



# Cabinet

CAB Min (07) 12/1(16)

## Minute of Decision

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Minister for Economic Development

**Copies to:**

Prime Minister  
 Deputy Prime Minister  
 Minister of Finance  
 Hon Jim Anderton  
 Minister for Trade  
 Associate Minister of Finance  
 (Hon Trevor Mallard)  
 Controller and Auditor-General  
 Secretary, POL

### 2007 Budget Package: Vote Economic, Industry and Regional Development

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 Budget package, as listed in the summary below and detailed in the attached initiative documents;

**Summary of initiatives included in the attached initiative documents:**

***Operating Initiatives (Impact on Operating Balance)***

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
3994	MED Baseline Pressures - Economic Transformation Agenda	0.170	0.715	0.650	0.575	0.515
3995	MED Baseline Pressures - Rugby World Cup Tournament Office and Legacy	0.400	0.710	0.500	0.500	0.500
4000	New Zealand's Participation at Expo 2010 Shanghai, China	-	1.600	-	-	-
4001	Increasing New Zealand Trade and Enterprise services in China, India and Japan	-	2.537	5.514	5.657	5.657
4002	Tax on overseas allowances and benefits paid to NZTE staff overseas	-	-	-	-	-
4003	Accelerating international connections (Beachheads and Kea)	-	1.630	1.630	1.830	1.200
4004	NextSpace 3D Digital Graphics Cluster	-	3.000	2.000	2.000	-
4005	Continuation of Film New Zealand Support	(0.900)	0.500	0.400	-	-
4222	Major events and conference planning.	(4.500)	0.500	4.000	-	-

4232	Auckland Innovation Centre	-	0.300	-	-	-
4518	MED Baseline Pressures - offsetting savings for Vote E,I&RD	(7.700)	(2.001)	(3.001)	(2.996)	(3.462)
4599	Rugby World Cup 2007 (RWC) - Leveraging Project	(0.600)	(1.000)	-	-	-
<b>Total Operating</b>		<b>(13.130)</b>	<b>8.491</b>	<b>11.693</b>	<b>7.566</b>	<b>4.410</b>

**Capital Initiatives (Impact on Debt)**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
4001	Increasing New Zealand Trade and Enterprise services in China, India and Japan	-	1.420	3.314	0.124	0.147
<b>Total Capital</b>		<b>-</b>	<b>1.420</b>	<b>3.314</b>	<b>0.124</b>	<b>0.147</b>

- agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- approved** the additional recommendations (where applicable) to give effect to the initiatives, as set out in the attached initiative documents;
- agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2006/07 above be included in the 2006/07 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
- noted** that all communications relating to the 2007 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Secretary of the Cabinet

References: CAB (07) 135, CAB (07) 135A

**Vote:** Economic, Industry and Regional Development

**Title:** MED Baseline Pressures - Economic Transformation Agenda

**Description:** Implementation and co-ordination of the Economic Transformation Agenda (ET). The Ministry of Economic Development (MED) plays a lead role both in overall management of the ET processes and in relation to several of the major work streams within the broader agenda.

**Theme:** Economic Transformation

**Theme Objective:** Firms' international links

## Performance Information

### Performance Text

MED has been tasked with leading the policy thinking around shaping the strategic agenda for government by contributing whole-of-system and medium term perspectives on critical economic development issues, including advice on an integrated set of strategic priorities for economic development, and shaping the strategic agenda for the government, the MED and other agencies by contributing whole-of-system and medium term perspectives on critical economic development issues.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	0.170	0.715	0.650	0.575	0.515
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.170</b>	<b>0.715</b>	<b>0.650</b>	<b>0.575</b>	<b>0.515</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): Policy Advice - Economic Development					
Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (funded by Revenue Crown)	0.170	0.715	0.650	0.575	0.515
<b>Total Operating</b>	<b>0.170</b>	<b>0.715</b>	<b>0.650</b>	<b>0.575</b>	<b>0.515</b>
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendations

**agreed** to delegate joint authority to the Minister of Finance and the Minister for Industry and Regional Development to transfer any lapsed unspent appropriation relating to implementation and co-ordination of the Economic Transformation Agenda from the 2006/07 to 2007/08 financial year only, with the final amount to be transferred confirmed as part of the 2007 October baseline update, following the presentation of the 2006/07 audited financial statements of the departmental activities administered by the Ministry of Economic Development;

**noted** that this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance.

**Vote:** Economic, Industry and Regional Development

**Title:** MED Baseline Pressures - Rugby World Cup Tournament Office and Legacy

**Description:** A single point of contact for all Rugby World Cup 2011 issues and the promotion of cross-government and Auckland business community coordination of activity to facilitate the successful running of this major event, and leveraging longer term economic opportunities for Auckland and New Zealand.

**Theme:** Economic Transformation

**Theme Objective:** World-class Auckland

## Performance Information

### Performance Text

The objective of the project will be to develop and then deliver on a plan for maximising the long term benefits from the Rugby World Cup 2011. The project will influence event delivery based activities where there are long term benefits. This will be achieved by investigating opportunities for focused and collaborative investments and initiatives by Local and Central Government and the business community in the Auckland region as well as supporting the Tournament Office.

### Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	0.400	0.710	0.500	0.500	0.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.400</b>	<b>0.710</b>	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Policy Advice - Economic Development					
Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (funded by Revenue Crown)	0.400	0.710	0.500	0.500	0.500
<b>Total Operating</b>	<b>0.400</b>	<b>0.710</b>	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendations

**agreed** to delegate joint authority to the Minister of Finance and the Minister for Industry and Regional Development to transfer any lapsed unspent appropriation related to the Rugby World Cup Tournament Office and Legacy from the 2006/07 to 2007/08 financial year only, with the final amount to be transferred confirmed as part of the 2007 October baseline update, following the presentation of the 2006/07 audited financial statements of the departmental activities administered by the Ministry of Economic Development;

**noted** that this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance.

**Vote:** Economic, Industry and Regional Development

**Title:** New Zealand's Participation at Expo 2010 Shanghai, China.

**Description:** Participation in the next World Expo in China from 1 May to 31 to October 2010. Participation reflects the importance of New Zealand's bilateral relationship with China. It is a response to intense international interest in the Shanghai Expo and will build a distinct New Zealand profile to a new and large audience.

**Theme:** Economic Transformation

**Theme Objective:** Firms' international links

## Performance Information

### Performance Text

Performance will be judged by:

successful engagement with the private sector as sponsors and users of the pavilion; all aspects of participation undertaken on time and within budget; a pavilion that positions New Zealand in the Chinese market as both a beautiful country and a smart and creative country; achievement of positive coverage in the Chinese media; positive visitor feedback from both the public and VIPs.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	1.600	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.600</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: New Zealand's Participation At Expo 2010 Shanghai, China	-	1.600	-	-	-
<b>Total Operating</b>	-	<b>1.600</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-



**Additional Recommendation(s)**

*[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]*

**Vote:** Economic, Industry and Regional Development

**Title:** Increasing New Zealand Trade and Enterprise services in China, India and Japan

**Description:** To increase New Zealand Trade and Enterprise's in-market assistance for New Zealand firms in China, India and Japan to take advantage of market opportunities arising from anticipated growth in these economies, and to respond to growth in existing demand from New Zealand firms for assistance in these markets.

**Theme:** Economic Transformation

**Theme Objective:** Firms' international links

## Performance Information

### Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
<b>Quantity</b>						
Number of clients commissioning work from NZTE offices - India	Clients / year	-	15	24	28	28
Number of clients commissioning work from NZTE offices - China	Clients / year	-	54	77	90	98
Number of firms participating in initiative in the region - Japan	Firms / year	-	60	80	100	100
Number of strategic relationships developed to provide market access to New Zealand firms - China	Relationships / year	-	11	16	21	24
Clients satisfied with value of initiatives	%	-	90	90	90	90
Number of strategic relationships developed to provide market access to New Zealand firms - Japan	Relationships / year	-	8	8	8	9
Number of strategic relationships developed to provide market access to New Zealand firms - India	Relationships / year	-	4	9	11	11
Number of New Zealand firms entering the market - Japan	Firms / year	-	19	21	25	28

## Initiative No: 4001

Number of New Zealand firms entering the market - India	Firms / year	-	9	14	17	17
Number of New Zealand firms entering the market - China	Firms / year	-	33	47	57	60
Number of New Zealand firms increasing sales in China	Firms / year	-	58	81	95	100
Number of firms participating in initiative in the region - China	Firms / year	-	141	156	155	150
Number of New Zealand firms increasing sales in Japan	Firms / year	-	25	27	35	38
Number of New Zealand firms increasing sales in India	Firms / year	-	13	23	33	33
<b>Quality</b>						
Strategic project objectives achieved	%	-	90	90	90	90
Client engagement outcomes met	%	-	85	85	85	85
NZTE work delivered in full and on time	%	-	95	95	95	95

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	2.537	5.514	5.657	5.657
Debt Impact	-	1.420	3.314	0.124	0.147
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.957</b>	<b>8.828</b>	<b>5.781</b>	<b>5.804</b>

## Initiative No: 4001

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Growth Services - Identifying and Leveraging New Business Opportunities	-	2.537	5.514	5.657	5.657
Capital Expenditure: New Zealand Trade and Enterprise	-	1.420	3.314	0.124	0.147
<b>Total Operating</b>	-	<b>2.537</b>	<b>5.514</b>	<b>5.657</b>	<b>5.657</b>
<b>Total Capital</b>	-	<b>1.420</b>	<b>3.314</b>	<b>0.124</b>	<b>0.147</b>

**Additional Recommendation**

**agreed** to amend the scope of the Capital Expenditure "New Zealand Trade and Enterprise" in the Estimates for Vote Economic, Industry and Regional Development to "To increase NZTE's in-market assistance for New Zealand firms in China, India and Japan."

**Vote:** Economic, Industry and Regional Development

**Title:** Tax on overseas allowances and benefits paid to New Zealand Trade and Enterprise staff overseas

**Description:** Funding to meet revised tax obligations for the allowances and benefits of New Zealand Trade and Enterprise offshore staff following a review of tax status by the Inland Revenue Department.

**Theme:** Economic Transformation

**Theme Objective:** Non-specific

## Performance Information

### Performance Text

New Zealand Trade and Enterprise operates a network of around 38 offshore offices that provide services to raise the global competitiveness of New Zealand firms. Revised tax obligations associated with the allowances and benefits of New Zealand staff posted offshore has occurred.

### Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	1.000	4.067	4.067	4.067	4.067
<b>Total</b>	<b>1.000</b>	<b>4.067</b>	<b>4.067</b>	<b>4.067</b>	<b>4.067</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses:					
Enabling Services - Facilitating the Development and Implementation of Sector and Regional Strategies	0.231	0.941	0.941	0.941	0.941
Enabling Services - Promotion of New Zealand Business and Development of Investment Opportunities	0.032	0.129	0.129	0.129	0.129
Growth Services - Customised Information and Advice	0.207	0.842	0.842	0.842	0.842
Growth Services - Identifying and Leveraging New Business Opportunities	0.530	2.155	2.155	2.155	2.155
<b>Total Operating</b>	<b>1.000</b>	<b>4.067</b>	<b>4.067</b>	<b>4.067</b>	<b>4.067</b>
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

**noted** that the Ministry of Economic Development may seek minor adjustments to this initiative's funding levels in 2007/08 and outyears as part of the 2007 October Baseline Update, to reflect the actual costs of the new tax obligations in 2006/07.

**Vote:** Economic, Industry and Regional Development

**Title:** Accelerating international connections (Beachheads and Kea)

**Description:** Accelerating the creation of additional and deeper international connections by increasing support for two programmes: 1. extending Beachheads into China and India and advisory boards to all Beachhead regional locations; and 2. enabling Kea to expand its network of influential NZ expatriates.

**Theme:** Economic Transformation

**Theme Objective:** Firms' international links

## Performance Information

### Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
<b>Quantity</b>						
Kea Technology Manager	People	1	1	1	1	1
Kea Regional Managers	People	2	6	6	6	0
<i>[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]</i>						
Kea Global Operations Manager	People	1	1	1	1	1
Firms participating in Beachhead locations	Firms in China	0	10	15	22	22
Firms participating in Beachhead locations	Existing firms	30	20	28	37	37
Advisory Boards in existing Beachhead locations	Number of regions	2	5	5	5	5
Firms participating in Beachhead locations	Firms in India	0	8	15	22	22
<b>Quality</b>						
Beachhead firm key performance indicators	Percentage indicator	0	80%	80%	80%	80%
New Beachhead participants characteristics	Percentage entry	0	80%	80%	80%	80%
Firms assessed by NZ Advisory Board	Percentage	100%	100%	100%	100%	100%

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	1.630	1.630	1.830	1.200
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.630</b>	<b>1.630</b>	<b>1.830</b>	<b>1.200</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Enabling Services - Facilitating the Development and Implementation of Sector and Regional Strategies	-	1.000	1.000	1.200	1.200
Other Expenses to be Incurred by the Crown: Regional and Industry Development Fund	-	0.630	0.630	0.630	-
<b>Total Operating</b>	-	<b>1.630</b>	<b>1.630</b>	<b>1.830</b>	<b>1.200</b>
<b>Total Capital</b>	-	-	-	-	-

**Vote:** Economic, Industry and Regional Development

**Title:** 3D Digital Graphics Cluster

**Description:** The 3D Digital Graphics Cluster will bring together technology-development companies, and universities/research organisations, to develop research/commercial projects that build on New Zealand's strength in 3D digital graphics technology.

**Theme:** Economic Transformation

**Theme Objective:** Firms' innovative capacity

## Performance Information

### Performance Text

A yearly funding contract will be required with the provider, which will detail Key Performance Indicators for the year. The Ministry of Economic Development will measure progress towards the achievement of these on a quarterly basis and make payments in quarterly instalments based on evidence of satisfactory progress.

## New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Other Expenses to be Incurred by the Crown (Multi Year Appropriation)	Other Start: 01-Jul-2007 Finish: 30-Jun-2010 Amount (\$m): 7.000	3D Digital Graphics Cluster	N/A	To research and develop commercial projects that build on New Zealand's existing strength in 3D digital graphics technology .

## Indicative Spending Profile

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	3.000	2.000	2.000	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.000</b>	<b>2.000</b>	<b>2.000</b>	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown: 3D Digital Graphics Cluster	-	3.000	2.000	2.000	-
<b>Total Operating</b>	-	<b>3.000</b>	<b>2.000</b>	<b>2.000</b>	-
<b>Total Capital</b>	-	-	-	-	-



**Additional Recommendation**

**noted** that approval to draw down this funding will be contingent on the Ministry of Economic Development reporting back to the Cabinet Policy Committee by 30 June 2007 on the policy, contractual and evaluation arrangements for this initiative.

Initiative No: 4005

**Vote:** Economic, Industry and Regional Development**Title:** Continuation of Film New Zealand Support**Description:** To continue support for Film New Zealand to enable Film New Zealand to continue with and expand its current activities.**Theme:** Economic Transformation**Theme Objective:** Firms' international links

## Performance Information

### Performance Text

Film New Zealand will be required, as part of its yearly funding agreement with the Ministry of Economic Development, to meet agreed key performance indicators (KPIs). Payments will be made on a quarterly basis to Film New Zealand based on satisfactory progress being made against its KPIs.

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	(0.900)	0.500	0.400	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(0.900)</b>	<b>0.500</b>	<b>0.400</b>	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Other Expenses to be Incurred by the Crown:					
Film New Zealand	-	0.750	0.750	-	-
GIF Sector Project Fund	-	(0.250)	(0.350)	-	-
Market Development Assistance Fund	(0.900)	-	-	-	-
<b>Total Operating</b>	<b>(0.900)</b>	<b>0.500</b>	<b>0.400</b>	-	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

**noted** that this initiative is fiscally neutral over the forecast period.

Initiative No: 4222

**Vote:** Economic, Industry and Regional Development**Title:** Major events and conference planning.**Description:** Continuation of the Major Events Development Fund that would otherwise be phased-out starting from 2007/08.**Theme:** Economic Transformation**Theme Objective:** Firms' international links**Performance Information****Performance Text**

This fund provides support for major events that provide economic, social, cultural and international profiling benefits to New Zealand and is supported by the Major Events Strategy. Progress will be monitored against key performance indicators related to each approved event.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	(4.500)	0.500	4.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(4.500)</b>	<b>0.500</b>	<b>4.000</b>	<b>-</b>	<b>-</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Enabling Services - Promotion of New Zealand Business and Development of Investment Opportunities	(0.500)	-	-	-	-
Other Expenses to be Incurred by the Crown: Enterprise Development Fund	(1.200)	-	-	-	-
Major Events Development Fund	-	0.500	4.000	-	-
Market Development Assistance Fund	(2.800)	-	-	-	-
<b>Total Operating</b>	<b>(4.500)</b>	<b>0.500</b>	<b>4.000</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Additional Recommendations**

**noted** that this initiative is fiscally neutral over the forecast period;

**agreed** to delegate joint authority to the Minister of Finance and the Minister for Industry and Regional Development to transfer any lapsed unspent appropriation up to \$2 million relating to the Market Development Assistance Scheme from the 2006/07 to 2007/08 financial year only, and that this can be applied to further investment in outyear funding for Major Events Development Fund, with the final amount to be transferred confirmed as part of the 2007 October baseline update, following the presentation of the 2006/07 audited financial statements of the non-departmental activities administered by the Ministry of Economic Development.

**Vote:** Economic, Industry and Regional Development

**Title:** Auckland Innovation Centre

**Description:** Develop a business case for better aligned research and development funding for "threshold" firms and a Research Park, Auckland's innovation hub. This will contribute towards the development of an Auckland innovation system by strengthening collaboration between business, the University of Auckland, Crown Research Institutes and others.

**Theme:** Economic Transformation

**Theme Objective:** World-class Auckland

## Performance Information

### Performance Text

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

## Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	0.300	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.300</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): Policy Advice - Economic Development					
Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (funded by Revenue Crown)	-	0.300	-	-	-
<b>Total Operating</b>	-	<b>0.300</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendation

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

**Vote:** Economic, Industry and Regional Development

**Title:** MED Baseline Pressures - offsetting savings for Vote Economic, Industry and Regional Development

**Description:** Savings in Vote Economic, Industry and Regional Development to fund Ministry of Economic Development (MED) cross-vote baseline pressures as agreed by MED Ministers.

**Theme:** Economic Transformation

**Theme Objective:** Firms' international links

## Performance Information

### Performance Text

The Ministry of Economic Development must deliver on the outputs in its Statement of Intent and on 17 October 2006, Economic Transformation Ministers agreed that the Ministry of Economic Development provide MED Ministers with a view across Votes of pressures they face and options for reprioritisation and offsetting savings to fund these. These savings will help fund other priorities across MED votes.

### Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	(7.700)	(2.001)	(3.001)	(2.996)	(3.462)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(7.700)</b>	<b>(2.001)</b>	<b>(3.001)</b>	<b>(2.996)</b>	<b>(3.462)</b>

## Initiative No: 4518

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses:					
Enabling Services - Facilitating the Development and Implementation of Sector and Regional Strategies	(0.050)	(2.001)	(2.001)	(2.001)	(2.001)
Enabling Services - Promotion of New Zealand Business and Development of Investment Opportunities	-	-	0.500	0.500	0.500
Foundation Services - Training and Capability Building	-	-	(0.500)	(0.500)	(0.500)
Other Expenses to be Incurred by the Crown:					
Enterprise Development Fund	(0.400)	-	-	-	-
Management Development Fund	(1.200)	-	-	-	-
Regional and Industry Development Fund	-	-	-	0.005	(0.461)
Regional Partnerships and Facilitation	(5.050)	-	-	-	-
Sector Strategies and Facilitation	(1.000)	-	(1.000)	(1.000)	(1.000)
<b>Total Operating</b>	<b>(7.700)</b>	<b>(2.001)</b>	<b>(3.001)</b>	<b>(2.996)</b>	<b>(3.462)</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Additional Recommendation**

**noted** this initiative is part of a cross-vote baseline pressures package agreed by MED Ministers to address fiscal risks within MED, and the overall baseline pressures package has no net impact on the operating balance.

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*