

Vote Economic Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Economic Development (M25),
Minister for Small Business (M62), Minister for the Rugby World Cup (M79)

ADMINISTERING DEPARTMENT: Ministry of Economic Development

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

Overview of the Vote

The Minister for Economic Development is responsible for appropriations in the Vote for the 2011/12 financial year covering the following:

- a total of just over \$22 million for policy advice on economic, industry and regional development policies and initiatives to promote sustainable economic development and issues related to small and medium enterprises
- a total of just under \$152 million for New Zealand Trade and Enterprise operating expenses
- a total of just under \$36 million for New Zealand Trade and Enterprise cash grant schemes
- a total of just under \$176 million for other services related to firms and industry
- a total of just under \$15 million for capital expenditure in the Ministry of Economic Development, and
- a total of just under \$23 million for capital investments in the early stage equity finance markets and offshore market development assistance to business.

The Minister for Small Business is responsible for one appropriation in the Vote for the 2011/12 financial year covering the following:

- a total of just over \$1.500 million for policy advice on issues related to small and medium enterprises.

The Minister for the Rugby World Cup is responsible for appropriations in the Vote for the 2011/12 financial year covering the following:

- a total of just over \$2 million for the Rugby World Cup and Free to Air television rights and operation.

Details of these appropriations are set out in Parts 2-6 for Vote Economic Development in the *Information Supporting the Estimates of Appropriations*.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	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 performance of Small to Medium Enterprises (SMEs), including ministerial servicing and advice on the development, coordination and implementation of policies and programmes that affect SMEs.	1,532	1,234	1,529
Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (M25) This appropriation is limited to the purchase of policy advice, ministerial servicing and programme management for the development, evaluation and overview of economic, industry and regional development policies and initiatives to achieve short and long term economic growth and stability, and improving and leading the public sector procurement policy and practises.	27,013	27,013	22,404
Total Departmental Output Expenses	28,545	28,247	23,933
Non-Departmental Output Expenses			
International Business Growth Services (M25) This appropriation is limited to helping firms export and internationalise by identifying and exploiting market and investment opportunities; overcoming internationalisation barriers; providing customised advice and support; and enabling access to international business networks.	-	-	104,225
Investment Fund Management (M25) Operational costs of the Venture Investment and Seed Co-investment Funds.	2,330	2,330	2,330
Rugby World Cup (M79) This appropriation is limited to performance of the functions relating to the Rugby World Cup Authority.	2,492	1,800	1,114
Services to Develop Business Capability (M25) This appropriation is limited to building and enhancing business and management capability through providing access to effective assessment, advice, training, mentoring and information.	-	-	16,659
Services to Support Sector Development and Special Events (M25) This appropriation is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.	-	-	30,896
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.	20,446	20,446	-
Canterbury Earthquake Recovery Commission (M25) This appropriation is limited to the payment of fees and reimbursement of expenses to the four appointed commissioners of the Canterbury Earthquake Recovery Commission.	350	350	-
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.	80,413	80,413	-
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.	13,610	13,610	-

Titles and Scopes of Appropriations by Appropriation Type	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
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.	31,373	31,373	-
Stadium Development (GST component) (M25) GST on preliminary work and pre-staging activities associated with the Eden Park project.	27,873	27,873	-
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.	11,409	11,409	-
Total Non-Departmental Output Expenses	190,296	189,604	155,224
Non-Departmental Other Expenses			
Canterbury Earthquake Recovery - Business Support (M25) This appropriation is limited to providing support for the recovery of businesses affected by the Canterbury Earthquake.	4,050	4,050	1,750
Depreciation on Auckland's Queens Wharf (M25) This appropriation is limited to depreciation expenses associated with Auckland's Queens Wharf.	2,000	2,000	2,000
Depreciation on the temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf (M25) This appropriation is limited to depreciation expenses associated with the temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf.	-	-	4,900
Establishment and operation of the Food Innovation Network New Zealand (M25) This appropriation is limited to the establishment and operation of the Food Innovation Network New Zealand.	14,780	13,000	5,360
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.	833	833	833
International Growth Fund (M25) This appropriation is limited to support for high growth firms to undertake additional market development and business capability activities required for growth in new markets, that deliver benefits for both the firm and the wider New Zealand economy.	20,027	20,027	30,027
Large Budget Screen Production Fund (M25) Assistance to film and television productions that spend over \$15 million in New Zealand.	127,280	127,000	106,660
Major Events Development Fund (M25) Support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.	10,350	8,350	14,000
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.	507	500	1,356
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.	2,000	2,000	19,750

	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Regional and Industry Development Fund (M25) This appropriation is limited to the provision of funding to support industry and regional specific projects that are intended to contribute to economic growth.	600	600	3,900
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.	4,556	4,556	8,142
Rugby World Cup Free-to-Air Broadcasting Right (M79) This appropriation is limited to meeting the government contribution to the joint bid by the Māori Television Service, Television New Zealand and Mediaworks for the Rugby World Cup free-to-air broadcasting right.	1,600	1,600	960
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.	1,204	1,204	1,204
Square Kilometre Array (M25) This appropriation is limited to supporting New Zealand's contribution to the joint bid with Australia to host the Square Kilometre Array.	1,000	650	1,950
Total Non-Departmental Other Expenses	190,787	186,370	202,792
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.	15,882	10,772	14,788
Total Departmental Capital Expenditure	15,882	10,772	14,788
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.	147	147	3,619
Seed Co-investment Fund (M25) Support the development of the market for early stage equity finance.	9,300	8,000	7,320
Temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf (M25) This appropriation is limited to the construction and removal of a temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf.	8,000	8,000	1,800
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.	19,350	10,350	12,020
Total Non-Departmental Capital Expenditure	36,797	26,497	24,759
Total Annual and Permanent Appropriations	462,307	441,490	421,496

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 2009/10	9,756
	Adjustments for 2010/11	(2,600)
Commences: 1 July 2008	Adjusted Appropriation	33,756
Expires: 30 June 2011	Actual to 2009/10 Year End	23,179
	Estimated Actual for 2010/11	10,577
	Estimated Actual for 2011/12	-
	Estimated Appropriation Remaining	-
Non-Departmental Other Expenses		
Rugby World Cup Leverage and Legacy Programmes (M25)	Original Appropriation	11,250
This appropriation is limited to the provision of Rugby World Cup leverage and legacy programmes (both offshore and onshore).	Adjustments to 2009/10	-
	Adjustments for 2010/11	1,000
Commences: 1 July 2010	Adjusted Appropriation	12,250
Expires: 30 June 2012	Actual to 2009/10 Year End	-
	Estimated Actual for 2010/11	5,750
	Estimated Actual for 2011/12	6,500
	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 2009/10	520
	Adjustments for 2010/11	(3,500)
Commences: 1 March 2009	Adjusted Appropriation	6,786
Expires: 30 June 2013	Actual to 2009/10 Year End	-
	Estimated Actual for 2010/11	3,986
	Estimated Actual for 2011/12	1,100
	Estimated Appropriation Remaining	1,700

Details of Projected Movements in Departmental Net Assets

Ministry of Economic Development

Details of Net Asset Schedule	2010/11 Estimated Actual \$000	2011/12 Projected \$000	Explanation of Projected Movements in 2011/12
Opening Balance	24,918	34,418	
Capital Injections	12,500	7,000	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(3,000)	(3,000)	
Other Movements	-	-	
Closing Balance	34,418	38,418	