

Medium Term Economic Growth Agenda: Science and Innovation Initiatives

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Purpose

1. This paper presents and seeks agreement for a package of business R&D and technology transfer initiatives to be announced in Budget 2010. You discussed these initiatives with the Prime Minister and Ministers for Economic Development and RS&T on 16 February. This paper presents high level information on the initiatives and mandates the Minister of Research, Science and Technology, in consultation with you and the Minister of Economic Development, to approve operational details of the initiatives before they are announced in Budget 2010.

Comment

Economic impacts

2. Treasury's view is that the proposed initiatives are consistent with encouraging economic growth through increasing business innovation.

Fiscal impacts

3. The business R&D and tech transfer initiatives in this paper have a fiscal cost of approximately \$31.5m in 2010/11 increasing to \$73m in outyears. These initiatives will be part of the RS&T Budget package that will be funded from the rolling maul and reprioritisation.

Sources of funding for RS&T package	2010/11	2011/12	2012/13	2013/14
Reprioritised from Vote RS&T	\$20m	\$25m	\$25m	\$25m
\$ from rolling maul	\$30m (\$5m transferred from year 2012/13)	\$50m	\$70m	\$75
Total	\$50m	\$75m	\$95m	\$100m

4. The Minister of Research, Science and Technology, with consultation with the Prime Minister and you, will determine the exact makeup of the RS&T Budget package.

Other comments

5. This paper also alerts Cabinet that reprioritisation is to occur in Vote RS&T. Other Ministers have an interest in RS&T investments and may be concerns over reprioritisation occurring in their areas. Minister Mapp is likely to write to affected Ministers to inform them of his decisions.

Treasury Recommendation

6. We recommend that you **support** the recommendations in this paper.

Title	Pg	Recommend	Fiscal Implications (\$m GST excl.)					Treasury Comment						
			09/10	10/11	11/12	12/13	Out years							
Medium Term Economic Growth Agenda: Science and Innovation Initiatives		Support	<i>Operating</i>					<p>The business R&D and tech transfer initiatives have the following fiscal implications:</p> <table border="1"> <tr> <td>10/11</td> <td>11/12</td> <td>12/13 & out years</td> </tr> <tr> <td>31.5m</td> <td>58m</td> <td>73m</td> </tr> </table> <p>The initiatives will be funded as part of the RS&T Budget package funded from rolling mail and reprioritisation.</p>	10/11	11/12	12/13 & out years	31.5m	58m	73m
			10/11	11/12	12/13 & out years									
			31.5m	58m	73m									
<i>Capital</i>														