

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

Overview of the Vote

The Minister for Economic Development is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of just over \$22 million for policy advice on economic, industry and regional development policies, services to support the Minister, monitoring the performance and compliance of Crown entities and initiatives to promote sustainable economic development and issues related to small and medium enterprises
- a total of just over \$144 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 \$77 million for other services related to firms and industry
- a total of \$12 million for capital expenditure in the Ministry of Economic Development and
- a total of just over \$20 million for capital investments in the early stage equity finance markets and offshore market development assistance to business.

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	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
<i>Enhancing Small Business Capability and Performance (M62)</i>	-	-	221
This appropriation is limited to development of operational policies to lift the capability and performance of Small to Medium Enterprises and services to support the Minister.			
<i>Policy Advice - Sectoral Leadership and Development, Firm Capability, and Regional Development (M25)</i>	-	-	9,096
This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to policy areas of 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.			
<i>Policy Advice - Small Business (M62)</i>	1,609	1,419	1,285
This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to areas of development, coordination and implementation of policies and programmes that affect Small to Medium Enterprises.			
<i>Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M25)</i>	-	-	11,470
This appropriation is limited to development of operational policies to achieve short and long term economic growth and stability, services to support the Minister, monitoring the performance and compliance of Crown Entities, administering grants programmes, providing support for statutory bodies and improving and leading the public sector procurement practises.			
<i>Policy Advice and Sector Leadership - Firm Capability, Sectoral and Regional Development (M25)</i>	25,664	25,664	-
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.			
Total Departmental Output Expenses	27,273	27,083	22,072
Non-Departmental Output Expenses			
<i>International Business Growth Services (M25)</i>	105,108	101,656	99,702
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.			
<i>Investment Fund Management (M25)</i>	2,330	2,330	2,330
Operational costs of the Venture Investment and Seed Co-investment Funds.			
<i>Services to Develop Business Capability (M25)</i>	15,005	11,705	14,905
This appropriation is limited to building and enhancing business and management capability through providing access to effective assessment, advice, training, mentoring and information.			
<i>Services to Support Sector Development and Special Events (M25)</i>	32,924	31,093	29,666
This appropriation is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.			
<i>Rugby World Cup (M25)</i>	1,114	-	-
This appropriation is limited to performance of the functions relating to the Rugby World Cup Authority.			
Total Non-Departmental Output Expenses	156,481	146,784	146,603

Titles and Scopes of Appropriations by Appropriation Type	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Other Expenses			
<i>Canterbury Earthquake Recovery - Business Support (M25)</i> This appropriation is limited to providing support for the recovery of businesses affected by the Canterbury Earthquake.	1,950	1,950	1,000
<i>Depreciation on Auckland's Queens Wharf (M25)</i> This appropriation is limited to depreciation expenses associated with Auckland's Queens Wharf.	2,000	2,000	2,000
<i>Depreciation on the temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf (M25)</i> 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	4,900	4,900
<i>Establishment and operation of the Food Innovation Network New Zealand (M25)</i> This appropriation is limited to the establishment and operation of the Food Innovation Network New Zealand.	6,447	4,000	950
<i>Film New Zealand (M25)</i> Operation of an independent structure for Film NZ, development of a marketing plan for the film sector and coordination of regional film offices.	1,133	1,133	1,133
<i>International Growth Fund (M25)</i> 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.	25,834	25,834	30,027
<i>Large Budget Screen Production Fund (M25)</i> Assistance to film and television productions that spend over \$15 million in New Zealand.	106,660	91,660	50,556
<i>Major Events Development Fund (M25)</i> Support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.	18,331	13,529	10,000
<i>Management Development Fund (M25)</i> 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.	223	223	756
<i>Regional and Industry Development Fund (M25)</i> This appropriation is limited to the provision of funding to support industry and regional specific projects that are intended to contribute to economic growth.	3,900	3,900	200
<i>Regional Partnerships and Facilitation (M25)</i> 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	4,556
<i>Sector Strategies and Facilitation (M25)</i> 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
<i>Square Kilometre Array (M25)</i> This appropriation is limited to supporting New Zealand's contribution to the joint bid with Australia to host the Square Kilometre Array.	864	864	3,150
<i>Promotion of New Zealand Associated with the America's Cup (M25)</i> 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.	19,750	19,750	-
<i>Rugby World Cup Free-to-Air Broadcasting Right (M25)</i> 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.	960	960	-
Total Non-Departmental Other Expenses	198,712	176,463	110,432

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Capital Expenditure			
<i>Ministry of Economic Development - Capital Expenditure PLA (M25)</i>	17,250	8,985	12,000
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.			
Total Departmental Capital Expenditure	17,250	8,985	12,000
Non-Departmental Capital Expenditure			
<i>New Zealand Trade and Enterprise (M25)</i>	3,619	-	172
To increase NZTE's in-market assistance for New Zealand firms in China, India and Japan.			
<i>Seed Co-investment Fund (M25)</i>	20,830	4,681	7,600
Support the development of the market for early stage equity finance.			
<i>Venture Investment Fund (M25)</i>	16,513	13,674	12,400
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.			
<i>Temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf (M25)</i>	1,800	1,800	-
This appropriation is limited to the construction and removal of a temporary Rugby World Cup showcase and festival building on Auckland's Queens Wharf.			
Total Non-Departmental Capital Expenditure	42,762	20,155	20,172
Total Annual and Permanent Appropriations	442,478	379,470	311,279

Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
<i>Rugby World Cup Leverage and Legacy Programmes (M25)</i>	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 2010/11	1,000
	Adjustments for 2011/12	-
Commences: 1 July 2010	Adjusted Appropriation	12,250
Expires: 30 June 2012	Actual to 2010/11 Year End	4,549
	Estimated Actual for 2011/12	7,701
	Estimated Actual for 2012/13	-
	Estimated Appropriation Remaining	-
<i>Transformational Initiatives Fund (M25)</i>	Original Appropriation	9,766
Funding for the implementation of policy on transformational initiatives as agreed by Cabinet.	Adjustments to 2010/11	(2,980)
	Adjustments for 2011/12	(3,786)
Commences: 1 March 2009	Adjusted Appropriation	3,000
Expires: 30 June 2013	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	3,000
	Estimated Actual for 2012/13	-
	Estimated Appropriation Remaining	-

Details of Projected Movements in Departmental Net Assets

Ministry of Economic Development

Details of Net Asset Schedule	2011/12 Estimated Actual \$000	2012/13 Projected \$000	Explanation of Projected Movements in 2012/13
Opening Balance	28,959	31,526	
Capital Injections	13,241	2,000	Petroleum Action Plan
Capital Withdrawals	(6,494)	-	
Surplus to be Retained (Deficit Incurred)	(12,586)	(3,200)	Memo Account Deficit
Other Movements	8,406	-	
Closing Balance	31,526	30,326	