

Vote Science and Innovation

APPROPRIATION MINISTER(S): Minister of Māori Affairs (M46), Minister of Science and Innovation (M84)

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 of Science and Innovation is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of just over \$661 million for non-departmental output expenses
- a total of just over \$41 million for non-departmental other expenses
- a total of just over \$48 million for non-departmental capital expenditure
- a total of just under \$187 million for multi-year appropriations
- a total of just over \$27 million for multi-category expense and capital expenditure including policy advice, contract management and Ministerial Services and leadership of the Science and Innovation sector.

The Minister of Māori Affairs is responsible for an appropriation for the 2014/15 financial year covering \$2 million for a Māori Innovation Fund.

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
Departmental Output Expenses			
Advice and Support on Shaping the Science and Innovation System MCOA (M84)	27,603	27,603	-
<i>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.	7,757	7,757	-
<i>Science and Innovation Contract Management</i> This output class is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.	11,461	11,461	-
<i>Strategic Leadership in the Science and Innovation Sector</i> This output class is limited to ministerial services and leadership of the science and innovation sector.	8,385	8,385	-
Total Departmental Output Expenses	27,603	27,603	-
Non-Departmental Output Expenses			
Biological Industries Research (M84) This appropriation is limited to research and research applications to support productivity growth and sustainability of New Zealand's primary industries, and the development of premium food and industrial biological products and technologies responsive to global consumer preferences.	94,693	92,493	94,018
Building Innovation Potential (M84) This appropriation is limited to activities which build innovation potential through providing and enhancing access to information, training, mentoring, foresighting, networking and leadership across the innovation system, and facilitating human capital mobility, for both businesses and Research Science and Technology providers.	4,678	4,678	9,078
Business Research and Development Contract Management (M84) This appropriation is limited to selection of businesses or individuals for either the provision of Research Science and Technology output, or the award of grants, and to negotiate, manage and monitor appropriate contracts with these businesses or individuals.	7,567	7,567	6,830
Callaghan Innovation Strategic Investment (M84) This appropriation is limited to Callaghan Innovation for the development and maintenance of science, engineering, technology, design and other strategic capabilities required to develop, deliver, improve and evaluate its services and activities to meet the immediate and future needs of business and industry, and to facilitate its interactions with Research Science and Technology providers.	30,863	30,863	19,523
Crown Research Institute Core Funding (M84) This appropriation is limited to Crown Research Institutes to create and maintain capability that is required for their core purpose and strategy.	201,622	201,622	201,622
Energy and Minerals Research (M84) This appropriation is limited to research and research applications to improve mineral extraction, improve energy security and to obtain efficient and affordable energy use.	11,725	11,725	11,645

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
Engaging New Zealanders with Science and Technology (M84) This appropriation is limited to engaging New Zealanders with science and technology through approaches determined by the Minister.	8,969	8,519	8,969
Environmental Research (M84) This appropriation is limited to research and research applications to underpin the management, protection and enhancement of natural ecosystems, land and freshwater resources, climate and atmosphere within New Zealand, including Antarctica.	33,171	33,171	32,447
Fellowships for Excellence (M84) This appropriation is limited to encouraging the career development of the country's talented early and mid-career researchers.	8,720	8,720	11,570
Hazards and Infrastructure Research (M84) This appropriation is limited to research and research applications to support hazard management and improve the durability of NZ urban and rural settlements.	15,114	14,614	15,865
Health and Society Research (M84) This appropriation is limited to research and research applications to improve the health and social well-being of New Zealanders.	81,885	81,885	82,586
High Value Manufacturing and Services Research (M84) This appropriation is limited to research and research applications to develop new technologies, novel materials, and new products, processes and services for the manufacturing and technology sectors.	62,067	61,667	58,989
Marsden Fund (M84) This appropriation is limited to excellent investigator-initiated research.	49,255	49,255	52,383
National Measurement Standards (M84) This appropriation is limited to providing specified standards to satisfy the needs for traceable physical measurement in New Zealand.	5,764	5,764	5,764
Realising the Benefits of Innovation (M84) This appropriation is limited to activities that build the level of, and returns from, science and technology-driven innovation through providing tailored brokerage and access to advice, technical services and facilities, and creating linkages, projects and collaborations between business and industry and Research Science and Technology providers.	10,500	10,500	23,300
Repayable Grants for Start-Ups (M84) This appropriation is limited to funding for early stage businesses and development of business incubators and accelerators.	3,850	900	14,106
Research Contract Management (M84) This appropriation is limited to selection of research, science and technology-related organisations and individuals for either the provision of research, science and technology outputs, or the award of grants; and negotiate, manage and monitor appropriate contracts with those organisations or individuals.	6,092	6,092	6,227
Vision Mātauranga Capability Fund (M84) This appropriation is limited to the development of skilled people and organisations undertaking research that supports the four themes of Vision Mātauranga; indigenous innovation, environmental sustainability, health and social well being, and exploring indigenous knowledge.	6,417	3,217	6,567
Total Non-Departmental Output Expenses	642,952	633,252	661,489

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Other Expenses			
Advanced Network Capacity (M84) This appropriation is limited to a grant to contribute to the operation of the Kiwi Advanced Research and Education Network ensuring advanced network capacity that will underpin New Zealand research.	4,000	4,000	4,000
Australian Synchrotron (M84) This appropriation is limited to a grant being New Zealand Government's contribution to the operation of a synchrotron located in Victoria, Australia.	983	983	7,500
Convention Du Metre (M84) This appropriation is limited to the payment of New Zealand's annual subscription to the Convention du Metre.	135	100	135
Genomics Research Infrastructure (M84) This appropriation is limited to a grant to contribute towards the purchase and operation of infrastructure that will support genomics research.	-	-	3,600
International Relationships (M84) This appropriation is limited to grants for international research relationships.	7,727	7,127	9,451
Māori Innovation Fund (M46) This appropriation is limited to a contestable Fund to invest in initiatives that contribute to the achievement of the economic goals and priorities in He Kai Kei Aku Ringa and the Business Growth Agenda.	-	-	2,000
National eScience Infrastructure (M84) This appropriation is limited to a grant to contribute to the operation of the National eScience Infrastructure, including high-performance computational infrastructure and associated eScience services, that will support New Zealand research.	9,773	9,773	7,182
Royal Society of New Zealand (M84) This appropriation is limited to an annual grant to the Royal Society of New Zealand to contribute towards the Society's aims and functions under the Royal Society of New Zealand Act 1997 to promote and advance science and technology.	500	500	500
Science Collections and Infrastructure (M84) This appropriation is limited to grants to contribute to the maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes.	5,760	5,760	7,898
Square Kilometre Array (M84) This appropriation is limited to supporting New Zealand's engagement on the Square Kilometre Array project in collaboration with Australia.	109	109	977
Total Non-Departmental Other Expenses	28,987	28,352	43,243
Non-Departmental Capital Expenditure			
Advanced Technology Institute (M84) This appropriation is limited to capital expenditure to support the establishment and development of an advanced technology institute.	-	-	48,110
Total Non-Departmental Capital Expenditure	-	-	48,110

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Advice and Support on Shaping the Science and Innovation System MCA (M84)	-	-	27,154
The overarching purpose of this appropriation is to provide advice and support to Ministers and leadership in matters of the science and innovation sector.			
<i>Departmental Output Expenses</i>			
<i>Policy Advice</i>	-	-	4,836
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.			
<i>Science and Innovation Contract Management</i>	-	-	11,174
This category is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.			
<i>Strategic Leadership in the Science and Innovation Sector</i>	-	-	11,144
This category is limited to ministerial services and leadership of the science and innovation sector.			
Total Multi-Category Expenses and Capital Expenditure	-	-	27,154
Total Annual and Permanent Appropriations	699,542	689,207	779,996

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Output Expenses		
National Science Challenges (M84)	Original Appropriation	252,722
This appropriation is limited to research and research applications to find innovative solutions to fundamental issues New Zealand faces in its future development.	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	252,722
Commences: 01 October 2013	Actual to 2012/13 Year End	-
Expires: 30 June 2018	Estimated Actual for 2013/14	8,900
	Estimated Actual for 2014/15	45,099
	Estimated Appropriation Remaining	198,723
Research and Development Growth Grants (M84)	Original Appropriation	393,000
This appropriation is limited to co-funding for private businesses to invest in a multi-year programme of research and development.	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	393,000
Commences: 01 July 2013	Actual to 2012/13 Year End	-
Expires: 30 June 2017	Estimated Actual for 2013/14	65,100
	Estimated Actual for 2014/15	96,600
	Estimated Appropriation Remaining	231,300
Targeted Business Research and Development Funding (M84)	Original Appropriation	173,000
This appropriation is limited to co-funding for private businesses to undertake research and development projects and for funding students to work in research and development active businesses.	Adjustments to 2012/13	-
	Adjustments for 2013/14	(2,250)
	Adjusted Appropriation	170,750
Commences: 01 July 2013	Actual to 2012/13 Year End	-
Expires: 30 June 2017	Estimated Actual for 2013/14	35,600
	Estimated Actual for 2014/15	44,900
	Estimated Appropriation Remaining	90,250

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
New Zealand Ocean Survey 20/20 Programme	Science Collections and Infrastructure	-	2,071	2,071	2,071	2,071
Formation of Ministry of Business, Innovation and Employment Savings	Advice and Support on Shaping the Science and Innovation System - MCA					
	Policy Advice	-	(90)	(90)	(90)	(90)
	Science and Innovation Contract Management	-	(212)	(212)	(212)	(212)
	Strategic Leadership in the Science and Innovation Sector	-	(151)	(151)	(151)	(151)
Contestable Science Funding	High Value Manufacturing and Services Research	-	-	6,050	6,050	6,050
	Energy and Minerals Research	-	-	2,270	4,850	4,850
	Environmental Research	-	-	1,160	1,160	5,720
	Hazards and Infrastructure Research	-	-	2,210	2,210	2,210
	Health and Society Research	-	-	3,000	4,490	4,490
China Science and Innovation Counsellor	MCA - Strategic Leadership in the Science and Innovation Sector	-	700	700	700	700
Profile of Incubator Operational Funding	Repayable Grants for Start ups	-	1,000	-	(1,000)	(1,000)
Rephase of Callaghan Research and Development Growth Funds	Research and Development Growth Grants MYA	(25,800)	-	13,350	12,450	-
	Targeted Research and Development funding MYA	(12,750)	-	5,650	7,100	-
Continuation of MYA Funding in Outyears	Research and Development Growth Grants	-	-	-	-	104,000
	Targeted Research and Development Funding	-	-	-	-	37,500
Transfer of the Square Kilometre Array appropriation from Vote Economic Development and Employment	Square Kilometre Array	109	977	-	-	-
Total Initiatives		(38,441)	4,295	36,008	39,628	166,138

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
Appropriations												
Output Expenses	609,593	602,485	697,059	733,676	791,102	733,708	-	848,088	848,088	885,714	884,716	870,826
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	97,538	117,655	23,223	23,772	28,878	28,277	-	43,243	43,243	45,674	36,323	35,499
Capital Expenditure	1,217	22,419	1,290	-	-	-	-	48,110	48,110	23,600	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	13,270	27,526	35,122	33,526	27,603	27,603	27,154	-	27,154	27,241	27,241	27,241
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	721,618	770,085	756,694	790,974	847,583	789,588	27,154	939,441	966,595	982,229	948,280	933,566
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

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
Appropriations						
Output Expenses	(13,270)	(27,526)	(35,122)	(33,526)	(27,603)	(27,603)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	13,270	27,526	35,122	33,526	27,603	27,603
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

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

In March 2010 Cabinet decided to amalgamate the Ministry of Research, Science and Technology (MoRST) and the Foundation for Research, Science and Technology (FRST) into a new department. The Ministry of Science and Innovation (MSI) started on 1 February 2011, and then merged with three other agencies on 1 July 2012 to form the Ministry of Business, Innovation and Employment and continues under the Vote Science and Innovation (formerly Vote Research Science and Technology to 30 June 2011).

As a consequence of this and the restructure of the appropriations over the years the trend statement has been restated as far as practicable.

The following comments reflect the main policy decisions that impact the trends:

Output Expenses

The following are the key initiatives that impact the trend:

- rephase of the Growth Grants and Targeted Business Research and Development multi-year appropriations from 2013/14 to 2015/16 and 2016/17, and
- the transfer of the Business Incubator Operational funding from Vote Economic Development and Employment in 2014/15 and outyears.

Other Expenses

The following are the key impacts on the trend

- the ceasing of an expense transfer in 2010/11 for the Genomics Research Infrastructure
- the decrease in funding from 2010/11 for the Science Collections and Infrastructure resulting from transfer of funds to CRI Core funding
- the establishment of National eScience Infrastructure covering the funding to support the operation of this facility coming into effect from 2010/11
- the establishment of Advanced Network Capability covering the funding support for Research and Education Advanced Network New Zealand Ltd (REANNZ) in operating REANNZ Internet coming into effect from 2013/14
- a transfer of funds from 2013/14 to 2014/15 for the Australian Synchrotron, and
- the re-introduction of the Genomics Research Infrastructure in 2014/15.

Capital

Funding in the 2009/10 to 2011/12 years relates to capital investment in the organisations preceding the Ministry of Business, Innovation and Employment.

The Capital investment from 2014/15 represents the capital investment in Callaghan Innovation.

1.4 - Reconciliation of Changes in Appropriation Structure

		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
Departmental Output Expense						
Advice and Support on Shaping the Science and Innovation System MCOA	27,603	Transferred to Advice and Support on Shaping the Science and Innovation System MCA	27,603	Advice and Support on Shaping the Science and Innovation System MCA	27,603	27,154
Total	27,603		27,603		27,603	27,154

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.

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

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Biological Industries Research (M84)

Scope of Appropriation

This appropriation is limited to research and research applications to support productivity growth and sustainability of New Zealand's primary industries, and the development of premium food and industrial biological products and technologies responsive to global consumer preferences.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	94,693	92,493	94,018

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Science and Innovation research projects through annual contestable rounds	68,953	68,953	68,578
Partnership funding that supports high-quality research aimed at increasing the competitiveness of New Zealand industries and strengthening ties between research organisations and research users	22,300	20,000	22,000
All other research and innovation projects	3,440	3,540	3,440

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support productivity growth and sustainability of New Zealand's primary industries, contributing to improved business capability and higher levels of innovation

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			
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing science contracts assessed against contract outputs.	Updated measure	Updated measure	100%

Note 1 - Assessment criteria are predetermined. For 2014/15 investment rounds these are criteria set out in the relevant Gazette notice, and in the corresponding Sector Investment Plan and Request for Proposals.

Note 2 - The outputs are those defined in the contract and to be achieved by the end of the contract.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Callaghan Innovation	3,653	2,944	2,500	See above	As per contracts
Crown Research Institutes	49,112	43,805	40,017	See above	As per contracts

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 Contestable Fund to National Science Challenges	2014/15	-	(375)	(2,240)	(6,624)	(10,914)
Pre-Seed Accelerator Contracts to High Value Manufacturing and Services Research	2013/14	(1,007)	(1,007)	(1,007)	-	-
International Growth Package (Business R&D Grants)	2013/14	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)
Crown Research Institute Core Purpose (New NDOC)	2011/12	(65,788)	(65,788)	(65,788)	(65,788)	(65,788)
Response to Christchurch Earthquake	2010/11	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Business Research and Development and Commercialisation BEFU 2011	2010/11	(1,700)	(1,700)	(1,700)	(1,700)	(1,700)
Global Alliance	2010/11	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Savings	2010/11	(1,859)	(1,859)	(1,859)	(1,859)	(1,859)
Science Priorities for Research, Science and Technology	2010/11	177,219	177,219	177,219	177,219	177,219

Reasons for Change in Appropriation

The decreased appropriation is mainly due to transfers to the National Science Challenges MYA to support the development of National Science Challenges.

Building Innovation Potential (M84)

Scope of Appropriation

This appropriation is limited to activities which build innovation potential through providing and enhancing access to information, training, mentoring, foresighting, networking and leadership across the innovation system, and facilitating human capital mobility, for both businesses and Research Science and Technology providers.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,678	4,678	9,078

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to a stronger culture of innovation and increased innovation skills and expertise.

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			
Number of business related contacts to the Customer Engagement Centre seeking access to business services.	New measure	New measure	> 100 per month average
Delivery of a programme of events, sponsorships, and information services in accordance with Callaghan Innovation Business Case and Strategy.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Callaghan Innovation 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
Review of 2013/14 Appropriations	2013/14	(1,500)	-	-	-	-
Transfer from High Value Manufacturing and Services	2013/14	3,800	6,700	6,700	6,700	6,700
Better by Lean Function Transfer	2013/14	1,134	1,134	1,134	1,134	1,134
Futureintech Function Transfer	2013/14	1,244	1,244	1,244	1,244	1,244

Reasons for Change in Appropriation

The increased appropriation is a result of the transfer from High Value Manufacturing Services to ensure there is sufficient working capital, also a one-off decrease in 2013/14 to reflect a review of Callaghan Innovation appropriations. Funding was initially allocated to High Value manufacturing prior to the formation of Callaghan Innovation and associated appropriations. The funds were moved to this appropriation in 2013/14 and the increase is a planned change.

Business Research and Development Contract Management (M84)

Scope of Appropriation

This appropriation is limited to selection of businesses or individuals for either the provision of Research Science and Technology output, or the award of grants, and to negotiate, manage and monitor appropriate contracts with these businesses or individuals.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,567	7,567	6,830

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide for the efficient and effective allocation and contracting of research, science and technology outputs and grants to maximise their returns to New Zealand.

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			
Contracts are monitored and managed to maximise likelihood of delivery of contract outcomes.	Updated measure	Updated measure	100% of contracts
Applications for on-demand investments over \$250,000 are independently reviewed by experts.	Updated measure	Updated measure	100% of proposals recommended
Grants allocated are consistent with ministerial directions.	New measure	New measure	100% of grants

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
Administration of the Incubator Support Programme	2014/15	-	263	263	263	263
Review of 2013/14 Appropriations	2013/14	1,000	-	-	-	-
Transfer of funds from Science and Innovation Contract Management	2012/13	3,754	3,754	3,754	3,754	3,754
Transfer of funds from Strategic Leadership in the Science and Innovation Sector	2012/13	2,502	2,502	2,502	2,502	2,502

Reasons for Change in Appropriation

The decreased appropriation is mainly due to a review of Callaghan Innovation's 2013/14 appropriations.

Callaghan Innovation Strategic Investment (M84)*Scope of Appropriation*

This appropriation is limited to Callaghan Innovation for the development and maintenance of science, engineering, technology, design and other strategic capabilities required to develop, deliver, improve and evaluate its services and activities to meet the immediate and future needs of business and industry, and to facilitate its interactions with Research Science and Technology providers.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,863	30,863	19,523

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support niche science, engineering, technology and design services that support growth in knowledge intensive firms' global scale and competitiveness.

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			
Rolling reviews of the relevance of research technical services to business are completed.	New measure	New measure	Two reviews completed
Private sector co-funding and commercial revenue leveraged.	New measure	New measure	Less than 40%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
High Performance Working initiative	2013/14	450	1,000	1,000	1,000	1,000
Review of 2013/14 Appropriations	2013/14	7,500	-	-	-	-
Research Teams to Victoria University of Wellington	2013/14	4,390	-	-	-	-
Transfer of funds from Crown Research Institute Core Funding	2013/14	18,523	18,523	18,523	18,523	18,523

Reasons for Change in Appropriation

The decreased appropriation is mainly a result of fiscally neutral adjustments in 2013/14 only, reflecting a review of Callaghan Innovation appropriations and restructuring costs for research teams transferred to Victoria University of Wellington.

Crown Research Institute Core Funding (M84)*Scope of Appropriation*

This appropriation is limited to Crown Research Institutes to create and maintain capability that is required for their core purpose and strategy.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	201,622	201,622	201,622

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Core funding for the seven Crown Research Institutes (CRI) to give greater financial certainty and comprises a significant proportion of total funding available to each CRI	201,622	201,622	201,622

What is Intended to be Achieved with this Appropriation

This appropriation provides core funding to Crown Research Institutes to deliver on their core purpose and strategies, contributing 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	Achieved	Achieved	Achieved
Crown research institutes manage and administer their core funding in accordance with their Statements of Corporate Intent and their core funding agreement.			

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Crown Research Institutes	201,622	201,622	201,622	See above	As per contracts

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
Core funding from High Value Manufacturing and Services Research	2015/16	-	-	2,200	2,200	2,200
Transfer to Callaghan Innovation Strategic Investment	2012/13	(18,523)	(18,523)	(18,523)	(18,523)	(18,523)
Increase in Industrial Research Limited core funding	2011/12	5,000	5,000	5,000	5,000	5,000
Crown Research Institute (CRI) Core Purpose	2011/12	215,145	215,145	212,945	212,945	212,945

Energy and Minerals Research (M84)*Scope of Appropriation*

This appropriation is limited to research and research applications to improve mineral extraction, improve energy security and to obtain efficient and affordable energy use.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,725	11,725	11,645

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve mineral extraction and energy security, obtain efficient and affordable energy use, contributing to the improved business capability and higher levels of innovation.

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			
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	Updated measure	Updated measure	100%

Note 1 - Assessment criteria are predetermined. For 2014/15 investment rounds these are criteria set out in the relevant Gazette notice, and in the corresponding Sector Investment Plan and Request for Proposals.

Note 2 - The outputs are those defined in the contract and to be achieved by the end of the contract.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Callaghan Innovation	1,712	842	178	See above	As per contracts
Crown Research Institutes	2,801	3,682	3,074	See above	As per contracts

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
Contestable Science Funding	2015/16	-	-	2,270	4,850	4,850
Transfer of contestable funding to National Science Challenges	2016/17	-	-	-	(296)	(395)
Crown Research Institute (CRI) Core Purpose	2011/12	(9,706)	(9,706)	(9,706)	(9,706)	(9,706)
Restructure of the Vote - BEFU 2010	2010/11	(279)	(279)	(279)	(279)	(279)
Science Priorities for Research, Science and Technology	2010/11	20,819	20,819	20,819	20,819	20,819

Engaging New Zealanders with Science and Technology (M84)

Scope of Appropriation

This appropriation is limited to engaging New Zealanders with science and technology through approaches determined by the Minister.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,969	8,519	8,969

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable the engagement by New Zealanders with science and technology, contributing to skilled and safe workplaces, improved 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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Initiatives are developed and managed to align with objectives of the fund.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Royal Society of New Zealand	5,096	5,146	5,146	See above	As per contracts
Fulbright New Zealand	533	533	-	See above	As per contracts

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 Futureintech to Callaghan Innovation	2013/14	(1,244)	(1,244)	(1,244)	(1,244)	(1,244)
Transfer of Funding for Prime Ministers Advisory Committee	2013/14	(675)	(675)	(675)	(675)	(675)
Transfer from New Zealand Trade and Enterprise for Futureintech	2012/13	1,244	1,244	1,244	1,244	1,244
Savings - Budget Economic Fiscal Update 2010	2010/11	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)
Science Priorities for Research, Science and Technology	2010/11	5,244	5,244	5,244	5,244	5,244
Budget 2009 Prime Minister's Prizes for Science	2009/10	1,000	1,000	1,000	1,000	1,000

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Engage New Zealanders with science and technology through approaches determined by the Minister of Science and Innovation.

Environmental Research (M84)*Scope of Appropriation*

This appropriation is limited to research and research applications to underpin the management, protection and enhancement of natural ecosystems, land and freshwater resources, climate and atmosphere within New Zealand, including Antarctica.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	33,171	33,171	32,447

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support research for the management, protection and enhancement of New Zealand's (including Antarctica) natural resources. This contributes to improved business capability and higher levels of innovation.

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.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	Updated measure	Updated measure	100%

See Notes 1 and 2 under Biological Industries Research appropriation.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Crown Research Institutes	28,298	27,838	24,917	See above	As per contracts

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
Contestable Science Funding	2015/16	-	-	1,160	1,160	5,720
Transfer of contestable funding to National Science Challenges	2014/15	-	(724)	(2,799)	(10,166)	(11,651)
Crown Research Institute Core Purpose	2011/12	(38,324)	(38,324)	(38,324)	(38,324)	(38,324)

Reasons for Change in Appropriation

This appropriation decreased by \$724,000 reflecting a transfer of funds to support the development of National Science Challenges.

Fellowships for Excellence (M84)

Scope of Appropriation

This appropriation is limited to encouraging the career development of the country's talented early and mid-career researchers.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,720	8,720	11,570

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support career development of New Zealand's early and mid-career researchers, contributing to improved 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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Monitor and assess reporting from the investment agent against contractual agreements.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Royal Society of New Zealand	8,247	7,807	9,807	See above	As per contracts
Crown Research Institutes	214	-	-	See above	As per contracts

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 from the Vision Mātauranga Capability Fund	2013/14	150	-	-	-	-
International Growth Package (Business R&D Grants)	2013/14	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)
Science Entrepreneurial Scheme	2011/12	1,707	1,707	1,707	1,707	1,707
Business Research and Development and Commercialisation BEFU 2011	2010/11	(3,000)	-	-	-	-
James Cook Fellowship	2010/11	720	720	720	720	720
Top Talent	2010/11	7,000	7,000	7,000	7,000	7,000
Science Priorities for Research, Science and Technology	2010/11	7,843	7,843	7,843	7,843	7,843

Reasons for Change in Appropriation

The increased appropriation is a result of a one-off reduction of \$3 million in 2013/14 for Business Research and Development and Commercialisation, offset by a fiscally neutral adjustment of \$150,000 in 2013/14 only, from the Vision Mātauranga Capability Fund as part of reprioritisation.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Established by terms of reference that set out the funding delivery mechanisms, operable criteria and expected levels of research commitment in each mechanism.

Hazards and Infrastructure Research (M84)*Scope of Appropriation*

This appropriation is limited to research and research applications to support hazard management and improve the durability of NZ urban and rural settlements.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,114	14,614	15,865

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve the durability of New Zealand's urban and rural settlements through hazard management research. It contributes to improved business capability and higher levels of innovation.

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.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	Updated measure	Updated measure	100%

See Notes 1 and 2 under Biological Industries Research appropriation.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Callaghan Innovation	239	79	-	See above	As per contracts
Crown Research Institutes	8,561	8,200	8,200	See above	As per contracts

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
Contestable Science Funding	2015/16	-	-	2,210	2,210	2,210
Transfer of contestable funding to National Science Challenges	2015/16	-	-	(3,000)	(3,413)	(3,550)
Transfer of funding from Biological Industries Research to develop a building sector partnership	2013/14	500	1,500	1,500	1,500	-
Response to Christchurch Earthquake BEFU 2011	2010/11	3,000	3,000	3,000	3,000	3,000
Science Priorities for Research, Science and Technology	2010/11	23,245	23,245	23,245	23,245	23,245

Reasons for Change in Appropriation

The increased appropriation is mainly due to funding for the development of a building sector partnership.

Health and Society Research (M84)

Scope of Appropriation

This appropriation is limited to research and research applications to improve the health and social well-being of New Zealanders.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	81,885	81,885	82,586

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Funding managed by the Health Research Council to support research that has the potential to improve health outcomes and delivery of healthcare and to produce economic gain for New Zealand	77,175	77,175	77,175
Science and Innovation research projects through annual contestable rounds	4,710	4,710	5,411

What is Intended to be Achieved with this Appropriation

This appropriation is intended to improve the health and social well-being of New Zealanders through research, contributing to improved 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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	Updated measure	Updated measure	100%
Monitor and assess reporting from the funding agent against the output agreement.	Achieved	Achieved	Achieved

See Notes 1 and 2 under Biological Industries Research appropriation.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Health Research Council	77,715	77,175	77,175	See above	As per contracts
Crown Research Institutes	803	638	457	See above	As per contracts

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 contestable funding to National Science Challenges	2016/17	-	-	-	(621)	(829)
Contestable Science Funding	2015/16	-	-	3,000	4,490	4,490
Rephase of Youth at Risk in NZ contract	2013/14	(711)	(88)	1,392	-	-
Transfer of Tourism based Economic Research	2011/12	(78)	-	-	-	-
Business Research and Development and Commercialisation	2010/11	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Productivity Commission	2010/11	(150)	(150)	(150)	(150)	(150)
Science Priorities for Research, Science and Technology	2010/11	89,844	89,844	89,844	89,844	89,844

Reasons for Change in Appropriation

The increased appropriation is mainly due to a reduction in the rephase of the Youth at Risk in NZ contract.

High Value Manufacturing and Services Research (M84)*Scope of Appropriation*

This appropriation is limited to research and research applications to develop new technologies, novel materials, and new products, processes and services for the manufacturing and technology sectors.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	62,067	61,667	58,989

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Science and Innovation research projects through annual contestable rounds	54,174	54,174	49,822
Funding for publicly funded research organisations to allocate to early stage commercialisation of ideas	4,167	4,167	4,167
All other research and innovation projects	3,726	3,326	5,000

What is Intended to be Achieved with this Appropriation

This appropriation provides research for the development of technologies, novel materials, and new products, processes and services for manufacturing and technology, contributing to improved business capability and higher levels of innovation.

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			
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	Updated measure	Updated measure	100%

See Notes 1 and 2 under Biological Industries Research appropriation.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Callaghan Innovation	15,744	9,751	3,232	See above	As per contracts
Crown Research Institutes	5,408	6,949	6,306	See above	As per contracts

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
Contestable Science Funding	2015/16	-	-	6,050	6,050	6,050
Transfer of contestable funding to National Science Challenges MYA	2014/15	-	(3,000)	(4,000)	(5,500)	(7,125)
International Growth Package (Business R&D Grants)	2013/14	(110,200)	(110,200)	(110,200)	(110,200)	(110,200)
Establishment of the Advanced Technology Institute	2012/13	20,000	30,000	30,000	30,000	30,000
Transfer of Tourism based Economic Research	2011/12	78	-	-	-	-
CRI Core Purpose	2011/12	(10,342)	(10,342)	(10,342)	(10,342)	(10,342)
Business Research and Development and Commercialisation BEFU 2011	2010/11	6,000	6,000	6,000	6,000	6,000
Savings - BEFU 2010	2010/11	(3,160)	(3,160)	(3,160)	(3,160)	(3,160)
Technology Development Grant (BEFU) 2010	2010/11	62,000	62,000	62,000	62,000	62,000
Technology Transfers initiatives (BEFU) 2010	2010/11	8,000	8,000	8,000	8,000	8,000
Science Priorities for Research, Science and Technology	2010/11	108,179	108,179	108,179	108,179	108,179
Actuals at MoRST Dissolution	2010/11	175,019	175,019	175,019	175,019	175,019

Reasons for Change in Appropriation

The decreased appropriation is mainly due to a transfer of funds in 2014/15 to the National Science Challenges MYA.

Marsden Fund (M84)*Scope of Appropriation*

This appropriation is limited to excellent investigator-initiated research.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	49,255	49,255	52,383

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
The Marsden Fund supports excellence in science, engineering, maths, social sciences and the humanities in New Zealand by providing grants for investigator-initiated research	49,255	49,255	52,383

What is Intended to be Achieved with this Appropriation

This appropriation supports excellence in science, engineering, maths, social sciences and the humanities through investigator-led research. This contributes to improved 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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Monitor and assess reporting from the investment agent against the funding agreement.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Royal Society of New Zealand	49,255	49,255	52,383	See above	As per contracts

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 Alignment	2013/14	(2,500)	628	1,872	-	-
International Growth Package	2013/14	5,000	5,000	5,000	5,000	5,000
Budget 2009 Increased funding	2009/10	9,000	9,000	9,000	9,000	9,000
Budget 2009 Reversal of unfunded Budget 2008 commitment	2009/10	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)

Reasons for Change in Appropriation

The increased appropriation is a result of 2013/14 funding rephased to 2014/15 and 2015/16 to reflect alignment of funding with contracted payments.

Conditions on Use of Appropriation

Reference	Conditions
Terms of Reference - Marsden Fund - 2012.	<p>An objective of the Marsden Fund is to contribute to the development of advanced skills in New Zealand including support for continuing training of post-doctoral level researchers and support for the establishment of early careers of new and emerging researchers.</p> <p>The Marsden Fund is open to applicants that meet the Marsden Fund's eligibility criteria. The eligibility criteria are determined by the Marsden Fund Council. The eligibility criteria must:</p> <ul style="list-style-type: none"> ensure successful proposals are consistent with the nature and objectives of the Marsden Fund stated above, and applicants are New Zealand-based researchers undertaking research to be carried out in New Zealand or overseas if its nature demands that it be carried out elsewhere. Collaborating researchers from outside New Zealand are able to be included in proposals, but are not able to receive direct funding support for their time or institutional costs. <p>Otherwise, the Council may, from time to time adjust the eligibility criteria of the Marsden Fund to increase its effectiveness in achieving the Marsden Fund's objectives.</p>

National Measurement Standards (M84)

Scope of Appropriation

This appropriation is limited to providing specified standards to satisfy the needs for traceable physical measurement in New Zealand.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,764	5,764	5,764

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to the global success of firms selling products and services dependent on accurate and internationally accepted traceable physical measurements.

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			
Provision of national measurements and standards and related services in accordance with statutory obligations under section 4 of the Measurement Standards Act, reported six monthly to the Minister.	Updated measure	Updated measure	Reports accepted
Maintenance of the national measurement standards in accordance with the resolutions and recommendations of the Metre convention with all technical procedures related to the measurement standards validated and reviewed six monthly.	New measure	New measure	Reviews completed

End of Year Performance Reporting

Performance information for this appropriation will be reported by Callaghan Innovation 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
Actuals at Ministry of Research Science and Technology dissolution - Transferred Balances	2010/11	5,764	5,764	5,764	5,764	5,764

Conditions on Use of Appropriation

Reference	Conditions
Measurements Standards Act 1992	The Minister of Science and Innovation shall provide for the use throughout New Zealand of uniform units of measurement of physical quantities, and for the establishment and maintenance of standards of measurement of physical quantities.

National Science Challenges (M84)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
National Science Challenges (M84)	Original Appropriation	252,722
This appropriation is limited to research and research applications to find innovative solutions to fundamental issues New Zealand faces in its future development.	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
Commences: 01 October 2013	Adjusted Appropriation	252,722
Expires: 30 June 2018	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	8,900
	Estimated Actual for 2014/15	45,099
	Estimated Appropriation Remaining	198,723

What is Intended to be Achieved with this Appropriation

This appropriation is intended to find innovative solutions to fundamental issues New Zealand faces by drawing scientists together to achieve a common goal through collaboration. This contributes to improved business capability and higher levels of innovation.

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
Number of investments in national science challenges.	2-4	2-4	2-4

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Science and Innovation in a report appended to the Ministry of Business, Innovation and Employment 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 contestable funds from Research fund appropriations	2014/15	-	4,099	12,039	26,620	34,464
Implementing the National Science Challenges	2013/14	8,900	41,000	41,000	41,000	43,600

Reasons for Change in Appropriation

The increased appropriation is a result of an increasing funding profile at the time of the establishment of the MYA and transfers from Research fund appropriations for the development of National Science Challenges.

Realising the Benefits of Innovation (M84)

Scope of Appropriation

This appropriation is limited to activities that build the level of, and returns from, science and technology-driven innovation through providing tailored brokerage and access to advice, technical services and facilities, and creating linkages, projects and collaborations between business and industry and Research Science and Technology providers.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,500	10,500	23,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to accelerate the growth in the number, size and diversity of knowledge intensive globally competitive firms in New Zealand.

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			
Business expenditure on research and development (R&D) as a percentage of GDP as measured in the biennial business R&D survey (reported in 2015/16).	New measure	New measure	Increase above previously surveyed level
Number and proportion of businesses with product and process innovations, and percentage of sales from new or significantly improved goods and services, as measured in the biennial innovation module of the Business Operations Survey (reported in 2014/15).	New measure	New measure	Increase above previously surveyed level

Note 1 - Further measures are being developed for inclusion in Callaghan Innovation's Statement of Performance Expectations.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
Review of 2013/14 Appropriations	2013/14	(7,000)	-	-	-	-
Establish Realising the Benefits of Innovation	2013/14	16,200	23,300	23,300	23,300	23,300
Transfer from Vote Economic Development	2013/14	1,300	-	-	-	-

Reasons for Change in Appropriation

The increased appropriation is mainly due to the funding profile in the establishment of this appropriation, and a fiscally neutral adjustment transfer out of 2013/14 as a result of a review of appropriations.

Repayable Grants for Start-Ups (M84)

Scope of Appropriation

This appropriation is limited to funding for early stage businesses and development of business incubators and accelerators.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,850	900	14,106

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support development and growth of new technology focussed business start-ups.

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
Process in place for allocation and management of repayable grants.	New measure	New measure	Achieved
Percentage of incubator contracts that are assessed as delivering as agreed.	New measure	New measure	90%
First technology-focussed incubator established.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by Callaghan Innovation 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
Profile of Incubator Operational Funding	2014/15	-	1,000	-	(1,000)	(1,000)
Repayable Grants and Incubator Support Programme	2014/15	-	4,556	4,556	4,556	4,556
Accelerator Programme	2013/14	750	750	750	-	-
International Growth Package	2013/14	3,100	7,800	10,200	10,200	10,200

Reasons for Change in Appropriation

The increased appropriation is a result of the phased funding increase for the International Growth Package initiative, funding for the Accelerator programme and the transfer of the Incubator Support Programme from Vote Economic Development and Employment.

Research and Development Growth Grants (M84)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Research and Development Growth Grants (M84) This appropriation is limited to co-funding for private businesses to invest in a multi-year programme of research and development. Commences: 01 July 2013 Expires: 30 June 2017	Original Appropriation	393,000
	Adjustments to 2012/13	-
	Adjustments for 2013/14	-
	Adjusted Appropriation	393,000
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	65,100
	Estimated Actual for 2014/15	96,600
	Estimated Appropriation Remaining	231,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support established businesses doing research and development to grow further and faster through additional investment in research and development.

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 businesses receiving a grant that maintains or increases their research and development expenditure over the grant period.	70%	70%	70%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
Rephase of MYA	2013/14	(25,800)	-	13,350	12,450	-
International Growth Package	2013/14	90,900	96,600	101,500	104,000	-

Reasons for Change in Appropriation

The increased appropriation is a result of changing the indicative spending profile of the International Growth Package initiative.

Research Contract Management (M84)

Scope of Appropriation

This appropriation is limited to selection of research, science and technology-related organisations and individuals for either the provision of research, science and technology outputs, or the award of grants; and negotiate, manage and monitor appropriate contracts with those organisations or individuals.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,092	6,092	6,227

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure contractual arrangements are being met, contributing to improved business capability and higher levels of innovation.

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			
Monitor and assess reporting from the funding and investment agents against the contractual agreements.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Health Research Council	3,195	3,195	-	See above	As per contracts
Royal Society of New Zealand	2,729	2,729	2,729	See above	As per contracts
Fulbright New Zealand	138	138	-	See above	As per contracts

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 to Departmental funding to implement National Science Challenges	2013/14	(135)	-	-	-	-
Amalgamation of Ministry of Research, Science and Technology and Foundation of Research, Science and Technology	2011/12	2,000	2,000	2,000	2,000	2,000

Conditions on Use of Appropriation

Reference	Conditions
Output agreements or contracts with FIAs	Funds the contract administration undertaken by Health Research Council (HRC), Royal Society of New Zealand (RSNZ), and Fulbright New Zealand.

Targeted Business Research and Development Funding (M84)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Targeted Business Research and Development Funding (M84) This appropriation is limited to co-funding for private businesses to undertake research and development projects and for funding students to work in research and development active businesses. Commences: 01 July 2013 Expires: 30 June 2017	Original Appropriation	173,000
	Adjustments to 2012/13	-
	Adjustments for 2013/14	(2,250)
	Adjusted Appropriation	170,750
	Actual to 2012/13 Year End	-
	Estimated Actual for 2013/14	35,600
	Estimated Actual for 2014/15	44,900
	Estimated Appropriation Remaining	90,250

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support established businesses to grow further and faster through investment in Research and Development.

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			
Percentage of maturing research and development contracts that are assessed as delivering as agreed.	Updated measure	Updated measure	90%
Funds invested in active student internships.	New measure	New measure	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
Rephase of MYA	2013/14	(12,750)	-	5,650	7,100	-
Transfer funding to Repayable Grants for Start Ups to assist the Accelerator programme	2013/14	(2,250)	-	-	-	-
International Growth Package	2013/14	50,600	44,900	40,000	37,500	-

Reasons for Change in Appropriation

The increased appropriation is a result of changing the indicative spending profile and assistance for the Accelerator programme. This is offset by the funding profile of the International Growth Package initiative.

Vision Mātauranga Capability Fund (M84)

Scope of Appropriation

This appropriation is limited to the development of skilled people and organisations undertaking research that supports the four themes of Vision Mātauranga; indigenous innovation, environmental sustainability, health and social well being, and exploring indigenous knowledge.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,417	3,217	6,567

What is Intended to be Achieved with this Appropriation

This appropriation supports development of skilled people and organisations undertaking research supporting four themes of Vision Mātauranga. This contributes to improved 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

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

Note 1 - Assessment criteria for the Vision Mātauranga capability fund are predetermined.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Health Research Council	1,982	1,982	1,982	See above	As per contracts
Callaghan Innovation	-	17	34	See above	As per contracts
Crown Research Institutes	310	153	343	See above	As per contracts

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
Fellowships for Excellence	2013/14	(150)	-	-	-	-
Accommodate Future Investment Processes	2012/13	600	600	600	-	-
Science Priorities for Research, Science and Technology	2010/11	5,967	5,967	5,967	5,967	5,967

Reasons for Change in Appropriation

The increased appropriation is a result of a one-off transfer in 2013/14 to Fellowships for Excellence appropriation.

3.4 - Non-Departmental Other Expenses**Advanced Network Capacity (M84)***Scope of Appropriation*

This appropriation is limited to a grant to contribute to the operation of the Kiwi Advanced Research and Education Network ensuring advanced network capacity that will underpin New Zealand research.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,000	4,000	4,000

What is Intended to be Achieved with this Appropriation

This appropriation provides a grant to the Kiwi Advanced Research and Education Network to provide advanced network capacity to underpin New Zealand research, contributing to improved business capability and higher levels of innovation.

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			
Grant made to Research and Education Advanced Network New Zealand in accordance with Crown funding agreement.	Achieved	Achieved	Achieved
Monitor and assess reporting from Research and Education Advanced Network New Zealand against the Crown funding agreement.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Research and Education Advanced Network New Zealand (REANNZ) 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
Release of the Research Infrastructure Contingency	2013/14	4,000	4,000	4,000	4,000	4,000

Australian Synchrotron (M84)

Scope of Appropriation

This appropriation is limited to a grant being New Zealand Government's contribution to the operation of a synchrotron located in Victoria, Australia.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	983	983	7,500

What is Intended to be Achieved with this Appropriation

This appropriation contributes to the operation of a synchrotron located in Victoria Australia, contributing 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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grant made to New Zealand Synchrotron Group in accordance with Crown funding agreement.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Science and Innovation in a report appended to the Ministry of Business, Innovation and Employment 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
Upgrade and New Development of Australian Synchrotron	2013/14	(6,517)	6,517	-	-	-
Fund RV Tangaroa Operating Costs	2014/15	-	(517)	(517)	-	-
Future Research Infrastructure and Marine Research Strategy priorities	2013/14	(1,100)	-	-	-	-
Future operations of New Zealand's deep water Research Vessel Tangaroa	2013/14	(400)	-	-	-	-
To align appropriation with the Crown Payments schedule	2012/13	7,500	-	-	-	-
New Zealand's contribution to the Australian Synchrotron	2012/13	1,500	1,500	1,500	1,500	1,500

Reasons for Change in Appropriation

The increased appropriation is mainly due to the upgrade and new development of Australian Synchrotron transfer of funding from 2013/14 to 2014/15.

Conditions on Use of Appropriation

Reference	Conditions
	The Minister of Finance and the Minister for Science and Innovation to jointly approve the draw-down of the Australian Synchrotron funding, following submission of a satisfactory business case.

Convention Du Metre (M84)*Scope of Appropriation*

This appropriation is limited to the payment of New Zealand's annual subscription to the Convention du Metre.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	135	100	135

What is Intended to be Achieved with this Appropriation

This appropriation provides for the annual subscription to the Convention du Metre, contributing to the improved business capability and higher levels of innovation.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s 15D(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.

Conditions on Use of Appropriation

Reference	Conditions
Ratification of the convention for use of the international metric measurement system.	New Zealand meets all obligations anticipated by the convention; including participation in the governing forum established in France and administered by the Bureau International des Poids et Mesures (BIPM).

Genomics Research Infrastructure (M84)

Scope of Appropriation

This appropriation is limited to a grant to contribute towards the purchase and operation of infrastructure that will support genomics research.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	3,600

What is Intended to be Achieved with this Appropriation

This appropriation contributes to the purchase and operation to support genomics research, contributing to improved business capability and higher levels of innovation.

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			
Grant made to New Zealand Genomics Limited in accordance with Crown Funding Agreement.	-	-	Achieved
Monitor and assess reporting from New Zealand Genomics Limited to assess its effectiveness and efficiency in providing genomics infrastructure and services.	-	-	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Science and Innovation in a report appended to the Ministry of Business, Innovation and Employment 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
NZ Genomics Limited Rephase	2012/13	(4,800)	(400)	8,725	-	-
Actuals at MoRST dissolution	2010/11	4,800	4,000	4,000	4,000	4,000

Reasons for Change in Appropriation

Existing funds held by New Zealand Genomics Ltd were sufficient to fund activities in 2013/14. Requirement for further funding re-commenced in 2014/15.

International Relationships (M84)*Scope of Appropriation*

This appropriation is limited to grants for international research relationships.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,727	7,127	9,451

What is Intended to be Achieved with this Appropriation

This appropriation provides grants for international research relationships, contributing 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

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.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing contracts assessed against contract outputs.	New measure	New measure	100%

Note 1- Assessment criteria for the international relationships fund are predetermined.

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Health Research Council	1,020	1,040	900	See above	As per contracts
Royal Society of New Zealand	2,477	1,373	1,373	See above	As per contracts
Crown Research Institutes	1,503	547	331	See above	As per contracts

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
Alignment of funding to the requirement of International Programmes	2013/14	(1,824)	100	900	824	-
Transfer to establish the China Science and Innovation Counsellor Budget	2013/14	(700)	(700)	(700)	(700)	(700)
Business Research and Development and Commercialisation BEFU 2011	2011/12	(400)	-	-	-	-
Science Priorities for Research, Science and Technology	2010/11	11,758	11,758	11,758	11,758	11,758

Reasons for Change in Appropriation

The increased appropriation is mainly due to:

- a movement of \$1.824 million from 2013/14 to 2014/15, 2015/16 and 2016/17 to reflect the alignment of funding with International Programmes
- funding of \$700,000 has been transferred to departmental funding for the China counsellor, and
- a transfer of \$600,000 from 2012/13 to 2013/14 will not occur this year.

Māori Innovation Fund (M46)*Scope of Appropriation*

This appropriation is limited to a contestable Fund to invest in initiatives that contribute to the achievement of the economic goals and priorities in He Kai Kei Aku Ringa and the Business Growth Agenda.

Expenses

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

What is Intended to be Achieved with this Appropriation

This appropriation is intended to identify and develop opportunities for leveraging Māori assets and addressing capability issues identified through the business case development process.

How Performance will be Assessed and End of Year Reporting Requirements

Performance information is being developed and will be provided in the 2014/15 Supplementary Estimates.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Māori Affairs 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 the appropriation from Vote Māori Affairs	2014/15	-	2,000	2,000	2,000	2,000

National eScience Infrastructure (M84)*Scope of Appropriation*

This appropriation is limited to a grant to contribute to the operation of the National eScience Infrastructure, including high-performance computational infrastructure and associated eScience services, that will support New Zealand research.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,773	9,773	7,182

What is Intended to be Achieved with this Appropriation

This appropriation provides for eScience infrastructure that supports research, contributing to improved business capability and higher levels of innovation.

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			
Grant made to National eScience Infrastructure in accordance with Crown funding agreement.	Achieved	Achieved	Achieved
Monitor and assess reporting from the National eScience Infrastructure against the Crown funding and associated contractual agreements.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Science and Innovation in a report appended to the Ministry of Business, Innovation and Employment 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
Re-phase of contract payments	2012/13	2,591	-	-	-	-
New Zealand eScience Infrastructure (NeSI) Cabinet decision	2010/11	7,182	7,182	7,182	7,182	7,182

Reasons for Change in Appropriation

The decreased appropriation is a result of a one-off transfer from 2012/13 to 2013/14 reflecting a re-phase of contract payments.

Conditions on Use of Appropriation

Reference	Conditions
	Regular (four-yearly) reviews of performance and value for money will be carried out by the Ministry.

Royal Society of New Zealand (M84)

Scope of Appropriation

This appropriation is limited to an annual grant to the Royal Society of New Zealand to contribute towards the Society's aims and functions under the Royal Society of New Zealand Act 1997 to promote and advance science and technology.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	500	500	500

What is Intended to be Achieved with this Appropriation

This appropriation provides a grant to Royal Society of New Zealand as the Government's contribution to promote and advance science and technology, contributing to improved business capability and higher levels of innovation.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s 15D(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.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	This funding is limited to an annual grant to the Royal Society of New Zealand to contribute towards the Society's aims and function under the Royal Society of New Zealand Act 1997 to promote and advance science and technology.

Science Collections and Infrastructure (M84)*Scope of Appropriation*

This appropriation is limited to grants to contribute to the maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,760	5,760	7,898

What is Intended to be Achieved with this Appropriation

This appropriation provides grants to maintain and retain databases, collections and significant infrastructure for research purposes, contributing to improved business capability and higher levels of innovation.

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			
Grants made to maintain and retain databases, collections and significant infrastructure dedicated to research purposes.	Achieved	Achieved	Achieved
Monitor and assess reporting from the investment agents against the contractual agreements.	Achieved	Achieved	Achieved

End of Year Performance Reporting

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

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Crown Research Institutes	5,500	5,500	7,637	See above	As per contracts

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
NZ Ocean Survey 20/20 Programme	2014/15	-	2,071	2,071	2,071	2,071
RV Tangaroa Operating Costs	2014/15	-	517	517	-	-
Rephase funding to align with Research Infrastructure and Marine Research priorities	2013/14	(1,100)	550	550	-	-
Future Research Infrastructure and Marine Research Strategy priorities	2013/14	1,100	-	-	-	-
Transfer to assist with future operations of New Zealand's deep water RV Tangaroa	2013/14	400	-	-	-	-
Align with 2013/14 contract commitment of Opex costs for RV Tangaroa	2012/13	600	-	-	-	-
Crown Research Institute (CRI) Core Purpose	2011/12	(17,619)	(17,619)	(17,619)	(17,619)	(17,619)
Science Priorities for Research, Science and Technology	2010/11	22,379	22,379	22,379	22,379	22,379

Reasons for Change in Appropriation

The increased appropriation is mainly due to a fiscally neutral adjustment of \$2.071 million to reflect the transfer of the NZ Ocean Survey 20/20 Programme from Vote Lands (Land Information New Zealand), and expense transfers of \$1.067 million for the additional operating costs of RV Tangaroa.

Square Kilometre Array (M84)

Scope of Appropriation

This appropriation is limited to supporting New Zealand's engagement on the Square Kilometre Array project in collaboration with Australia.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	109	109	977

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide the Government's contribution to the Square Kilometre Array (SKA) - a global astronomy radio project. The project will benefit science, economic development, and the information and communications technology (ICT) sectors in New Zealand and provide international linkages. 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 s 15D(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
Transfer of the appropriation from Vote Economic Development and Employment	2013/14	109	977	-	-	-

Reasons for Change in Appropriation

This appropriation was transferred from Vote Economic Development and Employment.

3.5 - Non-Departmental Capital Expenditure**Advanced Technology Institute (M84)***Scope of Appropriation*

This appropriation is limited to capital expenditure to support the establishment and development of an advanced technology institute.

Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	48,110

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide capital to support the purchase or development of assets by and for the use of Callaghan Innovation.

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
Any physical and virtual infrastructure investment is aligned with the overall strategy, mix of services and business engagement model.	New measure	New measure	Achieved
Any major capital project proposal is developed in accordance with published Treasury business case guidance.	New measure	New measure	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Callaghan Innovation 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
Callaghan Innovation Business Planning	2013/14	(27,510)	27,510	-	-	-
Research Teams Restructuring Costs	2013/14	(4,390)	-	-	-	-
Timing of the implementation of Callaghan Innovation	2012/13	11,900	-	-	-	-
Establishment of an Advanced Technology Institute	2012/13	20,000	20,600	23,600	-	-

Reasons for Change in Appropriation

The appropriation for 2014/15 is made up of the Establishment of the Advanced Technology Institute and a transfer from 2013/14 to reflect the business planning needs of Callaghan Innovation.

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

Multi-Category Expenses and Capital Expenditure

Advice and Support on Shaping the Science and Innovation System (M84)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide advice and support to Ministers and leadership in matters of the science and innovation sector.

Scope of Appropriation

Departmental Output Expenses

Policy Advice

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.

Science and Innovation Contract Management

This category is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.

Strategic Leadership in the Science and Innovation Sector

This category is limited to ministerial services and leadership of the science and innovation sector.

Expenses, Revenue and Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	27,154
Departmental Output Expenses			
Policy Advice	-	-	4,836
Science and Innovation Contract Management	-	-	11,174
Strategic Leadership in the Science and Innovation Sector	-	-	11,144
Funding for Departmental Output Expenses			
Revenue from the Crown	-	-	26,604
Policy Advice	-	-	4,836
Science and Innovation Contract Management	-	-	10,624
Strategic Leadership in the Science and Innovation Sector	-	-	11,144
Revenue from Others	-	-	550
Policy Advice	-	-	-
Science and Innovation Contract Management	-	-	550
Strategic Leadership in the Science and Innovation Sector	-	-	-

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Advice and Support on Shaping the Science and Innovation System MCA			
Policy Advice	7,757	7,757	4,836
Science and Innovation Contract Management	11,461	11,461	11,174
Strategic Leadership in the Science and Innovation Sector	8,385	8,385	11,144
Total	27,603	27,603	27,154

The previous MCOA - Advice and Support on Shaping the Science and Innovation System has been converted to an MCA.

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide policy advice and support to Ministers and leadership in matters of the science and innovation sector.

How Performance will be Assessed for this Appropriation

Performance will be assessed by ministerial feedback on policy advice, external review of policy advice, cost of policy advice, timeliness of ministerial service, and assessing proposals and expressions of interest against a set of criteria as specified in the following table for each MCA category.

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
Advice and Support on Shaping the Science and Innovation System			
Departmental Output Expenses			
<i>Policy Advice</i>			
This category is intended to contribute to improved business capability and higher levels of innovation; and improved international flows of people, ideas, investment and trade.			
The satisfaction of the Minister of Science and Innovation 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>Science and Innovation Contract Management</i>			
This category is intended to contribute to improved business capability and higher levels of innovation.			
Applications are processed in accordance with specific guidelines.	Updated measure	Updated measure	100%
Percentage of contracts assessed to achieve their objectives and critical steps.	Updated measure	Updated measure	100%
Maturing science contracts assessed against contract outputs.	Updated measure	Updated measure	100%
<i>Strategic Leadership in the Science and Innovation Sector</i>			
This category is intended to contribute to improved business capability and higher levels of innovation.			
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

Note 1 - Assessment criteria are predetermined. For 2013/14 investment rounds these are criteria set out in the relevant Gazette notice, and in the corresponding Sector Investment Plan and Request for Proposals.

Note 2 - The outputs are those defined in the contract, to be achieved by the end of the contract.

Note 3 - The majority of reviews will be within the science system.

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
MCA - Policy Advice - Savings	2014/15	-	(90)	(90)	(90)	(90)
MCA - Science and Innovation Contract Management - Savings	2014/15	-	(212)	(212)	(212)	(212)
MCA - Strategic Leadership in the Science and Innovation Sector - Savings	2014/15	-	(151)	(151)	(151)	(151)
Advice and Support on Shaping the Science and Innovation System MCOA - Vote Realignment	2013/14	(1,670)	-	-	-	-
MCOA Policy Advice - Creation of Policy Advice output class	2012/13	4,875	4,971	5,077	5,077	5,077
MCOA Policy Advice - Efficiency Savings	2012/13	(58)	(45)	(39)	(39)	(39)
MCOA Strategic Leadership in the Science and Innovation Sector - Efficiency Savings	2012/13	(530)	(625)	(568)	(568)	(568)

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
MCOA Strategic Leadership in the Science and Innovation Sector - Creation of Policy Advice output class	2012/13	(4,858)	(5,215)	(5,183)	(5,183)	(5,183)
MCOA Science and Innovation Contract Management - Administration of National Science Challenges	2012/13	500	500	500	500	500
MCOA Science and Innovation Contract Management - Reduction of Contract Management other revenue	2011/12	(500)	(500)	(500)	(500)	(500)
MCOA Science and Innovation Contract Management - Creation of Policy Advice output class	2012/13	(403)	(321)	(384)	(384)	(384)
MCOA Science and Innovation Contract Management - Efficiency Savings	2012/13	(17)	244	106	106	106
MCOA Strategic Leadership in the Science and Innovation Sector - Realignment of Departmental output expenses	2011/12	4,433	4,433	4,433	4,433	4,433
MCOA Science and Innovation Contract Management - Realignment of Departmental output expenses	2011/12	(4,433)	(4,433)	(4,433)	(4,433)	(4,433)
MCOA Strategic Leadership in the Science and Innovation Sector - adjustment for rate change for capital charge	2011/12	326	326	326	326	326
MCOA Science and Innovation Contract Management - adjustment for rate change for capital charge	2011/12	445	445	445	445	445
MCOA Science and Innovation Contract Management - Technology Transfer - Global Technology Partnership	2011/12	400	400	400	400	400
MCOA Science and Innovation Contract Management - Technology Transfer - science/business collaboration	2010/11	1,180	1,180	1,180	1,180	1,180
MCOA Science and Innovation Contract Management - establish MSI	2010/11	17,758	17,758	17,758	17,758	17,758
MCOA Strategic Leadership in the Science and Innovation Sector	2010/11	14,178	14,178	14,178	14,178	14,178
MCOA Contract Management - establish MSI	2010/11	(1,089)	(1,089)	(1,089)	(1,089)	(1,089)
MCOA Policy Advice - establish MSI	2010/11	(13,702)	(13,702)	(13,702)	(13,702)	(13,702)
MCOA Policy Advice CRI policy capability	2010/11	1,000	1,000	1,000	1,000	1,000

Reasons for Change in Appropriation

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

Policy Advice

The decreased appropriation from the previous equivalent appropriation is mainly due to a fiscally neutral adjustment of \$2.500 million in 2013/14 as a result of a Vote realignment exercise across MBIE to reflect implementation of one cost allocation methodology.

Science and Innovation Contract Management

The decreased appropriation from the previous equivalent appropriation is mainly due to a fiscally neutral adjustment of \$600,000 in 2013/14 as a result of a Vote realignment exercise across MBIE to reflect implementation of one cost allocation methodology.

Strategic Leadership in the Science and Innovation Sector

The increased appropriation from the previous equivalent appropriation is mainly due to a negative fiscally neutral adjustment of \$4.770 million in 2013/14 as a result of a Vote realignment exercise across MBIE to reflect implementation of one cost allocation methodology, partially offset by a retention of underspend from 2012/13 to 2013/14 of \$1.700 million.