

Vote Economic Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Economic Development (M25),
Minister for Small Business (M62)

ADMINISTERING DEPARTMENT: Ministry of Economic Development

MINISTER RESPONSIBLE FOR MINISTRY OF ECONOMIC DEVELOPMENT: Minister for Economic
Development

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Policy Advice - Small Business (M62) This appropriation is limited to policy advice on issues relating to lifting the capability and performances of Small to Medium Enterprises (SMEs), including ministerial servicing and advice on the development, coordination and implementation of policies and programmes that affect SMEs.	1,646	84	1,730
Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (M25) This appropriation is limited to policy advice and ministerial servicing in relation to the development, evaluation and overview of sustainable, economic, industry and regional development policies and initiatives. It also includes ownership and purchase advice on Crown-owned entities.	17,193	759	17,952
Total Departmental Output Expenses	18,839	843	19,682
Non-Departmental Output Expenses			
Analysis and Development Services for Firms (M25) The appropriation is limited to customised advice and support to firms based on analysis of opportunities, issues and risks facing them in their growth and internationalisation, including advice and support for firms to access business assistance grants.	22,530	(2,602)	19,928
Identification and Coordination of International Market Opportunities (M25) This appropriation is limited to the identification and coordination of international market opportunities for firms through market analysis and intelligence, facilitation into international business networks and marketing and support of New Zealand's presence at significant international events.	68,446	1,972	70,418
International Investment Facilitation Services (M25) This appropriation is limited to coordination and analysis of opportunities for investment into New Zealand and investment by New Zealand firms into international markets.	16,724	(696)	16,028
Investment Fund Management (M25) Operational costs of the Venture Investment and Seed Co-investment Funds.	2,590	-	2,590
Regional and Sector Development Services (M25) This appropriation is limited to customised advice and support to regional institutions for the development of regional economic development strategies, and to sectoral industry bodies and groups of firms for the development and implementation of plans to improve the performance of sectors.	44,906	2,250	47,156
Standardised Training and Advisory Services (M25) This appropriation is limited to standardised training and advisory services provided by third parties to firms on a range of business development needs including business incubation, capital acquisition, finance brokering and exporting.	16,137	(950)	15,187
Total Non-Departmental Output Expenses	171,333	(26)	171,307

	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Non-Departmental Other Expenses			
Enterprise Development Fund (M25) Assistance for entrepreneurs and businesses to undertake advanced training, engage a business mentor or specific management advice and/ or undertake international market development activities.	2,774	-	2,774
Enterprise, Culture and Skills Activities Fund (M25) Support of enterprise education initiatives to encourage a culture of enterprise and entrepreneurship.	1,511	-	1,511
Film New Zealand (M25) Operation of an independent structure for Film NZ, development of a marketing plan for the film sector and coordination of regional film offices.	750	-	750
Growth Services Fund (M25) Medium to high growth potential firms to purchase external advice and expertise and marketing intelligence and development services.	5,927	-	5,927
International Biotechnology Partnerships (M25) Facilitation of joint ventures between Australia and New Zealand companies in biotechnology development, manufacturing and marketing.	4,000	(2,000)	2,000
Large Budget Screen Production Fund (M25) Assistance to film and television productions that spend over \$15 million in New Zealand, if that expenditure equals or exceeds 70% of the production's total budget.	35,556	12,346	47,902
Louis Vuitton Pacific Series (M25) This appropriation is limited to a payment to Emirates Team New Zealand for the purposes of holding the Louis Vuitton Pacific Series in partnership with Louis Vuitton and hosted by the Royal New Zealand Yacht Squadron.	-	750	750
Major Events Development Fund (M25) Support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.	4,500	-	4,500
Management Development Fund (M25) Assistance to address the management capability gap in New Zealand, through the commissioning of research, stimulation of business interest and supply of management development services.	756	(480)	276
Market Development Assistance Fund (M25) Encouragement for the integration of more New Zealand businesses into global markets by facilitating the creation, development and expansion of overseas markets for New Zealand goods, services, intellectual property and know-how.	54,341	(9,404)	44,937
Promotion of New Zealand Associated with the America's Cup (M25) This appropriation is limited to meeting costs associated with the proposed sponsorship of Team New Zealand's participation in the next multi-challenger America's Cup.	26,000	(13,750)	12,250
Regional and Industry Development Fund (M25) Support of industry and regional specific projects that are likely to have the ability to contribute to government economic objectives and to unlock high growth potential, including support of Buy Kiwi Made sectoral and regional initiatives.	2,274	(514)	1,760

Titles and Scopes of Appropriations by Appropriation Type	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Non-Departmental Other Expenses - cont'd			
Regional Partnerships and Facilitation (M25) Provision of advice and grants to support the development of business incubators and regional clusters, and to support regional partnerships to develop and implement sustainable economic growth strategies.	18,182	(5,346)	12,836
Sector Strategies and Facilitation (M25) Assistance with the facilitation of specific sector initiatives, particularly in the areas of major events, pre-feasibility and feasibility studies and guarantees for significant projects to access funding through other government programmes and cash grants.	3,218	(1,718)	1,500
Trilateral Projects (M25) This appropriation is limited to administration of and support for Trilateral industry development projects that involve New Zealand Trade and Enterprise, the Foundation for Research, Science and Technology, and the Tertiary Education Commission.	-	1,250	1,250
Total Non-Departmental Other Expenses	159,789	(18,866)	140,923
Departmental Capital Expenditure			
Ministry of Economic Development - Capital Expenditure PLA (M25) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Economic Development, as authorised by section 24(1) of the Public Finance Act 1989.	15,850	(3,572)	12,278
Total Departmental Capital Expenditure	15,850	(3,572)	12,278
Non-Departmental Capital Expenditure			
New Zealand Trade and Enterprise (M25) To increase NZTE's in-market assistance for New Zealand firms in China, India and Japan.	3,314	2,707	6,021
Seed Co-investment Fund (M25) Support the development of the market for early stage equity finance.	8,000	4,674	12,674
Venture Investment Fund (M25) 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.	20,000	13,701	33,701
Total Non-Departmental Capital Expenditure	31,314	21,082	52,396
Total Annual and Permanent Appropriations	397,125	(539)	396,586

Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Output Expenses		
New Zealand's Participation at Expo 2010 Shanghai, China (M25)	Original Appropriation	26,600
This appropriation is limited to New Zealand's participation at Expo 2010 in Shanghai, China.	Adjustments to 2007/08	-
Commences: 1 July 2008	Adjustments for 2008/09	9,756
Expires: 30 June 2011	Adjusted Appropriation	36,356
	Actual to 2007/08 Year End	-
	Estimated Actual for 2008/09	7,051
	Estimated Actual for 2009/10	24,345
	Estimated Appropriation Remaining	4,960
Non-Departmental Other Expenses		
3D Digital Graphics Cluster (M25)	Original Appropriation	7,000
To research and develop commercial projects that build on New Zealand's existing strength in 3D digital graphics technology.	Adjustments to 2007/08	-
Commences: 1 July 2007	Adjustments for 2008/09	-
Expires: 30 June 2010	Adjusted Appropriation	7,000
	Actual to 2007/08 Year End	3,000
	Estimated Actual for 2008/09	2,000
	Estimated Actual for 2009/10	2,000
	Estimated Appropriation Remaining	-
Transformational Initiatives Fund (M25)	Original Appropriation	9,766
Funding for the implementation of policy on transformational initiatives as agreed by Cabinet.	Adjustments to 2007/08	-
Commences: 1 March 2009	Adjustments for 2008/09	-
Expires: 30 June 2013	Adjusted Appropriation	9,766
	Actual to 2007/08 Year End	-
	Estimated Actual for 2008/09	2,466
	Estimated Actual for 2009/10	1,000
	Estimated Appropriation Remaining	6,300

Details of Projected Movements in Departmental Net Assets

Ministry of Economic Development

Details of Net Asset Schedule	2008/09 Main Estimates Projections \$000	2008/09 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2008/09
Opening Balance	20,939	21,523	Supplementary Estimates opening balance reflects the audited results as at 30 June 2008.
Capital Injections	16,093	6,320	Deficits incurred on Departmental Output Expenses where memorandum accounts are in operation \$5.400 million and funding for capital contribution for capital expenditure \$92,000.
Capital Withdrawals	-	(3,920)	Return of cash surplus to long-term capital maintenance requirements.
Surplus to be Retained (Deficit Incurred)	(4,403)	(5,400)	Deficit for the year comprised of memorandum account deficits \$5.400 million, departmental output expenses where surplus earned is \$20,000, less provision for repayment of surplus \$20,000.
Other Movements	-	-	
Closing Balance	32,629	18,523	Planned reduction in net assets of \$3 million.