

Information Supporting the Supplementary Estimates

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

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2010/11				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	182,144	7,583	39,691	47,274	229,418
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	122,795	-	78,228	78,228	201,023
Capital Expenditure	13,547	10,482	28,650	39,132	52,679
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	318,486	18,065	146,569	164,634	483,120
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Policy Advice - Small Business (M62)

Scope of Appropriation

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.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,531	1	1,532
Revenue from Crown	1,506	1	1,507
Revenue from Other	25	-	25

Reasons for Change in Appropriation

This appropriation increased by \$1,000 to reflect the increase in the GSF non-funding employer contribution rates.

Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (M25)

Scope of Appropriation

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.

Expenses and Revenue

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	19,431	7,582	27,013
Revenue from Crown	19,109	1,982	21,091
Revenue from Other	322	5,600	5,922

Reasons for Change in Appropriation

This appropriation increased by \$8.082 million as a result of:

- funding of \$5.600 million to reflect a Cabinet decision relating to the "Government Procurement Reform Agenda - Year One Outcomes and Future Reform Programme" paper
- funding of \$1.250 million to reflect a Cabinet decision relating to the "Canterbury Earthquake National Level Co-ordination Mechanisms" paper
- expense transfers from 2009/10 of \$1.012 million to reflect the delays for the following projects:
 - "Wine to the World" and "Access to Ohakea" - \$350,000
 - ongoing development and management of a Volunteer website for events - \$260,000
 - Government's procurement reform training initiatives - \$208,000
 - Auckland's research programme - \$163,000, and
 - Cross Departmental Research Pool funded project - \$31,000.
- funding of \$184,000 to reflect a Cabinet decision relating to the "Rugby World Cup 2011 (Empowering) Act 2010: Proposed Regulations" paper, and
- GSF non-funding employer contribution increase in rates of \$36,000.

These increases are partially offset by a decrease of \$500,000 transferred to Vote Canterbury Earthquake Recovery.

Part 2.2 - Non-Departmental Output Expenses

Analysis and Development Services for Firms (M25)

Scope of Appropriation

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.

Expenses

	2010/11		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	16,242	4,204	20,446

Reasons for Change in Appropriation

This appropriation increased by \$4.204 million as a result of:

- \$4.200 million fiscal neutral adjustment in the Primary Sector Initiatives, Business Opportunities in Australia and Support for export-focused firms, and
- \$4,000 as a result of a foreign exchange movement adjustment.

Canterbury Earthquake Recovery Commission (M25)

Scope of Appropriation

This appropriation is limited to the payment of fees and reimbursement of expenses to the four appointed commissioners of the Canterbury Earthquake Recovery Commission.

Expenses

	2010/11		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	-	350	350

Reasons for Change in Appropriation

This appropriation was established during 2010/11 as a result of a Cabinet decision relating to the "Canterbury Earthquake National Level Co-ordination Mechanisms" paper.

Output Performance Measures and Standards

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Commissioners are appointed and managed in accordance with the Canterbury Earthquake Response and Recovery Act 2010 and the Canterbury Earthquake Recovery Commission: Terms of Reference.	100% achieved	100% achieved	100% achieved

Identification and Coordination of International Market Opportunities (M25)*Scope of Appropriation*

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	69,450	10,963	80,413

Reasons for Change in Appropriation

This appropriation increased by \$10.963 million as a result of:

- \$5.500 million funding through a fiscal neutral adjustment relating to the Primary Sector Initiatives, Business Opportunities in Australia and Support for export-focused firms
- \$2.140 million reflecting the Cabinet decision relating to the "Supporting the Delivery of a Successful Rugby World Cup 2011" paper
- \$2 million transfer from the Standardised Training and Advisory Services appropriation to assist with New Zealand exporters' operations based in Christchurch following the 22 February earthquake via the Christchurch Market Connections Fund
- expense transfer of \$1.100 million from 2009/10 to reflect the delays in leveraging the Shanghai Expo
- transfer of \$179,000 from Vote Foreign Affairs and Trade to assist with WTO and FTA/CEP negotiations, and
- \$44,000 through a foreign exchange movement adjustment.

International Investment Facilitation Services (M25)

Scope of Appropriation

This appropriation is limited to coordination and analysis of opportunities for investment into New Zealand and investment by New Zealand firms into international markets.

Expenses

	2010/11		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	13,613	(3)	13,610

Reasons for Change in Appropriation

This appropriation decreased by \$3,000 as a result of foreign exchange movement adjustments.

New Zealand's Participation at Expo 2010 Shanghai, China (M25)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
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	-

Reasons for Change in Appropriation

This appropriation increased by \$8.217 million as a result of an expense transfer of 2009/10 unspent funds.

Regional and Sector Development Services (M25)

Scope of Appropriation

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	39,022	(7,649)	31,373

Reasons for Change in Appropriation

This appropriation decreased by \$7.649 million as a result of:

- transfer of \$9.544 million to other non-departmental expense appropriations to assist with the Primary Sector Initiatives, Business Opportunities in Australia and Support for export-focused firms, and
- \$590,000 transferred to the non-departmental output expense appropriation: Identification and Coordination of International Market Opportunities to reflect a Cabinet decision relating to the "Supporting the Delivery of a Successful Rugby World Cup 2011" initiative.

These decreases are partially offset by the following increases:

- expense transfer of \$2.474 million from 2009/10 to reflect the delay in completing the Food and Beverage Taskforce initiatives, and
- \$11,000 through foreign exchange adjustments.

Rugby World Cup (M79)

Scope of Appropriation

This appropriation is limited to performance of the functions relating to the Rugby World Cup Authority.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,492	2,492

Reasons for Change in Appropriation

This appropriation was established during 2010/11 as a result of a Cabinet decision relating to the "Rugby World Cup 2011 (Empowering) Act 2010: Proposed Regulations" paper.

Output Performance Measures and Standards

Performance Measures	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The Rugby World Cup Authority is established and performs its functions under the Rugby World Cup 2011 (Empowering) Act 2010.	100% achieved	100% achieved	100% achieved

Conditions on Use of Appropriation

Reference	Conditions
Ministry of Economic Development	Rugby World Cup 2011 (Empowering) Act 2010

Stadium Development (GST component) (M25)*Scope of Appropriation*

GST on preliminary work and pre-staging activities associated with the Eden Park project.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	27,873	27,873

Reasons for Change in Appropriation

This appropriation incurred a one-off cost of \$27.873 million as a result of milestones being met by the Eden Park Redevelopment Board (EPRB) via a loan agreement with the Crown. Upon EPRB meeting these milestones, the loan would be forgiven and that it would become revenue to the EPRB and the GST would be payable. The Crown needs to fund this GST component as an Input Tax and the EPDB will be paying the Output Tax to the Inland Revenue Department. This impact is therefore neutral to the Crown.

Standardised Training and Advisory Services (M25)

Scope of Appropriation

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,565	(4,156)	11,409

Reasons for Change in Appropriation

This appropriation decreased by \$4.156 million as a result of:

- \$6 million being transferred to the non-departmental output expense appropriation: Identification and Coordination of International Market Opportunities to reflect:
 - a Cabinet decision for funding of \$4 million to assist with the "Supporting the Delivery of a Successful Rugby World Cup 2011" initiative, and
 - a transfer of \$2 million to the Identification and Coordination of International Market Opportunities appropriation to assist with New Zealand exporters' operations based in Christchurch following the 22 February earthquake via the Christchurch Market Connections Fund.

This decrease is partially offset by the following increases:

- \$1.244 million transferred to assist with the Primary Sector Initiatives, Business Opportunities in Australia and Support for export-focused firms, and
- expense transfer of \$600,000 from 2009/10 to reflect the delays in the "Deferral of Global Mindset" project.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Canterbury Earthquake Recovery - Business Support (M25)

Scope of Appropriation

This appropriation is limited to providing support for the recovery of businesses affected by the Canterbury Earthquake.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	4,050	4,050

Reasons for Change in Appropriation

This appropriation was established during 2010/11 as a result of a Cabinet decision relating to the "Canterbury Earthquake Business Support Package: Capability Development, Promotions and RWC Support" and "Christchurch Earthquake - Short to Medium Term Business Support Measures" papers.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Following the Canterbury earthquakes that occurred on 4 September 2010 and 22 February 2011, business recovery support packages were developed and made available to affected businesses, in conjunction with Canterbury Employers' Chamber of Commerce and Canterbury Development Corporation.	100% achieved	100% achieved	100% achieved

Depreciation on Auckland's Queens Wharf (M25)

Scope of Appropriation

This appropriation is limited to depreciation expenses associated with Auckland's Queens Wharf.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,000	2,000

Reasons for Change in Appropriation

This appropriation was established during 2010/11 to reflect the Cabinet decision relating to the "Queens Wharf Development" paper.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
This appropriation is a technical requirement and reflects the depreciation expense associated with the Rugby World Cup (RWC) showcase and festival building asset base	Recognised in accordance with Crown accounting policies	Recognised in accordance with Crown accounting policies	Recognised in accordance with Crown accounting policies

Establishment and operation of the Food Innovation Network New Zealand (M25)

Scope of Appropriation

This appropriation is limited to the establishment and operation of the Food Innovation Network New Zealand.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	9,015	5,765	14,780

Reasons for Change in Appropriation

This appropriation increased by \$5.765 million as a result of:

- an expense transfer of \$4.865 million from 2009/10 unspent funds, and
- \$900,000 funding to reflect a Cabinet decision relating to the "Scaled Up Proposal for the Waikato Food Innovation Hub" paper.

International Biotechnology Partnerships (M25)

Scope of Appropriation

Facilitation of joint ventures between Australia and New Zealand companies in biotechnology development, manufacturing and marketing.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,700	(1,700)	-

Reasons for Change in Appropriation

This appropriation has decreased by \$1.700 million as a result of:

- \$1 million transfer to assist with the Rugby World Cup Legacy programme (MYA)
- 600,000 to reflect a Cabinet decision relating to the "Canterbury Earthquake Business Support Package" paper, transferring this amount to the non-departmental output expense: Canterbury Earthquake Recovery Commission appropriation, and
- \$100,000 in savings returned to the Crown.

International Growth Fund (M25)

Scope of Appropriation

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	30,027	(10,000)	20,027

Reasons for Change in Appropriation

This appropriation decreased by \$10 million as a result:

- \$5 million reprioritised to Square Kilometre Array, Rugby World Cup and Procurement
- \$2.957 million in savings returned to the Crown, and

- \$2.043 million to reflect a Cabinet decision relating to the "Canterbury Earthquake Business Support Package" paper, transferring this amount to the non-departmental other expense: Canterbury Earthquake Recovery - Business Support appropriation.

Large Budget Screen Production Fund (M25)

Scope of Appropriation

Assistance to film and television productions that spend over \$15 million in New Zealand.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	35,556	91,724	127,280

Reasons for Change in Appropriation

This appropriation has increased by \$91.724 million as a result of:

- forecast adjustment of \$71.104 million for the Cabinet decision relating to the "Issues Concerning New Zealand as the Possible Location for the Filming of The Hobbit" paper
- \$20.037 million to reflect a Cabinet decision relating to the "Warner Brothers Memorandum of Understanding" paper, and
- expense transfer of \$583,000 from 2009/10 unspent funds.

Major Events Development Fund (M25)

Scope of Appropriation

Support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,821	4,529	10,350

Reasons for Change in Appropriation

This appropriation increased by \$4.529 million as a result of:

- \$6.679 million to reflect a Cabinet decision relating to the "Increasing the Benefit to New Zealand from Major Events" paper, and

- expense transfer of \$2.500 million from 2009/10 to reflect the delays in the work relating to the Volunteers Programme - RWC 2011.

This is partially offset by the following decreases of:

- \$4 million expense transfer to 2011/12 to reflect the delays in the funding application process for Major Event initiatives, and
- \$650,000 transferred to Vote Sport and Recreation to reflect a Cabinet decision relating to the "World Rowing Championships 2010 (Karapiro 2010 Ltd) Loan" paper.

Management Development Fund (M25)

Scope of Appropriation

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.

Expenses

	2010/11		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	756	(249)	507

Reasons for Change in Appropriation

This appropriation decreased by \$249,000 as a result of a \$600,000 expense transfer to 2011/12 to reflect the delays in the Prime Minister's Business Scholarships programme.

This is partially offset by the following increases:

- expense transfer of \$316,000 from 2009/10 to reflect the delays in the PLATO Business Pilot programme, and
- expense transfer of \$35,000 from 2009/10 to reflect the delay in funding the Prime Minister's Business Scholarships.

Promotion of New Zealand Associated with the America's Cup (M25)

Scope of Appropriation

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	18,250	(16,250)	2,000

Reasons for Change in Appropriation

This appropriation decreased by \$16.250 million as a result of an expense transfer of \$19.750 million to 2011/12 reflecting the delay in the America's Cup. This is partially offset by an increase of \$3.500 million as a result of an expense transfer from 2009/10.

Regional Partnerships and Facilitation (M25)

Scope of Appropriation

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.

Expenses

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,613	(4,057)	4,556

Reasons for Change in Appropriation

This appropriation decreased by \$4.057 million as a result of:

- \$2.157 million funding relating to a Cabinet decision for the "Canterbury Earthquake: Short to Medium Term Business Support Measures" paper
- \$1 million funding relating to a Cabinet decision for the "Canterbury Earthquake Business Support Package: Capability Development, Promotions and RWC Support" paper
- \$1 million to assist with the Primary Sector Initiatives, Business Opportunities in Australia and Support for export-focused firms, and
- \$900,000 transfer to the non-departmental output other expense: Establishment and Operation of Food Innovation New Zealand appropriation, relating to the Cabinet decision for the "Scaled Up Proposal for the Waikato Food Innovation Hub" paper.

These decreases were partially offset by the following increases:

- expense transfer of \$800,000 from 2009/10 to reflect the delays in the expansion of the Primary Sector initiatives work, and
- expense transfer of \$200,000 from 2009/10 to reflect the delays in the redevelopment of the Project Link website.

Rugby World Cup Leverage and Legacy Programmes (M25)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
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	-

Reasons for Change in Appropriation

This appropriation increased by \$1 million as a result of:

- \$250,000 transfer from the non-departmental other expense: International Biotechnology Partnerships appropriation to assist with the Rugby World Cup legacy programme.

Transformational Initiatives Fund (M25)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
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

Reasons for Change in Appropriation

This appropriation reduced by \$3.500 million as result of a transfer to the Regional and Industry Development Fund appropriation to assist with the contribution to the "West Coast Economic Support Package" initiative.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Economic Development - Capital Expenditure PLA (M25)

Scope of Appropriation

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.

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	3,500	(947)	2,553
Intangibles	1,900	11,429	13,329
Other	-	-	-
Total Appropriation	5,400	10,482	15,882

Reasons for Change in Appropriation

This appropriation increased by \$10.482 million as a result of the following:

- capital expenditure PLA update in 2010/11 OBU for all projects - \$3 million
- capital expenditure PLA forecast change in 2010/11 Supplementary's for all projects - \$3.982 million
- capital transfer from 2009/10 to reflect the delays in the Emissions Trading Scheme project - \$3.500 million, and
- capital transfer from 2009/10 to reflect the delays in the Compass project - \$4.500 million.

These increases have been offset by the following decreases:

- transfer of \$2 million to 2011/12 to reflect the delays in the Emissions Trading Scheme project
- transfer of \$2 million to 2011/12 to reflect the delays in the Compass project, and
- technical adjustment of \$500,000 to correct an entry processed in error via the 2010 October Baseline Update for the Compass project.

Part 6.2 - Non-Departmental Capital Expenditure

Seed Co-investment Fund (M25)

Scope of Appropriation

Support the development of the market for early stage equity finance.

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,000	1,300	9,300

Reasons for Change in Appropriation

This appropriation increased by \$1.300 million as a result of a \$16.988 million capital transfer of 2009/10 unspent funds. This was partially offset by a technical adjustment of \$15.688 million to reflect the correct phasing of this fund in this year and in the outyears.

Temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf (M25)

Scope of Appropriation

This appropriation is limited to the construction and removal of a temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf.

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	8,000	8,000

Reasons for Change in Appropriation

This appropriation was established during the 2010/11 year to reflect the Cabinet decision on the "Queens Wharf Development" paper.

Expected Results

	2010/11		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
'Cloud' structure designed, construction commenced and project completed to timeline and budget.	Met	Met	Met

Venture Investment Fund (M25)

Scope of Appropriation

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.

Capital Expenditure

	2010/11		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	19,350	19,350

Reasons for Change in Appropriation

This appropriation has been reactivated as a result of a capital transfer of \$66.968 million of 2009/10 unspent funds, which is partially offset by a decrease of \$47.618 million as a result of a technical adjustment to reflect the correct phasing of this fund in this year and in the outyears.