

**VOTE** *Economic,  
Industry and  
Regional  
Development*

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## Terms and Definitions Used

<b>BIZ</b>	The Business Development programme established to enhance the management capability, business skills, and knowledge of small and medium sized enterprises
<b>INZ</b>	Industry New Zealand, a Crown entity responsible for the delivery of industry and regional development programmes and activities
<b>SMEs</b>	Small and medium enterprises
<b>TNZ</b>	Trade New Zealand

# *Economic, Industry and Regional Development*

VOTE MINISTER: Minister for Industry and Regional Development

ADMINISTERING DEPARTMENT: Ministry of Economic Development

The Minister for Economic Development is the Responsible Minister for the Ministry of Economic Development

## Part B - Statement of Appropriations

### Summary of Appropriations

	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
Types of Appropriation	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Operating Flows</b>					
Classes of Outputs to be Supplied	8,710	-	66,286	-	74,996
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	41,732	-	41,732
<b>Capital Flows</b>					
Capital Contributions	586	-	-	-	586
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
<b>Total Appropriations for 2002/03</b>	<b>9,296</b>	<b>-</b>	<b>108,018</b>	<b>-</b>	<b>117,314</b>
<b>Total 2002/03 Main Estimates Appropriations</b>	<b>9,232</b>	<b>-</b>	<b>103,153</b>	<b>-</b>	<b>112,385</b>

## Part B1 - Details of Appropriations

Appropriations	2002/03						Purpose of and Reasons for Change in 2002/03 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross)</b>							
D1 Policy Advice - Economic, Industry and Regional Development	8,155	-	(149)	-	8,006	-	Provision of policy advice encompassing the development, evaluation and overview of economic, industry and regional development policies and initiatives to promote sustainable economic development. This includes implementation of the Government's Growth and Innovation Framework, and factors influencing the capability and performance of firms, sectors and regions, and the monitoring of Industry New Zealand (INZ). The decrease reflects a transfer of funding to D2 Policy Advice - Small Business for the funding of initiatives to enhance policy advice on small and medium enterprises (SMEs) (-\$349,000), partially offset by a transfer of funding from O2 Advice and Information for Business and O5 Co-ordination and Facilitation of Sector Strategies to meet the transition costs of the integration of INZ and Trade New Zealand (TNZ) (\$200,000).
D2 Policy Advice - Small Business	-	-	704	-	704	-	Provision of policy advice on SMEs, met from new Crown funding (\$158,000), a transfer from D1 Policy Advice - Industry and Regional Development (\$349,000), and a transfer from O2 Advice and Information on Business (\$150,000). The increase also reflects costs of a Policy Forum to be met from participant fees (\$47,000).
<b>Total Appropriations for Departmental Output Classes (Mode B Gross)</b>	8,155	-	555	-	8,710	-	

<b>Non-Departmental Output Classes</b>							
O1 Administration and Monitoring of Payments for Business and Regional Development Services	2,649	-	-	-	2,649	-	Providing administration and monitoring of payments for business and regional development services delivered by third parties.
O2 Advice and Information for Business	16,256	-	<b>(375)</b>	-	15,881	-	Provision of services and the oversight of programmes that provide advice and information for business, which includes business appraisal, analysis and diagnosis, access to information, resources, training and skills development for business (including monitoring and reporting on the effectiveness and implementation of these services); and the provision of databases for potential investors and business investment opportunities and for the operation of the Industrial Supplies Office (ISO). The decrease reflects a transfer of funding to D1 Policy Advice - Economic, Industry and Regional Development and O9 Integration Costs - New Industry and Trade Entity to meet costs relating to the integration of INZ and TNZ (-\$225,000), and a transfer of funding to D2 Policy Advice - Small Business (-\$150,000).
O3 Advice and Support for Regions	4,421	-	-	-	4,421	-	Providing advice and support for regions on regional development; advice on the preparation of applications for regional development assistance; advice (including facilitation) of regional development planning; and monitoring and reporting on the effectiveness and implementation of these services.
O4 Commercialisation of Intellectual Property	1,125	-	-	-	1,125	-	Providing support for the commercialisation of ideas and intellectual property.
O5 Coordination and Facilitation of Sector Strategies	13,048	-	-	-	13,048	-	Co-ordination and facilitation of efforts, expert advice, project management and associated support services needed to develop sector strategies.
O6 Delivery of Business Development Programmes	12,673	-	<b>162</b>	-	12,835	-	Purchase of BIZ services through contracted providers. The increase reflects a transfer of under-expenditure from the Regional Development Programme to meet additional costs of the BIZ Portal.
O7 Delivery of Business Success and Outreach Programmes	8,248	-	-	-	8,248	-	Providing a range of services to promote and support enterprise education, major events, business success and outreach.
O8 Support for Promising Individuals	1,950	-	-	-	1,950	-	Supporting promising individuals through education initiatives.

## Part B1 - Details of Appropriations (continued)

	2002/03						Purpose of and Reasons for Change in 2002/03 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Appropriations</b>							
<b>Non-Departmental Output Classes – cont'd</b>							
O9 Integration Costs - New Industry and Trade Entity	-	-	<b>6,129</b>	-	6,129	-	To meet transition costs for the integration of INZ and TNZ.
<b>Total Appropriations for Non-Departmental Output Classes</b>	60,370	-	5,916	-	66,286	-	
<b>Other Expenses to be Incurred by the Crown</b>							
Incubator Awards	1,500	-	<b>300</b>	-	1,800	-	To support the development of business incubators. The increase reflects a transfer of under-expenditure from the Regional Development Programme to lift the capability and capacity of existing incubators.
Industry New Zealand Enterprise Awards Scheme	2,813	-	<b>1,563</b>	-	4,376	-	To assist innovative firms and entrepreneurs to build capability to test and develop early-stage business concepts and projects. The increase reflects a transfer of funding from 2001/02 to 2002/03 to meet costs of awards made in 2001/02 but not paid until 2002/03 (\$1,363,000), and a transfer of under-expenditure from the Regional Development Programme to meet an increase in the up-take of awards (\$200,000).
Industry Specialist and Feasibility Grants	14,943	-	<b>4,676</b>	-	19,619	-	To make specialist expertise and information and resources available to businesses in order to improve their management capability and lift potential; and to provide a scheme to help businesses implement strategies for business growth and grants for feasibility studies relating to strategic investment proposals. The increase reflects a transfer of funding from 2001/02 to 2002/03 to meet costs of grants that were awarded in 2001/02 but not paid until 2002/03.

Regional Development Programme	16,875	-	<b>(6,058)</b>	-	10,817	-	To support and lift the capacity of regions in delivering economic development programmes and initiatives. The decrease reflects a transfer of under-expenditure to O1 Administration and Monitoring of Payments for Business and Regional Development Services, O5 Co-ordination and Facilitation of Sector Strategies, O9 Integration Costs – New Industry and Trade Entity, Incubator Awards, Industry New Zealand Enterprise Awards Scheme, and the World Class New Zealanders Fund (-\$1,377,000); and a transfer of funding to O9 Integration Costs – New Industry and Trade Entity to fund the interim transition costs of the integration of TNZ and INZ (-\$4,732,000). This decrease is partially offset by a transfer of funding from 2001/02 to 2002/03 to meet costs of grants awarded in 2001/02 but not paid until 2002/03 (\$51,000).
Regional Initiatives Fund	2,327	-	<b>(800)</b>	-	1,527	-	To provide a fund to allocate towards specific regional development initiatives. The decrease reflects a transfer of under-expenditure resulting from lower than expected activity, to Vote Tourism to meet the costs of the Lord of the Rings world premiere in 2003/04 (\$500,000), and as savings to the Crown (\$300,000).
Sector Initiatives Fund	2,400	-	<b>(887)</b>	-	1,513	-	To provide a fund to allocate towards specific sectoral initiatives. The decrease reflects a transfer of under-expenditure to O9 Integration Costs – New Industry and Trade Entity to fund the transition costs of the integration of TNZ and INZ.
Major Events Support Fund	1,125	-	-	-	1,125	-	To provide a fund to support major events.
World Class New Zealanders Fund	800	-	<b>155</b>	-	955	-	To provide a fund to support improvements to international management capability in, and global linkages of, New Zealand enterprises and businesses. The increase reflects a transfer of under-expenditure from the Regional Development Programme to meet an increased volume in applications to the Fund (\$150,000), and a transfer of funding from 2001/02 to 2002/03 to meet costs of grants awarded in 2001/02 but not paid until 2002/03 (\$5,000).
<b>Total Appropriations for Other Expenses to be Incurred by the Crown</b>	<b>42,783</b>	<b>-</b>	<b>(1,051)</b>	<b>-</b>	<b>41,732</b>	<b>-</b>	

**Part B1 - Details of Appropriations (continued)**

	2002/03						Purpose of and Reasons for Change in 2002/03 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Capital Contributions to the Department</b>							
Capital Investment	1,077	-	(491)	-	586	-	Capital contribution to fund a forecast deficit in the memorandum account operated in D6 Registration and Provision of Statutory Information in Vote Commerce. The decrease reflects a revised forecast operating position in the memorandum account due to higher activity than forecast (-\$1,077,000), partially offset by additional funding for the upgrade of the Companies Office Electronic Register (REGIS) to a web browser based system (\$586,000).
<b>Total Appropriations for Capital Contributions to the Department</b>	1,077	-	(491)	-	586	-	
<b>Total Appropriations</b>	112,385	-	4,929	-	117,314	-	



## Part C - Explanation of Appropriations for Output Classes

### *Output Class D2 Policy Advice - Small Business*

The Minister for Small Business will purchase policy advice on issues relating to lifting the capability and performance of SMEs. This includes the development, coordination and implementation of policy advice concerning SMEs. Outputs in this class include:

- coordination of the work of the interdepartmental SME Senior Officials Group, through the establishment of the Small Business Directorate in the Ministry of Economic Development
- provision of second opinion advice on policy proposals that affect SMEs
- assisting in building channels of communication between the government and SMEs, through the Small Business Advisory Group
- preparing and undertaking a programme of research on SMEs to be approved by the Ministerial Group on Small Businesses
- developing a SME focus in the analysis of the impact of proposed regulation, and
- preparations for a SME Summit in February 2004.