

Vote Economic Development

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

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

MINISTER RESPONSIBLE FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Overview of the Vote

The Minister for Economic Development is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

Departmental appropriations consisting of:

- a total of just over \$29 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.

Non-departmental appropriations consisting of:

- a total of just under \$144 million for New Zealand Trade and Enterprise (NZTE) operating expenses
- a total of under \$36 million for NZTE cash grant schemes, and
- a total of over \$69 million for other services related to firms and industry.

Departmental capital consisting of:

- a total of under \$65 million for capital expenditure for the Ministry of Business, Innovation and Employment.

Non-departmental capital consisting of:

- a total of under \$14 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 Departmental appropriations in the Vote for the 2013/14 financial covering a total of under \$2 million for issues relating to small and medium enterprises.

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	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
<i>Enhancing Small Business Capability and Performance (M62)</i>	221	221	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>	13,255	13,255	10,796
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>	1,330	1,330	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>	12,225	11,549	18,225
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.			
Total Departmental Output Expenses	27,031	26,355	30,527
Non-Departmental Output Expenses			
<i>International Business Growth Services (M25)</i>	101,264	101,264	99,885
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>	13,752	13,752	13,905
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>	32,807	32,807	30,196
This appropriation is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.			
Total Non-Departmental Output Expenses	150,153	150,153	146,316

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Other Expenses			
<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>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.	4,596	4,596	780
<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	1,300
<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.	30,027	30,027	30,027
<i>Large Budget Screen Production Fund (M25)</i> Assistance to film and television productions that spend over \$15 million in New Zealand.	50,556	50,556	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.	15,078	15,078	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.	756	756	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.	1,150	1,150	800
<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.	4,487	4,487	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 engagement on the Square Kilometre Array project in collaboration with Australia.	1,419	1,419	830
<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.	1,000	1,000	-
<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	-
<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.	1,676	1,676	-
Total Non-Departmental Other Expenses	119,982	119,982	102,809

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Capital Expenditure			
<i>Ministry of Business, Innovation and Employment - Capital Expenditure PLA (M25)</i> This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Business, Innovation and Employment, as authorised by section 24(1) of the Public Finance Act 1989.	75,049	75,049	64,566
Total Departmental Capital Expenditure	75,049	75,049	64,566
Non-Departmental Capital Expenditure			
<i>New Zealand Trade and Enterprise (M25)</i> To increase NZTE's in-market assistance for New Zealand firms in China, India and Japan.	172	172	172
<i>Seed Co-investment Fund (M25)</i> Support the development of the market for early stage equity finance.	16,232	16,232	768
<i>Venture Investment Fund (M25)</i> 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.	29,255	29,255	12,820
Total Non-Departmental Capital Expenditure	45,659	45,659	13,760
Total Annual and Permanent Appropriations	417,874	417,198	357,978

Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
<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 2011/12	(6,766)
	Adjustments for 2012/13	-
Commences: 1 March 2009	Adjusted Appropriation	3,000
Expires: 30 June 2013	Actual to 2011/12 Year End	3,000
	Estimated Actual for 2012/13	-
	Estimated Actual for 2013/14	-
	Estimated Appropriation Remaining	-

Details of Projected Movements in Departmental Net Assets

Ministry of Business, Innovation and Employment

Details of Net Asset Schedule	2012/13 Estimated Actual \$000	2013/14 Projected \$000	Explanation of Projected Movements in 2013/14
Opening Balance	-	119,993	Establishment of the Ministry of Business, Innovation and Employment
Capital Injections	85,399	42,348	2013/14 capital injections required for Govt Procurement and the Immigration Global Management System
Capital Withdrawals	-	(6,600)	
Surplus to be Retained (Deficit Incurred)	(9,919)	1,162	
Other Movements	66,716	5,473	This is a non-cash movement for the establishment of the Ministry of Business, Innovation and Employment
Closing Balance	142,196	162,376	