

# *Vote Economic Development and Employment*

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APPROPRIATION MINISTER(S): Minister for Tertiary Education, Skills and Employment (M14),  
Minister for Economic Development (M25), Minister for Small Business (M62)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

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

# *Summary of the Vote*

## Overview

The Minister for Economic Development is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of just over \$20 million for co-ordination of the departmental response to the Canterbury recovery, and improving and leading the public sector economic procurement reform programme
- a total of just under \$44 million for departmental capital expenditure
- a total of just over \$72 million for non-departmental other and MYA expenditure
- a total of just over \$10 million for non-departmental MYA capital expenditure, and
- a total of just under \$218 million for multi-category expenses and capital expenditure.

The Minister for Tertiary Education, Skills and Employment is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of just under \$3 million for provision of employment sector information including facilitation services
- a total of just over \$2 million for non-departmental output expenditure.

Details of these appropriations are set out in Parts 2-4.

# Estimates of Appropriations

## Details of Appropriations and Capital Injections

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Canterbury Recovery (M25)</b> This appropriation is limited to the co-ordination, and management of MBIE's contribution to the Canterbury recovery.	-	-	2,557
<b>Employment Sector Analysis and Facilitation (M14)</b> This appropriation is limited to the provision of employment information, facilitation and matching services, analysis of the functioning of the labour market, and of the economic performance of sectors and regions.	-	-	2,894
<b>Implementation of Improvements in Public Sector Procurement and Services to Business (M25)</b> This appropriation is limited to improving and leading the public sector procurement reform programme and reducing the costs for and improving the service experience of businesses interacting with government.	-	-	17,517
<b>Enhancing Small Business Capability and Performance (M62)</b> 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.	221	221	-
<b>Labour Market Information and Facilitation Services (M14)</b> This appropriation is limited to the provision of information and regional and sector engagement on labour market effectiveness and employment.	3,190	3,190	-
<b>Policy Advice - Sectoral Leadership and Development, Firm Capability, and Regional Development (M25)</b> 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.	18,446	18,446	-
<b>Policy Advice - Small Business (M62)</b> 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.	1,425	1,425	-
<b>Policy Advice and Related Outputs MCOA (M14)</b>			
<i>Labour Market Policy Advice</i> This output class 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 the labour market and employment policy.	5,838	5,838	-
<i>Ministerial Services</i> This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	5,033	5,033	-
	805	805	-
<b>Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M25)</b> 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.	19,160	19,160	-
<b>Total Departmental Output Expenses</b>	48,280	48,280	22,968

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Departmental Capital Expenditure</b>			
<b>Ministry of Business, Innovation and Employment - Capital Expenditure PLA (M25)</b> 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.	67,743	67,743	43,772
<b>Total Departmental Capital Expenditure</b>	67,743	67,743	43,772
<b>Non-Departmental Output Expenses</b>			
<b>Māori and Pasifika Trades Training Consortia (M14)</b> This appropriation is limited to funding Māori and Pasifika Trades Training consortia to provide project management, co-ordination and evaluation.	-	-	2,319
<b>International Business Growth Services (M25)</b> 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.	104,630	104,630	-
<b>Investment Fund Management (M25)</b> Operational costs of the Venture Investment and Seed Co-investment Funds.	2,330	2,330	-
<b>Services to Develop Business Capability (M25)</b> This appropriation is limited to building and enhancing business and management capability through providing access to effective assessment, advice, training, mentoring and information.	13,444	13,444	-
<b>Services to Support Sector Development and Special Events (M25)</b> This appropriation is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.	31,867	31,867	-
<b>Total Non-Departmental Output Expenses</b>	152,271	152,271	2,319
<b>Non-Departmental Other Expenses</b>			
<b>Depreciation on Auckland's Queens Wharf (M25)</b> This appropriation is limited to depreciation expenses associated with Auckland's Queens Wharf.	2,000	2,000	2,000
<b>Film New Zealand (M25)</b> This appropriation is limited to the operation of an independent structure for Film New Zealand, developing a marketing plan for the film sector and coordination of regional film offices.	1,300	1,300	1,300
<b>Major Events Development Fund (M25)</b> This appropriation is limited to support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.	13,983	8,183	10,000
<b>Management Development Fund (M25)</b> This appropriation is limited to 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
<b>Regional and Industry Development Fund (M25)</b> This appropriation is limited to the provision of funding to support industry and regional specific projects that are intended to contribute to economic growth.	1,300	1,300	400
<b>Establishment and operation of the Food Innovation Network New Zealand (M25)</b> This appropriation is limited to the establishment and operation of the Food Innovation Network New Zealand.	1,506	-	-
<b>International Growth Fund (M25)</b> 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.	15,727	15,727	-
<b>Large Budget Screen Production Fund (M25)</b> This appropriation is limited to assistance to film and television productions that spend over \$15 million in New Zealand.	50,556	40,556	-

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Promotion of New Zealand Associated with the America's Cup (M25)</b> 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.	5,000	5,000	-
<b>Regional Partnerships and Facilitation (M25)</b> 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	-
<b>Sector Strategies and Facilitation (M25)</b> 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	-
<b>Square Kilometre Array (M25)</b> This appropriation is limited to supporting New Zealand's engagement on the Square Kilometre Array project in collaboration with Australia.	1,352	1,352	-
<b>Total Non-Departmental Other Expenses</b>	99,240	81,934	14,456
<b>Non-Departmental Capital Expenditure</b>			
<b>Seed Co-investment Fund (M25)</b> Support the development of the market for early stage equity finance.	7,250	7,250	-
<b>Venture Investment Fund (M25)</b> 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.	15,000	15,000	-
<b>Total Non-Departmental Capital Expenditure</b>	22,250	22,250	-
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Policy Advice and Related Outputs MCA (M25)</b> The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.	-	-	24,239
<i>Departmental Output Expenses</i>			
<i>Ministerial Services - Employment</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy-making), relating to Employment.	-	-	1,504
<i>Ministerial Services - Small Business</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) relating to Small Business.	-	-	217
<i>Ministerial Services and Crown Entity Monitoring - Economic Development</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) including monitoring of Crown Entities and Statutory Bodies, relating to Economic Development.	-	-	5,135
<i>Policy Advice - Economic Development</i> This category 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 Economic Development.	-	-	10,448
<i>Policy Advice - Employment</i> This category 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 Employment.	-	-	5,701
<i>Policy Advice - Small Business</i> This category 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 Small Business.	-	-	1,234

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure - cont'd</b>			
<b>Seed Co-Investment Fund MCA (M25)</b> The single overarching purpose of this appropriation is to provide capital to support the development of markets for early stage equity finance and venture capital.	-	-	<b>7,580</b>
<i>Non-Departmental Output Expenses</i>			
<i>Investment Fund Management</i> This category is limited to operational Costs of the Venture and Seed Co-Investment Funds.	-	-	2,330
<i>Non-Departmental Capital Expenditure</i>			
<i>Seed Co-Investment Fund</i> This category is limited to providing capital to support the development of the market for early stage equity finance.	-	-	5,250
<b>Support New Market Opportunities for High Growth New Zealand Firms and Sectors MCA (M25)</b> The single overarching purpose of this appropriation is to provide support to high growth firms and sectors in securing new market opportunities.	-	-	<b>30,916</b>
<i>Non-Departmental Other Expenses</i>			
<i>International Growth Fund</i> This category is limited to supporting 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.	-	-	29,712
<i>Sector Strategies and Facilitation</i> This category is limited to assistance with the facilitation of specific sector initiatives, particularly in 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
<b>Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA (M25)</b> The single overarching purpose of this appropriation is to provide support for the growth and development of New Zealand firms, sectors and regions to maximise international business opportunities.	-	-	<b>155,259</b>
<i>Non-Departmental Output Expenses</i>			
<i>International Business Growth Services</i> This category 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.	-	-	111,006
<i>Services to Support Sector Development and Special Events</i> This category is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.	-	-	31,072
<i>Services to Support the Growth and Development of New Zealand Businesses</i> This category is limited to building and enhancing business and management capability through providing access to effective assessment, advice, training, mentoring and information.	-	-	13,181
<b>Total Multi-Category Expenses and Capital Expenditure</b>	-	-	<b>217,994</b>
<b>Total Annual and Permanent Appropriations</b>	<b>389,784</b>	<b>372,478</b>	<b>301,509</b>

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b>New Zealand Screen Production Grant - International (M25)</b> This appropriation is limited to providing grant assistance to screen productions that are internationally focused and produced in New Zealand.  Commences: 01 July 2014  Expires: 30 June 2019	Original Appropriation	252,780
	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	252,780
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	-
	Estimated Actual for 2014/15	57,650
	Estimated Appropriation Remaining	195,130
<b>Non-Departmental Capital Expenditure</b>		
<b>Venture Investment Fund (M25)</b> This appropriation is limited to capital investment to NZVIF to accelerate the development of the New Zealand Venture Capital Market.  Commences: 01 July 2014  Expires: 30 June 2018	Original Appropriation	37,453
	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	37,453
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	-
	Estimated Actual for 2014/15	10,378
	Estimated Appropriation Remaining	27,075

## Capital Injection Authorisations

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Ministry of Business, Innovation and Employment - Capital Injection (M25)	45,416	45,416	49,045

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Better Public Services Seed Funding - Banking Services Category	Policy Advice - Sectoral Leadership and Development, Firm Capability, and Regional Development	587	-	-	-	-
Better Public Services Seed Funding - Result 9	Policy Advice - Sectoral Leadership and Development, Firm Capability, and Regional Development	4,000	4,000	-	-	-
Sports NZ for the 2015 ICC Cricket World Cup	Major Events Development Fund	(5,000)	-	-	-	-
Development West Coast	Regional and Industry Development Fund	500	-	-	-	-
NZ Screen Production Grant	New Zealand Screen Production Grant - International MYA	-	57,650	86,800	50,556	57,774
	Large Budget Screen Production Grant	-	(50,556)	(50,556)	(50,556)	(50,556)
Canterbury Recovery Response	Canterbury Recovery	-	2,557	2,557	-	-
Government-to-Government Partnerships Office	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - Services to Support Sector Development and Special Events	-	1,000	-	-	-
Interim Investment in Team New Zealand	Promotion of New Zealand's Association with the America's Cup	5,000	-	-	-	-
Square Kilometre Array transfer to Vote Science and Innovation	Square Kilometre Array	(109)	(977)	-	-	-
Saudi Agrihub Partnership	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - International Business Growth Services	3,050	2,700	-	-	-
	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - Services to Support Sector Development and Special Events	(750)	-	-	-	-
Saudi Agrihub Partnership - MFAT Contribution	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - International Business Growth Services	-	1,500	-	-	-
Financial Markets Conduct Act 2013 funding for Registers	Ministry of Business, Innovation and Employment - Capital Injection	1,568				



Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Savings due to the formation of the new Ministry	Employment Sector Analysis and Facilitation	-	(58)	(58)	(58)	(58)
	Implementation of Improvements in Public Sector Procurement and Services to Business	-	(298)	(298)	(298)	(298)
	Policy Advice and Related Outputs MCA - Ministerial Services - Employment	-	(21)	(21)	(21)	(21)
	Policy Advice and Related Outputs MCA - Ministerial Services - Small Business	-	(4)	(4)	(4)	(4)
	Policy Advice and Related Outputs MCA - Policy Advice - Economic Development	-	(248)	(248)	(248)	(248)
	Policy Advice and Related Outputs MCA - Policy Advice - Employment	-	(113)	(113)	(113)	(113)
	Policy Advice and Related Outputs MCA - Policy Advice - Small Business	-	(31)	(31)	(31)	(31)
New Zealand Trade and Enterprise	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - International Business Growth Services	-	7,000	14,400	14,400	14,400
	Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA - Services to Support Sector Development and Special Events	-	3,000	5,400	5,400	4,000
	Support New Market Opportunities for High Growth New Zealand Firms and Sectors MCA - International Growth Fund	(12,800)	-	-	-	-
Māori and Pasifika Trades Training Consortia	Māori and Pasifika Trades Training Consortia	-	2,319	2,318	2,318	1,985
Replacement of Refugee Resettlement Facilities	Ministry of Business, Innovation and Employment - Capital Injection	-	9,000	-	-	-
Establishment of the New Zealand Venture Investment Fund MYA	New Zealand Venture Investment Fund MYA	-	10,378	10,518	8,278	8,279
	Venture Investment Fund	-	(10,378)	(10,518)	(8,278)	(8,279)
Reprioritisation of Venture Investment Fund	Venture Investment Fund	4,481	-	-	(2,240)	(2,241)
Reprioritisation of International Growth Fund	International Growth Fund	-	(315)	(700)	-	-
Reprioritisation of Seed Co-Investment Fund	Seed Co-Investment Fund	1,000	(1,000)	-	-	-
Total Initiatives		1,527	37,105	59,446	19,105	24,589

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	70,912	81,544	3,515	2,748	3,190	3,190	22,968	2,319	25,287	15,182	11,995	11,662
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	149,398	165,851	146,096	66,331	82,309	64,913	-	72,106	72,106	100,856	63,612	70,830
Capital Expenditure	29,603	7,254	9,907	47,003	70,073	70,073	43,772	10,378	54,150	44,629	42,389	42,390
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	<i>137,066</i>	<i>138,649</i>	<i>173,089</i>	<i>169,017</i>	<i>195,031</i>	<i>195,031</i>	<i>24,239</i>	<i>157,589</i>	<i>181,828</i>	<i>188,781</i>	<i>188,232</i>	<i>186,732</i>
<i>Other Expenses</i>	<i>4,314</i>	<i>20,674</i>	<i>24,496</i>	<i>29,076</i>	<i>16,931</i>	<i>16,931</i>	-	<i>30,916</i>	<i>30,916</i>	<i>30,531</i>	<i>31,231</i>	<i>31,231</i>
<i>Capital Expenditure</i>	<i>6,829</i>	<i>12,977</i>	<i>14,186</i>	<i>6,830</i>	<i>22,250</i>	<i>22,250</i>	<i>N/A</i>	<i>5,250</i>	<i>5,250</i>	-	-	-
<b>Total Appropriations</b>	<b>398,122</b>	<b>426,949</b>	<b>371,289</b>	<b>321,005</b>	<b>389,784</b>	<b>372,388</b>	<b>90,979</b>	<b>278,558</b>	<b>369,537</b>	<b>379,979</b>	<b>337,459</b>	<b>342,845</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

## Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

	2009/10 Adjustments \$000	2010/11 Adjustments \$000	2011/12 Adjustments \$000	2012/13 Adjustments \$000	2013/14 Budgeted Adjustments \$000	2013/14 Estimated Actual Adjustments \$000
<b>Appropriations</b>						
Output Expenses	(137,066)	(138,649)	(173,089)	(169,017)	(195,031)	(195,031)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	(4,314)	(20,674)	(24,496)	(29,076)	(16,931)	(16,931)
Capital Expenditure	(6,829)	(12,977)	(14,186)	(6,830)	(22,250)	(22,250)
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	137,066	138,649	173,089	169,017	195,031	195,031
<i>Other Expenses</i>	4,314	20,674	24,496	29,076	16,931	16,931
<i>Capital Expenditure</i>	6,829	12,977	14,186	6,830	22,250	22,250
<b>Total Appropriations</b>	-	-	-	-	-	-
<b>Crown Revenue and Capital Receipts</b>						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure.

### 1.3 - Analysis of Significant Trends

#### *Output Expenses*

The following are the key initiatives that impact the trend:

- the one off funding in 2010/11 for the Stadium Development appropriation of \$27.900 million, and
- the ceasing of funding at 30 June 2011 of the appropriations for Analysis and Development Services for Firms (\$19.400 million), International Investment Facilitation Services (\$13.600 million), Stadium Development (\$27.900 million) and Standardised Training and Advisory Services (\$10.900 million).

#### *Non-Departmental Output Expenses*

From 2009/10 to 2010/11 there was additional funding for participation at the 2010 Expo at Shanghai which was partially offset by savings from NZTE. From 2013/14 expenditure averages around \$143 million.

*Other Expenses*

The following are the key initiatives that impact the trend:

- funding for Market Development Fund (\$35.100 million) and Negotiation and Completion of the Stadium Projects (\$34 million) finishing at 30 June 2010
- the phasing of the expenditure for the Large Budget Screen Production Fund (significant increase in 2010/11 of \$70 million)
- the phasing of the expenditure for Major Events Development Fund (ranging from \$5 million to \$14 million)
- significant one off expenditure in 2010/11 for the Enterprise Development Fund (\$13.700 million)
- significant one off expenditure in 2011/12 for the Promotion of NZ associated with the America's Cup (\$16 million), and
- the finalisation of multi-year appropriations in 2011/12 for the Rugby World Cup and the Transformation Initiatives.

*Capital Expenditure*

The following are the key initiatives that impact the trend:

- investment of \$20 million for the purchase of Queens wharf in Auckland in 2009/10
- the temporary Rugby World Cup festival building in 2010/11
- the investment in the intellectual property of NZ (IPONZ) capital project, and
- investment in other assets for the Ministry.

*Multi-Category Output Expenses*

The following are the key initiatives that impact the trend:

- funding in 2011/12 for the Managed funds domicile
- funding in 2011/12 for the Rugby World Cup
- the ceasing of funding for the Identification and Coordination of Market Opportunities (\$79 million) and Regional and Sector Development Services (\$27.600 million) at 30 June 2011, and
- the introduction of the following appropriations in 2011/12: International Business Growth Services (\$100.900 million), Services to Develop Business Capability (\$11.900 million) and Services to Support Sector Development and Special Events (\$30.400 million).

*Multi-Category Other Expenses*

The trend here mainly reflects the phasing of the expenditure for the International Growth Fund appropriation.

*Multi-Category Capital Expenditure*

The trend here mainly reflects the funding profile for the non-departmental capital investment fund Seed Co-Investment Fund.

## 1.4 - Reconciliation of Changes in Appropriation Structure

From 1 July 2014 the former Vote Economic Development and Vote Employment have been merged into Vote Economic Development and Employment.

The following table provides a detailed analysis of the appropriation restructure, which includes:

- one departmental output appropriation transferred from Vote Employment to Vote Economic Development and Employment with a change of name
- one departmental multi-class output appropriation transferred from Vote Employment to Vote Economic development and Employment to form part of the new departmental MCA, and
- one departmental output MCA, one non-departmental output MCA, one non-departmental other expense MCA and one mixed non-departmental output and capital expense MCA have been established.

The analysis of the restructure does not include any appropriations that have not changed in title and scope, neither does the table include the conversion to multi-year appropriations of a non-departmental other expense and a non-departmental capital expenditure respectively:

- Large Budget Screen Production Fund to New Zealand Screen Production Grant - International for the period 1 July 2014 to 30 June 2019, and
- Venture Investment Fund to Venture Investment Fund for the period 1 July 2014 to 30 June 2018.

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
<b>Vote Employment</b>				<b>Vote Economic Development and Employment</b>		
<i>Departmental Output Expenses</i>				<i>Departmental Output Expenses</i>		
Labour Market Information and Facilitation Services	3,190	Name change to: Employment Sector Analysis and Facilitation	3,190	Employment Sector Analysis and Facilitation	3,190	2,894
<b>Vote Economic Development</b>		Transferred to				
<i>Departmental Output Expenses</i>		<b>Policy Advice and Related Outputs MCA</b> <i>Departmental Output Expenses</i>		<b>Policy Advice and Related Outputs MCA</b> <i>Departmental Output Expenses</i>		
Enhancing Small Business Capability and Performance	221	Ministerial Services - Small Business	221	Ministerial Services - Small Business	221	217
Policy Advice - Small Business	1,425	Policy Advice - Small Business	1,425	Policy Advice - Small Business	1,425	1,234
Policy Advice - Sectoral Leadership and Development, Firm Capability, and Regional Development	18,446	Policy Advice - Economic Development	11,327	Policy Advice - Economic Development	11,327	10,448
		Implementation of Improvements in Public Sector Procurements and Services to Business	7,119	Ministerial Services and Crown Entity Monitoring-Economic Development	5,865	5,135
<b>Vote Economic Development</b>		Transferred to				
<i>Departmental Output Expenses</i>		<b>Policy Advice and Related Outputs MCA</b> Departmental Output Expenses				
Ministerial Services	805	Ministerial Services - Employment	805	Ministerial Services - Employment	805	1,504
Labour Market Policy Advice	5,033	Policy Advice - Employment	5,033	Policy Advice - Employment	5,033	5,701

		Old Structure		New Structure		
2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
<b>Vote Economic Development</b>		Transferred to				
<i>Departmental Output Expenses</i>		<i>Departmental Output Expenses</i>				
Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring	19,160	Implementation of Improvements in Public Sector Procurements and Services to Business	13,295	Implementation of Improvements in Public Sector Procurements and Services to Business	20,414	17,517
		<b>Policy Advice and Related Outputs MCA</b>				
		<i>Departmental Output Expenses</i>				
		Ministerial Services and Crown Entity Monitoring-Economic Development	5,865			
				<b>Multi-Category Appropriations</b>		
<b>Vote Economic Development</b>		Transferred to				
<i>Non-Departmental Output Expense</i>		<b>Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA</b>		<b>Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA</b>		
		<i>Non-Departmental Output Expense</i>		<i>Non-Departmental Output Expense</i>		
International Business Growth Services	104,630	International Business Growth Services	104,630	International Business Growth Services	104,630	111,006
Services to Develop Business Capability	13,444	Services to Support the Growth and Development of New Zealand Businesses	13,444	Services to Support the Growth and Development of New Zealand Businesses	13,444	13,181
Services to Support Sector Development and Special Events	31,867	Services to Support Sector Development and Special Events	31,867	Services to Support Sector Development and Special Events	31,867	31,072
<b>Vote Economic Development</b>		Transferred to				
<i>Non-Departmental Other Expenses</i>		<b>Support New Market Opportunities for High Growth New Zealand Firms and Sectors MCA</b>		<b>Support New Market Opportunities for High Growth New Zealand Firms and Sectors MCA</b>		
		<i>Non-Departmental Other Expenses</i>		<i>Non-Departmental Other Expenses</i>		
International Growth Fund	15,727	International Growth Fund	15,727	International Growth Fund	15,727	29,712
Sector Strategies and Facilitation	1,204	Sector Strategies and Facilitation	1,204	Sector Strategies and Facilitation	1,204	1,204

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
<b>Vote Economic Development</b>		Transferred to				
<i>Non-Departmental Output Expense</i>		<b>Seed Co-Investment Fund MCA</b>		<b>Seed Co-Investment Fund MCA</b>		
		<i>Non-Departmental Output Expense</i>		<i>Non-Departmental Output Expense</i>		
Investment Fund Management	2,330	Investment Fund Management	2,330	Investment Fund Management	2,330	2,330
<i>Non-Departmental Capital Expenditure</i>		<i>Non-Departmental Capital Expenditure</i>		<i>Non-Departmental Capital Expenditure</i>		
Seed Co-Investment Fund	7,250	Seed Co-Investment Fund	7,250	Seed Co-Investment Fund	7,250	5,250
<b>Totals</b>	<b>\$224,732</b>		<b>\$224,732</b>		<b>\$224,732</b>	<b>\$238,405</b>

The above changes reflect the implementation and restructure of Multi-Class Output appropriations (MCOAs) to Multi-Category appropriations (MCAs) as per the Public Finance Act amendments, and Vote Rationalisation.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.



## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Canterbury Recovery (M25)

##### *Scope of Appropriation*

This appropriation is limited to the co-ordination, and management of MBIE's contribution to the Canterbury recovery.

##### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,557
Revenue from the Crown	-	-	2,557
Revenue from Others	-	-	-

##### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Housing, Departmental Output Expense: Canterbury Earthquakes: Building and Housing Assistance	2,557	2,557	-
<b>Total</b>	<b>2,557</b>	<b>2,557</b>	<b>2,557</b>

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is to coordinate the Ministry's contribution to the Canterbury recovery to contribute to productive and successful people, communities and regions.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The satisfaction of the Minister for Economic Development with the policy advice service, as per the common satisfaction survey.	New measure	New measure	Satisfied or very satisfied

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Transfer of the appropriation from Vote Housing	2014/15	-	2,557	2,557	-	-

*Reasons for Change in Appropriation*

This appropriation was established as a result of a transfer of the response co-ordination part from Vote Housing. Coordination response spans activity within a range of Votes within the Ministry and also supports its engagement with agencies on the policy areas for which it has a leadership role. This is better aligned with Vote Economic Development and Employment.

**Employment Sector Analysis and Facilitation (M14)***Scope of Appropriation*

This appropriation is limited to the provision of employment information, facilitation and matching services, analysis of the functioning of the labour market, and of the economic performance of sectors and regions.

*Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,894
Revenue from the Crown	-	-	2,894
Revenue from Others	-	-	-

*Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Vote Employment</b>			
<b>Departmental Output Expense</b>			
Labour Market Information and Facilitation Services	3,190	3,190	-
<b>Total</b>	<b>3,190</b>	<b>3,190</b>	<b>2,894</b>

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to skilled and safe workplaces; and productive and successful people, communities and regions.

*How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Labour market information (such as the Household Labour Force Survey and 'Jobs Online') is published on the Ministry's website within agreed timeframes.	New measure	New measure	100% published within agreed timeframes
Labour market scorecard reports are delivered quarterly within agreed timeframes.	New measure	New measure	100% published within agreed timeframes

*End of Year Performance Reporting*

The performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Transfer of funding from Vote Employment to Vote Economic Development and Employment	2014/15	-	5,271	5,273	5,328	4,995
Māori And Pasifika Trades Training	2014/15	-	(2,319)	(2,318)	(2,318)	(1,985)
Reprioritisation Across Votes to Meet Cost Pressures	2015/16	-	-	(55)	-	-
Māori and Pasifika Trades Training	2013/14	2,000	2,000	2,000	2,000	2,000
Efficiency Savings	2012/13	(106)	(105)	(105)	(105)	(105)
Vote Realignment to Reflect Changes to Cost Allocation and Reprioritisation	2012/13	(4,741)	(4,663)	(4,605)	(4,605)	(4,605)
New Zealand Productivity Commission	2010/11	(150)	(150)	(150)	(150)	(150)
Departmental Savings Budget 2009 Expenditure Review	2009/10	(1,538)	(1,538)	(1,538)	(1,538)	(1,538)

*Reasons for Change in Appropriation*

This appropriation was previously named "Labour Market Information and Facilitation Services" under Vote Employment. The revised name more fairly reflects the scope of appropriation.

**Implementation of Improvements in Public Sector Procurement and Services to Business (M25)***Scope of Appropriation*

This appropriation is limited to improving and leading the public sector procurement reform programme and reducing the costs for and improving the service experience of businesses interacting with government.

*Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	17,517
Revenue from the Crown	-	-	10,915
Revenue from Others	-	-	6,602

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Vote Economic Development</b>			
<b>Departmental Output Expense</b>			
<i>Implementation of Improvements in Public Sector Procurement and Service to Business</i>			
Policy Advice - Sectoral Leadership and Development, Firm Capability and Regional Development	7,119	7,119	-
Sectoral Leadership, Firm Capability, and Regional Development Operational Policy, Ministerial Servicing and Crown Entity Monitoring	13,295	13,295	-
<b>Total</b>	<b>20,414</b>	<b>20,414</b>	<b>17,517</b>

### What is Intended to be Achieved with this Appropriation

This appropriation is to improve procurement and commercial practices across government and lead and co-ordinate programmes that will reduce business costs from dealing with government.

### How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Uptake of all-of-government contracts.	Updated measure	Updated measure	80% for public service agencies within 12 months of contract establishment. Participation in all-of-government contracts by state sector agencies (excluding Boards of Trustees) to increase year on year. 75% of participating agencies satisfied or very satisfied.
Meet the financial targets identified through the Government Procurement Reform agenda.	Updated measure	Updated measure	Agency savings \$68.600 over financial year. All-of-Government Income \$7.248m over financial year.
Reduce business costs (using effort as proxy for costs) from dealing with government by 25% by 2017; government services to business have similar key performance ratings and leading private sector firms by 2017.	New measure	New measure	On-going to 30 June 2017.

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Establishment of the Appropriation	2014/15	-	17,815	7,708	7,023	7,023
Savings as a result of MBIE formation	2014/15	-	(298)	(298)	(298)	(298)

*Reasons for Change in Appropriation*

This appropriation has been established from 1 July 2014.

*Memorandum Account*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Government Procurement Reform Agenda</b>			
Opening Balance at 1 July	(5,581)	(5,581)	(6,404)
Revenue	13,695	12,804	12,497
Expenses	(13,695)	(13,627)	(12,497)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	(5,581)	(6,404)	(6,404)

## 2.3 - Departmental Capital Expenditure and Capital Injections

### Ministry of Business, Innovation and Employment - 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 Business, Innovation and Employment, as authorised by section 24(1) of the Public Finance Act 1989.

*Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	17,829	17,829	17,914
Intangibles	49,914	49,914	25,858
Other	-	-	-
<b>Total Appropriation</b>	<b>67,743</b>	<b>67,743</b>	<b>43,772</b>

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to provide funding for the Ministry of Business, Innovation and Employment's capital plan.

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Reasons for Change in Appropriation*

The appropriation decreased by \$23.971 million from 2013/14 to 2014/15. This is mainly due to the decrease in the funding profile for the Immigration Global Management System (IGMS).

*Capital Injections and Movements in Departmental Net Assets***Ministry of Business, Innovation and Employment**

Details of Net Asset Schedule	2013/14 Estimated Actual \$000	2014/15 Projected \$000	Explanation of Projected Movements in 2014/15
Opening Balance	144,459	179,888	
Capital Injections	45,416	49,045	The increase is mainly due to \$24.700 million relating to the Refugee Resettlement Facilities which is partially offset by a decrease of \$20.311 million for the Immigration Global Management Systems, and \$1.600 million for the Government Procurement Agenda memorandum account.
Capital Withdrawals	(6,923)	(6,323)	Government Procurement Reform Agenda memorandum account withdrawal of \$5.600 million in 2013/14 and \$4 million in 2014/15. This is offset by a \$1 million withdrawal in 2013/14 and \$2 million in 2014/15 for the Companies Office memorandum account.
Surplus to be Retained (Deficit Incurred)	(3,064)	3,065	The surplus of \$3.065 million consists of forecast surpluses, off-set by forecast losses, contributed by memorandum accounts.
Other Movements	13,716	-	
<b>Closing Balance</b>	<b>193,604</b>	<b>225,675</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### Māori and Pasifika Trades Training Consortia (M14)

##### *Scope of Appropriation*

This appropriation is limited to funding Māori and Pasifika Trades Training consortia to provide project management, co-ordination and evaluation.

##### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,319

##### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Employment, Departmental Output Expense: Labour Market Information and Facilitation Services	1,000	1,000	-
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>2,319</b>

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is to provide funding to the Māori and Pasifika Trades Training consortia, contributing to productive and successful people, communities and regions.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes.	New measure	New measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	New measure	New measure	100%
Maturing contracts assessed against contract outputs.	New measure	New measure	100%

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for Tertiary Education, Skills and Employment in a report appended to the Ministry of Business, Innovation and Employment's annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Establishment of the Appropriation	2014/15	-	2,319	2,318	2,318	1,985

*Reasons for Change in Appropriation*

This appropriation was transferred from departmental output expense to a non-departmental output expense. As the funding is largely paid to external providers, it is more appropriately included as a non-departmental appropriation.

**3.4 - Non-Departmental Other Expenses****Depreciation on Auckland's Queens Wharf (M25)***Scope of Appropriation*

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

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	2,000	2,000

*What is Intended to be Achieved with this Appropriation*

This appropriation provides the expenses incurred as part of the depreciation of Auckland's Queens Wharf.

*How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted under s15D(2)(b)(ii) of Public Finance Act, as additional performance information is unlikely to be informative because this appropriation is solely for recognition of depreciation expenses.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Auckland's Queens Wharf Development	2010/11	2,000	2,000	2,000	2,000	2,000



**Film New Zealand (M25)***Scope of Appropriation*

This appropriation is limited to the operation of an independent structure for Film New Zealand, developing a marketing plan for the film sector and coordination of regional film offices.

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,300	1,300	1,300

*What is Intended to be Achieved with this Appropriation*

This appropriation is a grant to Film New Zealand to market, facilitate and coordinate access to New Zealand for screen production purposes, contributing to trusted, competitive and well-functioning markets; and improved international flows of people, ideas, investment and trade.

*How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Film New Zealand from Square Kilometre Array	2013/14	833	800	700	-	-
Film New Zealand from the Prime Ministers Emerging Priorities Fund	2013/14	167	200	300	-	-

**Major Events Development Fund (M25)***Scope of Appropriation*

This appropriation is limited to support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,983	8,183	10,000

*What is Intended to be Achieved with this Appropriation*

This appropriation is to support major events providing economic, social, cultural and international benefits for New Zealand. This contributes to productive and successful people, communities and regions; and improved international flows of people, ideas, investment and trade.

*How Performance will be Assessed and End of Year Reporting Requirements*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Additional economic, social and cultural, and international exposure benefits are leveraged from new and existing major events.	Funding directed to 10 to 15 major events to achieve a portfolio of major events where 100% achieve additional net social, cultural or economic benefits	Funding directed to 10 to 15 major events to achieve a portfolio of major events where 100% achieve additional net social, cultural or economic benefits	Funding directed to 10 to 15 major events to achieve a portfolio of major events where 100% achieve additional net social, cultural or economic benefits

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for Economic Development in a report appended to the Ministry of Business, Innovation and Employment's annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Transfer of 2012/13 Unspent Funds	2013/14	8,983	-	-	-	-
2015 ICC Cricket World Cup transfer to Sports NZ	2013/14	(5,000)	-	-	-	-
Increasing the Benefits to New Zealand from Major Events	2010/11	6,679	6,679	6,679	6,679	6,679

*Reasons for Change in Appropriation*

The decreased appropriation is a net movement of \$3.983 million relating to one off transfers in 2013/14. There was an expense transfer of \$8.983 million from 2012/13 to 2013/14 offset by a payment of \$5 million to Sports NZ to support the 2015 ICC Cricket World Cup.

**Management Development Fund (M25)***Scope of Appropriation*

This appropriation is limited to 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	756	756	756

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to increase management capability in New Zealand, contributing to business capability and higher levels of innovation; and productive and successful people, communities and regions.

*How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

**New Zealand Screen Production Grant - International (M25)***Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>New Zealand Screen Production Grant - International (M25)</b> This appropriation is limited to providing grant assistance to screen productions that are internationally focused and produced in New Zealand.  Commences: 01 July 2014  Expires: 30 June 2019	Original Appropriation	252,780
	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	252,780
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	-
	Estimated Actual for 2014/15	57,650
	Estimated Appropriation Remaining	195,130

*What is Intended to be Achieved with this Appropriation*

This appropriation provides grant assistance to incentivise screen productions that are internationally focussed and produced in New Zealand, contributing to trusted, competitive and well-functioning market; and improved international flow of people, ideas and investment and trade.

*How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
International and domestic large scale film productions located in New Zealand.	New measure	New measure	At least 4 large scale productions located in New Zealand

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for Economic Development in a report appended to the Ministry of Business, Innovation and Employment's annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Establishment of the MYA	2014/15	-	57,650	86,800	50,556	57,774

*Reasons for Change in Appropriation*

This appropriation was established from 1 July 2014 to improve the development and resilience of the screen sector.

**Regional and Industry Development Fund (M25)***Scope of Appropriation*

This appropriation is limited to the provision of funding to support industry and regional specific projects that are intended to contribute to economic growth.

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,300	1,300	400

*What is Intended to be Achieved with this Appropriation*

This appropriation is a grant to KEA New Zealand and is intended to increase economic growth of New Zealand through providing global connections through its network of members. This contributes to improved business capability and higher levels of innovation; and improved international flows of people, ideas, investment and trade.

*How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Funding Arrangement with Development West Coast	2013/14	500	-	-	-	-
Funding for Kiwi Expats Association	2012/13	800	400	-	-	-

*Reasons for Change in Appropriation*

The decreased appropriation is a result of a one-off transfer in 2013/14 for the Development West Coast project and the decrease in the funding profile for the Kiwi Expatriates Association.

## 3.5 - Non-Departmental Capital Expenditure

### Venture Investment Fund (M25)

#### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Venture Investment Fund (M25)</b> This appropriation is limited to capital investment to NZVIF to accelerate the development of the New Zealand Venture Capital Market.  Commences: 01 July 2014  Expires: 30 June 2018	Original Appropriation	37,453
	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	37,453
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	-
	Estimated Actual for 2014/15	10,378
	Estimated Appropriation Remaining	27,075

#### *What is Intended to be Achieved with this Appropriation*

This category is intended to provide funds to be co-invested with the private sector to address the capital market gap for emerging high growth New Zealand companies that require new risk capital for growth.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Selection of Venture Capital Fund Managers - Selection methodology and due diligence to select investment managers; investment charters and governance processes conform to industry standard practice.	New measure	New measure	Standard practices are followed

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for Economic Development in a report appended to the Ministry of Business, Innovation and Employment's annual report.

#### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
The establishment of the New Zealand Venture Investment Fund MYA from an annual appropriation	2014/15	-	10,378	10,518	8,278	8,279

#### *Reasons for Change in Appropriation*

This appropriation was established in 2013/14 to commence 1 July 2014 ending 30 June 2018.

## Part 4 - Details of Multi-Category Expenses and Capital Expenditure

### Multi-Category Expenses and Capital Expenditure

#### Policy Advice and Related Outputs (M25)

##### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

##### *Scope of Appropriation*

###### **Departmental Output Expenses**

###### *Ministerial Services - Employment*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy-making), relating to Employment.

###### *Ministerial Services - Small Business*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) relating to Small Business.

###### *Ministerial Services and Crown Entity Monitoring - Economic Development*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) including monitoring of Crown Entities and Statutory Bodies, relating to Economic Development.

###### *Policy Advice - Economic Development*

This category 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 Economic Development.

###### *Policy Advice - Employment*

This category 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 Employment.

###### *Policy Advice - Small Business*

This category 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 Small Business.

*Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	24,239
<b>Departmental Output Expenses</b>			
Ministerial Services - Employment	-	-	1,504
Ministerial Services - Small Business	-	-	217
Ministerial Services and Crown Entity Monitoring - Economic Development	-	-	5,135
Policy Advice - Economic Development	-	-	10,448
Policy Advice - Employment	-	-	5,701
Policy Advice - Small Business	-	-	1,234
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	17,589
Ministerial Services - Employment	-	-	1,504
Ministerial Services - Small Business	-	-	217
Ministerial Services and Crown Entity Monitoring - Economic Development	-	-	4,385
Policy Advice - Economic Development	-	-	4,548
Policy Advice - Employment	-	-	5,701
Policy Advice - Small Business	-	-	1,234
<b>Revenue from Others</b>	-	-	6,650
Ministerial Services - Employment	-	-	-
Ministerial Services - Small Business	-	-	-
Ministerial Services and Crown Entity Monitoring - Economic Development	-	-	750
Policy Advice - Economic Development	-	-	5,900
Policy Advice - Employment	-	-	-
Policy Advice - Small Business	-	-	-

*Comparators for Restructured Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental</b>			
<b>Policy Advice and Related Outputs</b>			
Ministerial Services - Employment	805	805	1,504
Ministerial Services - Small Business	221	221	217
Ministerial Services and Crown Entity Monitoring - Economic Development	5,865	5,865	5,135
Policy Advice - Economic Development	11,327	11,327	10,448
Policy Advice - Employment	5,033	5,033	5,701
Policy Advice - Small Business	1,425	1,425	1,234
<b>Total</b>	<b>24,676</b>	<b>24,676</b>	<b>24,239</b>

*What is Intended to be Achieved with this Appropriation*

This appropriation is to provide effective and efficient ministerial services and policy advice of high quality contributing to trusted, competitive and well-functioning markets; improved business capability and higher levels of innovation; and productive and successful people, communities and regions.

*How Performance will be Assessed for this Appropriation*

The performance for this appropriation will be assessed following the performance measures specified in the each category below.

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Policy Advice and Related Outputs</b>			
<b>Departmental Output Expenses</b>			
<i>Ministerial Services - Employment</i>			
This category is intended to achieve effective and efficient ministerial services.			
Responses to Parliamentary Questions, ministerial correspondence and ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	95% or above	95% or above	95% or above
<i>Ministerial Services - Small Business</i>			
This category is intended to achieve effective and efficient ministerial services.			
Responses to Parliamentary Questions, ministerial correspondence and ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	95% or above	95% or above	95% or above
<i>Ministerial Services and Crown Entity Monitoring - Economic Development</i>			
This category is intended to achieve effective and efficient ministerial services.			
Responses to Parliamentary Questions, ministerial correspondence and ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	95% or above	95% or above	95% or above
Ministers receive advice on entities Statement of Intents, Annual Report and Quarterly Reports, within two weeks of receipt.	New measure	New measure	100%
<i>Policy Advice - Economic Development</i>			
This category is intended to achieve policy advice of high technical quality relating to economic development.			
The satisfaction of the Minister for Economic Development with the policy advice service, as per the common satisfaction survey.	At least 70%	At least 70%	At least 70%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	At least an average of 73%	At least an average of 73%	At least an average of 73%
The total cost per hour of producing outputs.	At most \$155	At most \$155	At most \$155



	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<i>Policy Advice - Employment</i>			
This category is intended to achieve policy advice of high technical quality relating to employment.			
The satisfaction of the Minister for Tertiary Education, Skills and Employment with the policy advice service, as per the common satisfaction survey.	At least 70%	At least 70%	At least 70%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	At least an average of 73%	At least an average of 73%	At least an average of 73%
The total cost per hour of producing outputs.	At most \$155	At most \$155	At most \$155
<i>Policy Advice - Small Business</i>			
This category is intended to achieve policy advice of high technical quality relating to small business.			
The satisfaction of the Minister for Small Business with the policy advice service, as per the common satisfaction survey.	At least 70%	At least 70%	At least 70%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	At least an average of 73%	At least an average of 73%	At least an average of 73%
The total cost per hour of producing outputs.	At most \$155	At most \$155	At most \$155

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Ministerial Services - Employment</b>						
Transfer from Vote Employment to Vote Economic Development and Employment	2014/15	-	1,525	1,525	1,525	1,525
Savings as a result of MBIE formation	2014/15	-	(21)	(21)	(21)	(21)
Vote Alignment	2013/14	(950)	-	-	-	-
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	2012/13	420	420	420	420	420
<b>Ministerial Services - Small Business</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	221	221	221	221
Savings as a result of MBIE formation	2014/15	-	(4)	(4)	(4)	(4)
Efficiency Dividend	2012/13	(3)	(3)	(3)	(3)	(3)
<b>Ministerial Services and Crown Entity Monitoring - Economic Development</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	4,385	4,325	3,940	3,940
Reprioritisation for Convention Centre	2012/13	362	217	-	-	-
Efficiency Dividend	2012/13	(105)	(105)	(105)	(105)	(105)

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Policy Advice - Economic Development</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	21,446	16,996	16,796	16,696
Savings as a result of MBIE formation	2014/15	-	(248)	(248)	(248)	(248)
Vote Alignment	2013/14	(3,500)	-	-	-	-
Efficiency Dividend	2012/13	(105)	(105)	(105)	(105)	(105)
<b>Policy Advice - Employment</b>						
Transfer from Vote Employment to Vote Economic Development and Employment	2014/15	-	5,814	4,270	4,306	4,306
Savings as a result of MBIE formation	2014/15	-	(113)	(113)	(113)	(113)
Vote Alignment	2013/14	(1,500)	-	-	-	-
<b>Policy Advice - Small Business</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	1,265	1,265	1,265	1,265
Savings as a result of MBIE formation	2014/15	-	(31)	(31)	(31)	(31)
Vote Alignment	2013/14	160	-	-	-	-
Efficiency Dividend	2012/13	(17)	(17)	(17)	(17)	(17)

### *Reasons for Change in Appropriation*

These appropriations have been established through the changes to the Public Finance Act.

## Seed Co-Investment Fund (M25)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide capital to support the development of markets for early stage equity finance and venture capital.

### *Scope of Appropriation*

#### **Non-Departmental Output Expenses**

##### *Investment Fund Management*

This category is limited to operational Costs of the Venture and Seed Co-Investment Funds.

#### **Non-Departmental Capital Expenditure**

##### *Seed Co-Investment Fund*

This category is limited to providing capital to support the development of the market for early stage equity finance.

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	7,580
<b>Non-Departmental Output Expenses</b>			
Investment Fund Management	-	-	2,330
<b>Non-Departmental Capital Expenditure</b>			
Seed Co-Investment Fund	-	-	5,250

### *Comparators for Restructured Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental</b>			
Investment Fund Management	2,330	2,330	2,330
Seed Co-Investment Fund	7,250	7,250	5,250
<b>Total</b>	<b>9,580</b>	<b>9,580</b>	<b>7,580</b>

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to address the capital market gap and to provide funds to be co-invested with the private sector for emerging high growth New Zealand companies that require new risk capital for growth.

### *How Performance will be Assessed for this Appropriation*

The performance for this appropriation will be assessed following the performance measures specified in the each category below.

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Venture Investment Fund and Seed Co-Investment Fund</b>			
<b>Non-Departmental Output Expenses</b>			
<i>Investment Fund Management</i>			
This category is intended to address the capital market gap for emerging high growth New Zealand companies that require new risk capital for growth.			
Manage the Venture Investment Fund and the Seed Co Investment Fund - fund management conforms to industry standard practice for venture capital "fund of funds" and angel co-investment portfolio.	Standard practices are followed	Standard practices are followed	Standard practices are followed
Monitor the performance and results achieved by the seed fund managers and the angel networks.	100% adherence with agreed performance measures. Compliance monitoring as specified in the Output Agreement	100% adherence with agreed performance measures. Compliance monitoring as specified in the Output Agreement	100% adherence with agreed performance measures. Compliance monitoring as specified in the Output Agreement
Provision of advice to the Minister as required will be delivered within 15 working days of the formal request, unless otherwise agreed, and will be of a standard acceptable to the Minister.	100% within agreed timelines	100% within agreed timelines	100% within agreed timelines
<b>Non-Departmental Capital Expenditure</b>			
<i>Seed Co-Investment Fund</i>			
This category is intended to provide funds to be co-invested with the private sector to address the capital market gap for emerging high growth New Zealand companies that require new risk capital for growth.			
Support the market with early stage equity finance.	100%	100%	100%
Selection of Seed Co-Investment Fund partners - selection methodology and due diligence to select investment managers; investment charters and governance processes conform to industry standard practice.	Standard practices are followed	Standard practices are followed	Standard practices are followed

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Seed Co-Investment Fund</b>						
Reprioritisation of Seed Co-Investment Fund	2013/14	1,000	(1,000)	-	-	-

*Reasons for Change in Appropriation*

These appropriations have been established through the changes to the Public Finance Act and Vote Rationalisation.

## Support New Market Opportunities for High Growth New Zealand Firms and Sectors (M25)

### Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide support to high growth firms and sectors in securing new market opportunities.

### Scope of Appropriation

#### Non-Departmental Other Expenses

##### International Growth Fund

This category is limited to supporting 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.

##### Sector Strategies and Facilitation

This category is limited to assistance with the facilitation of specific sector initiatives, particularly in areas of major events, pre-feasibility and feasibility studies and guarantees for significant projects to access funding through other government programmes and cash grants.

### Expenses, Revenue and Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	30,916
<b>Non-Departmental Other Expenses</b>			
International Growth Fund	-	-	29,712
Sector Strategies and Facilitation	-	-	1,204

### Comparators for Restructured Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental Other Expenses</b>			
Support New Market Opportunities for High Growth New Zealand Firms and Sectors			
International Growth Fund	15,727	15,727	29,712
Sector Strategies and facilitation	1,204	1,204	1,204
<b>Total</b>	<b>16,931</b>	<b>16,931</b>	<b>30,916</b>

### What is Intended to be Achieved with this Appropriation

This appropriation is to support high growth firms to undertake additional market development and business activities and co-fund feasibility studies of investment cases required for growth in new markets that delivers benefits for the firm and the New Zealand economy.

### *How Performance will be Assessed for this Appropriation*

The performance for this appropriation will be assessed following the performance measures specified in the each category below.

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Support New Market Opportunities for High Growth New Zealand Firms and Sectors</b>			
<b>Non-Departmental Other Expenses</b>			
<i>International Growth Fund</i>			
This category is intended to support high growth firms to undertake additional market development and business capability activities required for growth in new markets, that delivers benefits for the firm and the NZ economy.			
Number of businesses receiving grants funding as part of a wider assistance package.	60 (demand driven)	60 (demand driven)	60 (demand driven)
Percentage of businesses that give their experience with the International Growth Fund a positive rating.	Exceeds 2012/13 result	Exceeds 2012/13 result	Meets or exceeds 2013/14 result
<i>Sector Strategies and Facilitation</i>			
This appropriation is intended to co-fund feasibility studies which are used to develop and present the business case for investment in New Zealand.			
Number of Strategic Investment Fund grants awarded.	Up to 6 grants	Up to 6 grants	Up to 6 grants

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>International Growth Fund</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	30,027	30,027	30,027	30,027
Reprioritisation of Investment Growth Fund	2014/15	-	(315)	(700)	-	-
New Zealand Trade and Enterprise	2013/14	(12,800)	-	-	-	-
Transfer to International Business Growth Services to address the Whey Protein Concentrate Response	2013/14	(1,500)	-	-	-	-
<b>Sector Strategies and Facilitation</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	1,204	1,204	1,204	1,204

### *Reasons for Change in Appropriation*

These appropriations have been established through the changes to the Public Finance Act.

#### **International Growth Fund**

The increase from the appropriation that transferred to this classification is mainly due to a New Zealand Trade and Enterprise significant initiative. This covers calibration of the international footprint to meet rising costs and customer demand (especially China and Middle East) to increase the number of companies serviced from 500 to 700, deliver the Government to Government commercialisation initiative (up to \$1.800 million) and maintenance of multi-company high impact programmes.

### **Support the Growth and Development of New Zealand Firms, Sectors and Regions (M25)**

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide support for the growth and development of New Zealand firms, sectors and regions to maximise international business opportunities.

#### *Scope of Appropriation*

##### **Non-Departmental Output Expenses**

###### *International Business Growth Services*

This category 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.

###### *Services to Support Sector Development and Special Events*

This category is limited to securing and capitalising on significant economic development opportunities for New Zealand, with a focus on sectors and special events.

###### *Services to Support the Growth and Development of New Zealand Businesses*

This category is limited to building and enhancing business and management capability through providing access to effective assessment, advice, training, mentoring and information.

#### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	155,259
<b>Non-Departmental Output Expenses</b>			
International Business Growth Services	-	-	111,006
Services to Support Sector Development and Special Events	-	-	31,072
Services to Support the Growth and Development of New Zealand Businesses	-	-	13,181

### Comparators for Restructured Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental</b>			
Support the Growth and Development of New Zealand Firms, Sectors and Regions			
International Business Growth Services	104,630	104,630	111,006
Services to Support Sector Development and Special Events	31,867	31,867	31,072
Services to Support the Growth and Development of New Zealand Businesses	13,444	13,444	13,181
<b>Total</b>	<b>149,941</b>	<b>149,941</b>	<b>155,259</b>

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to assist firms to develop and grow international business and exports; to develop business and management capability to improve individual firms; and to support key sector initiatives and special events that can provide significant economic benefit for New Zealand.

### How Performance will be Assessed for this Appropriation

The performance for this appropriation will be assessed following the performance measures specified in the each category below.

### What is Intended to be Achieved with each Category and How Performance will be Assessed

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Support the Growth and Development of New Zealand Firms, Sectors and Regions</b>			
<b>Non-Departmental Output Expenses</b>			
<i>International Business Growth Services</i>			
This category is intended to assist firms to develop and grow their international business and exports to generate economic benefits for New Zealand.			
Number of intensively account managed (F500) customers in NZTE's customer portfolio.	Updated measure	Updated measure	525 - 575
Total number of customers in NZTE's customer portfolio (excluding those intensively managed).	1,500-2,000 (demand driven)	1,500-2,000 (demand driven)	3000-3500 (demand driven)
Percentage of intensively account managed (F500) customers that agree or strongly agree that NZTE has added value to their business.	Updated measure	Updated measure	Meets or exceeds 2013/14 result
Percentage of NZTE customers that agree or strongly agree that NZTE has added value to their business (excluding those intensively account managed).	Exceeds 2012/13 result	Exceeds 2012/13 result	Exceeds 2013/14 result
Total value of deals effected with NZTE involvement.	Exceeds 2012/13 result	Exceeds 2012/13 result	Meets or exceeds 2013/14 result



Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Annual growth in international revenue for NZTE's intensively account managed customers.	2 percentage points higher than NZ's overall total export growth	2 percentage points higher than NZ's overall total export growth	2 percentage points higher than NZ's overall total export growth
Total value of Capital deployed (debt and equity) with NZTE involvement.	New measure	New measure	\$600m
Under development - Effectiveness measure for HIPs.	New measure	New measure	New measure
Potential direct economic impact ratio for approved International Growth Fund grants.	4 to 1	4 to 1	4 to 1
Total net promoter score for the Regional Partner Network.	New measure	New measure	Baseline to be established in 2014/15
<i>Services to Support Sector Development and Special Events</i>			
This category is intended to support key sector initiatives and special events that can provide significant economic benefits for New Zealand.			
Number of high-impact programmes funded by NZTE.	Up to 10	Up to 10	Up to 10
Percentage of deliverables achieved for high-impact programmes.	85%	85%	85%
<i>Services to Support the Growth and Development of New Zealand Businesses</i>			
This category is intended to develop business and management capability to improve individual firm and wider business performance and generate economic benefits for New Zealand.			
Number of businesses receiving business development services through the Regional Partner Network.	2,500 (demand driven)	2,500 (demand driven)	2,500 (demand driven)
Percentage of businesses that give a positive satisfaction rating to services provided through the Regional Partner Network.	Meets or exceeds 2012/13 result	Meets or exceeds 2012/13 result	Meets or exceeds 2013/14 result

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>International Business Growth Services</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	102,506	98,213	98,213	98,213
New Zealand Trade and Enterprise	2014/15	-	7,000	14,400	14,400	14,400
Saudi Agrihub Partnership - MFAT Contribution	2014/15	-	1,500	-	-	-
Saudi Agrihub Partnership	2013/14	3,050	2,700	-	-	-
Whey Protein Concentrate Response	2013/14	1,500	-	-	-	-
<b>Services to Support Sector Development and Special Events</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	27,072	27,072	27,072	27,072
Government-to-Government Partnerships Office	2014/15	-	1,000	-	-	-
Saudi Agrihub Partnership	2014/15	(750)	-	-	-	-
New Zealand Trade and Enterprise	2014/15	-	3,000	5,400	5,400	4,000
International Growth Package	2013/14	2,000	-	-	-	-
America's Cup Leveraging and Legacy	2012/13	1,390	-	-	-	-
<b>Services to Support the Growth and Development of New Zealand Businesses</b>						
Transfer from Vote Economic Development to Vote Economic Development and Employment	2014/15	-	13,181	13,181	13,181	13,181
Proposed Changes to NZTE's Capital Management Services	2011/12	(1,854)	(1,854)	(1,854)	(1,854)	(1,854)

*Reasons for Change in Appropriation*

These appropriations have been established through the changes to the Public Finance Act.

**International Business Growth Services**

The change in appropriation from the appropriations that transferred to this classification is mainly due to a one-off transfer in 2013/14 for the Whey Protein Concentrate response.

**Services to Support Sector Development and Special Events**

The increased appropriation from the appropriations that transferred to this classification is mainly due to one-off funding in 2013/14 for the International Growth Package and the America's Cup Leveraging and Legacy initiatives.