding Ministers
Administration	Sound administrative practices are implemented to support REANNZ's core business and staff appointed.
Supply contracts signed with key vendors	Contracts signed
Membership Agreement finalised and signed (see Note 1)	17 user institutions signed by June 2006

Part D - Explanation of Appropriations for Other Operating Flows

Part D3 - Other Expenses

Advanced Network Capability Building

The Advanced Network will supply very high capacity, very high speed interconnections between TEIs and CRIs in New Zealand and with overseas counterparts, as well as providing connection to organisations engaged in research-based collaborations with these users and libraries, archives and museums.

The Network will enable scientific and tertiary educational institutions throughout New Zealand to participate in global advances and carry out leading-edge research that will enhance innovation in New Zealand.

This appropriation will provide for development of capability within the user group to make effective use of the Advanced Network.

Part E - Explanation of Capital Flows

Part E3 - Explanation of Appropriations for Capital Expenditure

Research and Education Advanced Network New Zealand

Research and Education Advanced Network of New Zealand Limited (REANNZ) is the company formed to implement the Advanced Network.

This appropriation will provide for the establishment capital of the company.