

Reference: 20160274

10 November 2016



Thank you for your Official Information Act request, received on 21 July 2016. You requested the following:

- “1. Copies of all correspondence that Treasury has received since 1 January 2016 from Hon Steven Joyce MP (in any ministerial capacity) or his office in relation to Science and Innovation appropriations or categories contained in Vote, Business, Science and Innovation in Budget 2016.*
- 2. Copies of all correspondence that Treasury has received since 1 January 2016 from the Minister of Finance or his office in relation to in relation to Science and Innovation appropriations or categories contained in Vote, Business, Science and Innovation in Budget 2016.*
- 3. Copies of all correspondence that Treasury has received since 1 January 2016 from the Ministry for Business, Innovation and Employment (MBIE) in relation to Science and Innovation appropriations or categories contained in Vote, Business, Science and Innovation in Budget 2016.*
- 4. Copies of all papers, briefings, reports, letters, emails or memoranda that Treasury has sent to Hon Steven Joyce MP (in any ministerial capacity) or his office, the Minister of Finance or his office, or MBIE since 1 January 2016 in relation to Science and Innovation appropriations or categories contained in Vote, Business, Science and Innovation in Budget 2016.*
- 5. Copies of all papers, briefings, reports, or memoranda that Treasury has produced since 1 January 2016 pertaining to Science and Innovation appropriations or categories contained in Vote, Business, Science and Innovation in Budget 2016.”*

On 16 August 2016 I extended the deadline for responding to your request by 30 working days. I apologise for the delay in this response.

Information Being Released

Please find enclosed the following documents:

Item	Date	Document Description	Proposed Action
1.	28 January 2016	Email: MBU New Appropriation	Release in full
2.	23 February 2016	Email and attachments: Vote S+I appropriation changes	Release in part
3.	26 February 2016	Email: Re: Vote S+I appropriation changes	Release in part
4.	26 February 2016	Email: Re: Vote S+I appropriation changes	Release in part
5.	26 February 2016	Email: FW: Minister's feedback: 20142 15-16 Science and Innovation Appropriation	Release in part
6.	26 February 2016	Email: Re: Following up on our phone conversation	Release in part
7.	29 February 2016	Email: Updated Treasury Wording for Briefing	Release in full
8.	29 February 2016	Email and attachment: Appropriation Restructure S&I	Release in part
9.	1 March 2016	Email: FW 2212 15 16 Science and Innovation Appropriation Restructure Follow up	Release in part
10.	4 March 2016	Email: Follow up on Collections/Databases and Infrastructure	Release in part
11.	15 March 201	Email Re: CRI core funding issue	Release in part
12.	16 March 201	Email Re; Budget 2016 – Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio	Release in part
13.	23 March 2016	Email and attachment: FW: Signed with feedback 2466 15-16 Budget 2016 Draft Information for inclusion in the Estimates of Appropriations for the SandI Portfolio	Release in part
14.	23 March 2016	Email: FW: Capital Appropriation Balance of \$59.4m - Phasing	Release in part
15.	23 March 2016	Email Re: Question about Technical initiative	Release in full

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including deceased people, and
- names and contact details of junior officials, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions.

Information Publicly Available

The following information is also covered by your request and will soon be publicly available on the MBIE website:

Item	Date	Document Description	Website Address
16.	1 February 2016	Briefing: Science and Innovation Appropriation Restructure Proposals	http://www.mbie.govt.nz/info-services/science-innovation/innovative-new-zealand/budget-2016-funding
17.	29 February 2016	Briefing: Science and Innovation Appropriation Restructure Follow Up	http://www.mbie.govt.nz/info-services/science-innovation/innovative-new-zealand/budget-2016-funding
18.	18 March 2016	Briefing: Budget 2016: Draft 2015/16 Supplementary Estimates and the draft 2016/17 Estimates of Appropriations for the Science and Innovation Portfolio	http://www.mbie.govt.nz/info-services/science-innovation/innovative-new-zealand/budget-2016-funding

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

Some relevant information has been removed from documents listed in the above table and should continue to be withheld under the Official Information Act, on the grounds described in the documents.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This fully covers the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Matthew Gilbert
Manager - Economic Performance & Strategy, Regulatory Quality

Information for Release

TOIA 20160274

1.	Email: MBU - New Appropriation	1
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From: Keli Leaupepe <Keli.Leaupepe@companies.govt.nz>
Sent: Thursday, 28 January 2016 9:43 a.m.
To: Jonathan Williams [TSY]
Cc: Simon Litten
Subject: MBU - New Appropriation [IN-CONFIDENCE:RELEASE EXTERNAL]

Hi Jonathan,

This is to give you a heads up that we will be submitting FNAs' (amounts to be confirmed later) from 6 existing Contestable Funds to the one single Fund as approved at OBU 2015.

I will make the necessary core data changes in CFIS at some stage today.

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Recommendations

I recommend that you:

1. **note** Cabinet has agreed to merge the six Science and Innovation portfolio non-departmental appropriations covering sector contestable research funds into one all-encompassing research fund to create a single, more agile and responsive fund directed at higher risk research [EGI-15-MIN-0012 and CAB-15-MIN-0030 refer];
2. **agree** to establish the following new appropriation and the scope statement:

Vote	Appropriation Minister	Title	Type	Scope
Business, Science and Innovation	Minister of Science and Innovation	Science and Innovation Contestable Research Fund	Non-Departmental Output Expense	This appropriation is limited to research, science or technology, and related activities that have the potential for excellence and long-term impact for New Zealand's economy, society or environment.

3. **note** that as the contributing contestable funds have non-contestable components, which may require the establishment of other appropriations, the transfer of appropriations will be included as part of the 2016 March Baseline Update;
4. **agree** the changes to 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20 baselines as set out in the Table 2: Baseline Change Report;
5. **approve** all other the changes to appropriations and capital injections to Ministry of Business, Innovation and Employment and consequential changes to 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20 baselines, as set out in the Table 2: Baseline Change Report;
6. **agree** that all proposed changes to appropriations and capital injections for 2015/16 be included in the 2015/16 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply.

Signed



Hon Steven Joyce

Responsible Minister for Vote Business, Science and Innovation
Minister for Economic Development
Minister of Science and Innovation

Please let me know if you have any questions.

Many thanks,
Keli

Keli Leaupepe

MANAGEMENT ACCOUNTANT

Finance Practice and Performance Team, Finance and Performance Group
Ministry of Business, Innovation & Employment

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Tuesday, 23 February 2016 3:34 p.m.
To: Jonathan Williams [TSY]
Cc: Sebastian Doelle [TSY]
Subject: Vote S+I appropriation changes [UNCLASSIFIED]
Attachments: Appropriation restructure follow up.docx; Applied Research Fund.docx; Strategic Investment Fund MCA.docx; Talent and Science Promotion MCA.docx; Contract Management MCA.docx; Health Research Council.docx

Hi Jonathan

Apologies as this has taken me slightly longer to get together than expected. I've attached a draft of our briefing to our Minister asking for his agreement on appropriation titles, scopes and intentions for the science and innovation portfolio. I've also attached some more detailed info on the appropriations and measures.

I really need to get this briefing up to our Minister at the end of the week so would appreciate your feedback on the appropriation titles, scopes and intentions by COP Thursday 25 Feb.

A few things to note:

- I've struggled a bit with performance measures on the MCAs. I'm suggesting that we potentially go with monitoring the performance of the categories, until we've done the work on the system performance report. Once that's done, we can align the Estimates measures with the system performance measures.
- Some of the measures I've just copied and pasted over from our old measures. I know that Audit has some issues with one of them. I'm going to do a bit more work on that this week.

Cheers,
Philippa

Philippa Yasbek
DIRECTOR

Science, Innovation & International Branch; Labour, Science and Enterprise Group
Ministry of Business, Innovation & Employment

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BRIEFING

Science and Innovation Appropriation Restructure Follow Up

Date:	22 February 2016	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2212 15-16

Action sought		
	Action sought	Deadline
Hon Steven Joyce Minister of Science and Innovation	Agree to the proposed titles and scopes of new Science and Innovation appropriations.	[Date response required]

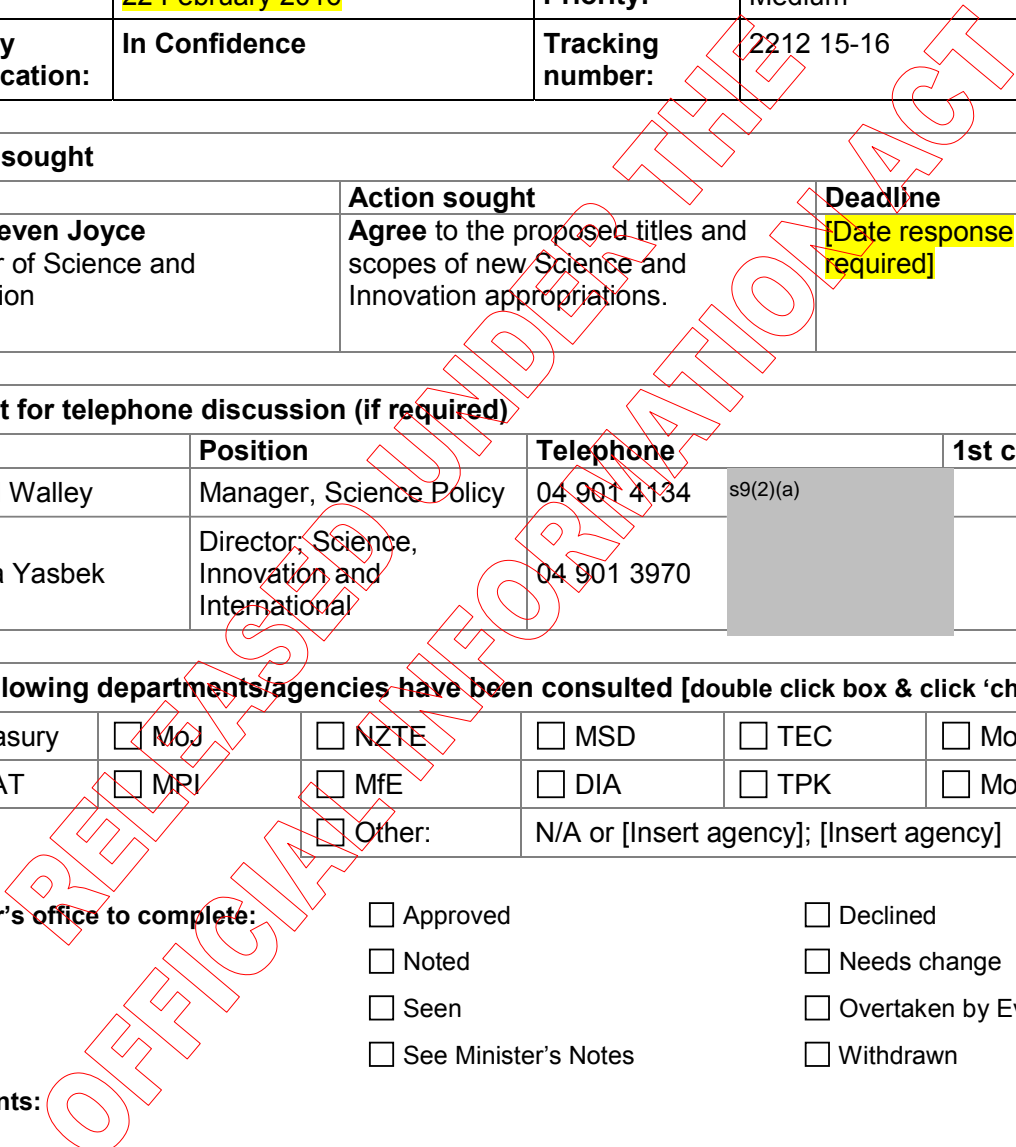
Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Richard Walley	Manager, Science Policy	04 901 4134	✓
Philippa Yasbek	Director, Science, Innovation and International	04 901 3970	

The following departments/agencies have been consulted [double click box & click 'checked']					
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input type="checkbox"/> MSD	<input type="checkbox"/> TEC	<input type="checkbox"/> MoE
<input type="checkbox"/> MFAT	<input type="checkbox"/> MRI	<input type="checkbox"/> MfE	<input type="checkbox"/> DIA	<input type="checkbox"/> TPK	<input type="checkbox"/> MoH
<input type="checkbox"/> Other:			N/A or [Insert agency]; [Insert agency]		

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments:



BRIEFING

Science and Innovation Appropriation Restructure Follow Up

Date:	22 February 2016	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2212 15-16

Purpose

This briefing suggests new titles, scopes and purpose statements for the new Science and Innovation portfolio appropriations.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Agree** to the titles, scopes and purpose statements for new appropriations, as set out in the paper.

Agree / Disagree

Richard Walley
Manager, Science Policy
Labour, Science and Enterprise, MBIE

..... / /

Hon Steven Joyce
Minister of Science and Innovation

..... / /

Background

1. We briefed you on a high-level proposal to change the structure of the Science and Innovation appropriations [MBIE 2042 15-16 refers]. You agreed the overall direction and raised some questions about whether there should be a strategic investment category covering infrastructure and core funding. We have briefed you separately on the latter question. This note deals with all the necessary changes to appropriation titles, scopes and purposes.

New appropriation titles and scopes

2. The new appropriation structure (updated and outlined in Annex One) requires the creation of new appropriations. Set out below are our suggestions for the titles and scopes of these new appropriations.

2212 15-16

InConfidence

1

Science and Innovation Contract Management MCA

3. We are proposing the creation of a new MCA combining the following two existing appropriations:
- Science and Innovation: Science and Innovation Contract Management
This appropriation is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.
 - Science and Innovation: Research Contract Management
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.
4. The existing titles and scopes of these two appropriations will become the new category titles and scopes. We propose the following title, purpose statement and intention for the new MCA:

Science and Innovation: Contract Management MCA

Overarching purpose statement

The single overarching purpose of this appropriation is to enhance the impact science, technology and research has on New Zealand through the allocation of funds and the management of those funding contracts.

Intention

This appropriation is intended to achieve efficient and effective management of the science system.

Science and Innovation: Talent and Science Promotion MCA

5. We are proposing the creation of a new MCA combining the following four existing appropriations:
- Science and Innovation: Engaging New Zealanders with Science and Technology
This appropriation is limited to engaging New Zealanders with science and technology through approaches determined by the Minister.
 - Science and Innovation: Vision Mātauranga Capability Fund
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.
 - Science and Innovation: Fellowships for Excellence
This appropriation is limited to encouraging the career development of the country's talented early and mid-career researchers.
 - Science and Innovation: Royal Society of New Zealand
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.
6. The existing titles and scopes of these four appropriations will become the new category titles and scopes. We propose the following title, purpose statement and intention for the new MCA:

Science and Innovation: Talent and Science Promotion MCA

Overarching purpose statement

The single overarching purpose of this appropriation is to contribute to an excellent, high-performing science system through engagement with the public and the development of talented people.

Intention

This appropriation is intended to achieve high-quality engagement between scientists and the public, contributing to the development of talented individuals.

Callaghan Innovation MCA

7. Callaghan Innovation have requested the creation of an MCA for their four appropriations. The existing titles and scopes of these four appropriations will become the new category titles and scopes. The proposed title, purpose statement and intention for the MCA are:

Science and Innovation: Callaghan Innovation – Operations MCA

Overarching Purpose Statement

The single overarching purpose of this appropriation is to accelerate the commercialisation of innovation by New Zealand businesses. We grow New Zealand's innovation economy by helping businesses succeed through technology.

Intention

This appropriation is intended to achieve more high value manufacturing sector businesses successfully developing new and improved products, processes and services by delivering innovation services to businesses and building New Zealand's innovation capability.

Strategic Investment Fund MCA

8. Following on from our briefing note [2256 15-16] and discussion of the Strategic Investment Fund, we propose the following MCA:

Science and Innovation: Strategic Investment Fund MCA

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support programmes of mission-led science and the platforms that support them.

Intention

This appropriation is intended to achieve excellent research programmes and infrastructure.

Category: Strategic Investment Fund: Programmes

Scope

This category is limited to funding for Crown Research Institutes and Independent Research Organisations to undertake mission-led research programmes.

Intention

This category is intended to achieve the support of longer-term underpinning programmes of mission-led science critical to the future of New Zealand's economy, environment and wellbeing.

Category: Strategic Investment Fund: Platforms**Scope**

This category is limited to funding to enable researchers to access specialist technology, facilities, infrastructure, collections and databases.

Intention

This category is intended to achieve access for researchers to access resources and information that require large, national-level, multi-user investments.

Contestable Fund set-up

9. In the October Baseline Update, you agreed to the creation of a new appropriation for the Contestable Research Fund. As a result, we need to establish two new appropriations for health research, and residual activities that do not fit within the scope of the Contestable Research Fund.
10. We propose the following appropriation title and scope statement for health research:

Science and Innovation: Health Research Fund

Scope

This appropriation is limited to research and research applications to improve the health of New Zealanders.

Intention

This appropriation is intended to achieve an improvement in the health of New Zealanders through health research.

11. We have reviewed the contracts and activities in the six existing sectoral research funds. In our view the:
 - existing Partnerships contracts,
 - allowance for the Food Safety Science Research Centre,
 - Pre-Seed Accelerator Fund,
 - Network of National Commercialisation Centres,
 - Envirolink, and
 - the contract for the Christchurch Innovation Hub

fall outside of the intended parameters of the Contestable Fund. They should be placed in to a new appropriation focussed on end-user led research, technology transfer and commercialisation. We propose the following appropriation title, scope and purpose:

Science and Innovation: Applied Research Fund

Scope

This appropriation is limited to research commissioned by end-users, and the application of research by end-users.

Intention

This appropriation is intended to achieve greater connections between researchers and end-users.

Funding changes

12. The setting up of the Contestable Fund and the Strategic Investment Fund require changes to appropriations. These are set out in the following table: **Table to be inserted**

Next steps

13. Once you have approved the appropriation titles and scopes, they will be loaded in to CFISNet. You will then have an opportunity to review the appropriations and their measures in the Estimates documents.

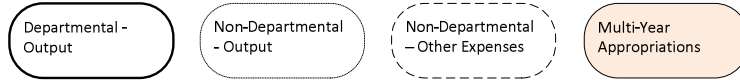
Annexes

Annex 1: Science and Innovation appropriations

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Annex One: Science and Innovation Restructure Concept Proposals

Vote Business, Science and Innovation – Science and Innovation Proposed Structural Changes



2015/16 Estimates Structure

Concept Structure

Science and Innovation: Biological Industries Research (M84)
Size: \$92.2m
Number of measures: 3
Achievement: An improvement in productivity and sustainability for New Zealand's primary sector through research, science, technology and related activities
Scope: 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

Science and Innovation: Environmental Research (M84)
Size: \$31.5m
Number of measures: 3
Achievement: An improvement in the management, protection and enhancement of New Zealand's natural resources research, science, technology and related activities
Scope: 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

Science and Innovation: High Value Manufacturing and Services Research (M84)
Size: \$64.0m
Number of measures: 3
Achievement: An improvement in New Zealand's manufacturing and services sector through research, science, technology and related activities
Scope: Research and research applications to develop new technologies, novel materials, and new products, processes and services for the manufacturing and technology sectors

Science and Innovation: Energy and Minerals Research (M84)
Size: \$13.8m
Number of measures: 3
Achievement: An improvement in mineral extraction and energy security, and efficient and affordable energy use through research, science, technology and related activities
Scope: Research and research applications to improve mineral extraction, improve energy security and to obtain efficient and affordable energy use

Science and Innovation: Hazards and Infrastructure Research (M84)
Size: \$11.4m
Number of measures: 3
Achievement: An improvement in the durability and sustainability of New Zealand's urban and rural settlements through research, science, technology and related activities
Scope: Research and research applications to support hazard management and improve the durability of NZ urban and rural settlements

Science and Innovation: Health and Society Research (M84)
Size: \$87.1m
Number of measures: 4
Achievement: An improvement in the health and social well-being of New Zealanders through research, science, technology and related activities
Scope: Research and research applications to improve the health and social well-being of New Zealanders

Science and Innovation: Science and Innovation Contract Management (M84)
Size: \$20.2m
Number of measures: 3
Achievement: Efficient and effective allocation and contracting of research, science and technology grants to maximise their returns to New Zealand
Scope: Contract management, planning, monitoring and evaluating science and innovation outputs and impacts

Science and Innovation: Research Contract Management (M84)
Size: \$6.2m
Number of measures: 1
Achievement: Assurance that contractual arrangements are met
Scope: 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

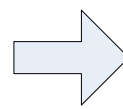
Science and Innovation: Convention Du Metre (M84)
Size: \$0.1m
Number of measures: 0
Achievement: The provision of the annual subscription to the Convention du Metre
Scope: Payment of New Zealand's annual subscription to the Convention du Metre

Science and Innovation: MBIE Contestable Research Fund (M84)
Size: \$tbc
Scope: This appropriation is limited to research, science or technology, and related activities that have the potential for excellence and long-term, impact for New Zealand's economy, society or environment.
Achievement: Being Developed

Science and Innovation: Applied Research Fund (M84)
Size: \$TBC
Scope: Being Developed
IRO Capability, Partnerships, CPN and PSAF (Leftover from consolidated MBIE Contestable Fund)

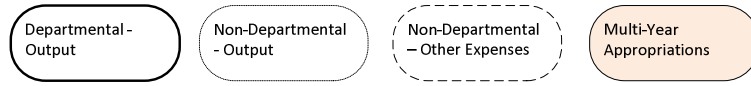
Science and Innovation: Health Research Fund (M84)
Size: \$TBC
Scope: Being Developed
Achievement: Being Developed

Science and Innovation: Contract Management MCA (M84)
Size: \$xm
Purpose Statement: Being Developed
Achievement: Being Developed
2 Categories made out of pre existing appropriations.



Incorporate into a cross portfolio appropriation for international subscriptions and membership fees

Vote Business, Science and Innovation – Science and Innovation Proposed Structural Changes



2015/16 Estimates Structure

Concept Structure

Science and Innovation: Engaging New Zealanders with Science and Technology (M84)
Size: \$11.2m
Number of measures: 1
Achievement: Increased engagement by New Zealanders with science and technology
Scope: Engaging New Zealanders with science and technology through approaches determined by the Minister

Science and Innovation: Vision Mātauranga Capability Fund (M84)
Size: \$6.6m
Number of measures: 3
Achievement: Development of skilled people and organisations undertaking research supporting four themes of Vision Mātauranga
Scope: 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

Science and Innovation: Fellowships for Excellence (M84)
Size: \$11.6m
Number of measures: 1
Achievement: An improvement in career development opportunities for New Zealand's early to mid-career researchers
Scope: Encouraging the career development of the country's talented early and mid-career researchers

Science and Innovation: Royal Society of New Zealand (M84)
Size: \$0.5m
Number of measures: 0
Achievement: Ability for the Royal Society of New Zealand to deliver on its core functions
Scope: 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

Science and Innovation: Advanced Network Capacity (M84)
Size: \$4.0m
Number of measures: 2
Achievement: Improvement in innovation, knowledge and learning by connecting New Zealand research and education networks to each other and the world through an advanced research and education network
Scope: 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

Science and Innovation: Australian Synchrotron (M84)
Size: \$7.5m
Number of measures: 1
Achievement: A contribution to the operation of a synchrotron located in Victoria, Australia
Scope: A grant being New Zealand Government's contribution to the operation of a synchrotron located in Victoria, Australia

Science and Innovation: Genomics Research Infrastructure (M84)
Size: \$12.7m
Number of measures: 2
Achievement: Improvement in access for New Zealand scientists to genomics infrastructure and expertise to enhance innovation, economic development and international competitiveness
Scope: A grant to contribute towards the purchase and operation of infrastructure that will support genomics research

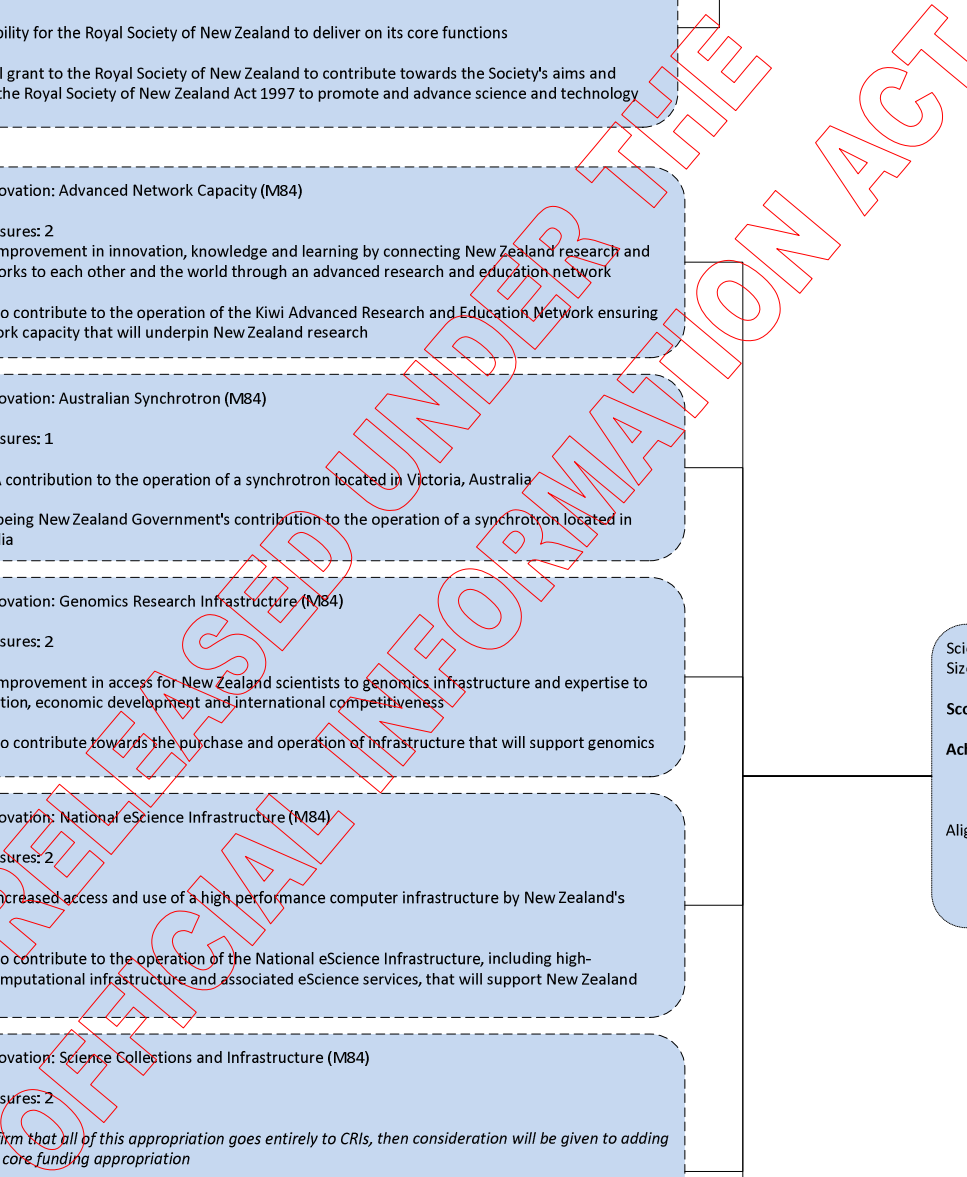
Science and Innovation: National eScience Infrastructure (M84)
Size: \$7.2m
Number of measures: 2
Achievement: Increased access and use of a high performance computer infrastructure by New Zealand's research sector
Scope: A grant to contribute to the operation of the National eScience Infrastructure, including high-performance computational infrastructure and associated eScience services, that will support New Zealand research

Science and Innovation: Science Collections and Infrastructure (M84)
Size: \$7.9m
Number of measures: 2
Note: if we confirm that all of this appropriation goes entirely to CRIs, then consideration will be given to adding this into the CRI core funding appropriation
Achievement: Improvement in the access to science and research information through maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes
Scope: Grants to contribute to the maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes

Science and Innovation: Square Kilometre Array (M84)
Size: \$0.8m
Number of measures: 0
Achievement: Improved benefits for New Zealand's science, economic development, and the Information and Communications Technology (ICT) sector through access to the Square Kilometre Array (SKA) - a global astronomy radio project
Scope: Supporting New Zealand's engagement on the Square Kilometre Array project in collaboration with Australia

Science and Innovation: Talent and Science Promotion MCA (M84)
Size: \$xxm
Purpose Statement: Being Developed
Achievement: Being Developed
4 categories made up of the current appropriations.

Science and Innovation: Research Infrastructure (M84)
Size: \$xxm
Scope: Being Developed
Achievement: Being Developed
Alignment with the National Statement of Science Investment



Vote Business, Science and Innovation: Science and Innovation Portfolio

2016/17 Proposed			
Non-Departmental Output Expenses			
Science and Innovation: Applied Research Fund (M84)			
Scope			
This appropriation is limited to research commissioned by end-users, and the application of research by end-users.			
Intention			
This appropriation is intended to achieve greater connections between researchers and end-users.			
How performance will be assessed	2015/16		2016/17
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of contracts assessed to achieve their objectives and critical steps	100%		
Maturing contracts assessed against contract outputs (refer to note 2)	100%		
<p>Note 2: The outputs are those defined in the contract and to be achieved by the end of the contract</p> <p>End of Year Performance Reporting</p> <p>Performance information for this appropriation will be reported by the Minister of Science and Innovation in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.</p>			

2016/17 Proposed	
<p>Multi-Category Expenses</p> <p>Science and Innovation: Strategic Investment Fund MCA (M84)</p> <p>Overarching Purpose Statement</p> <p>The single overarching purpose of this appropriation is to support programmes of mission-led science and the platforms that support them.</p> <p>Intention</p> <p>This appropriation is intended to achieve excellent research programmes and infrastructure.</p> <p>How performance will be assessed for this appropriation</p> <p>Performance will be assessed by:</p> <ul style="list-style-type: none"> Improvements in the quality ranking for New Zealand’s scientific research institutions. 	
<p>Non-Departmental Output Expenses</p> <p>Category: Strategic Investment Fund: Programmes</p> <p>Scope</p> <p>This category is limited to funding for Crown Research Institutes and Independent Research Organisations to undertake mission-led research programmes.</p> <p>Intention</p> <p>This category is intended to achieve the support of longer-term underpinning programmes of mission-led science critical to the future of New Zealand’s economy, environment and wellbeing.</p>	
Measure	Standard
Monitor and assess reporting from research institutions against funding agreements	Achieved
<p>Category: Strategic Investment Fund: Platforms</p> <p>Scope</p> <p>This category is limited to funding to enable researchers to access specialist technology, facilities, infrastructure, collections and databases.</p> <p>Intention</p> <p>This category is intended to achieve access for researchers to resources and information that require large, national-level, multi-user investments.</p>	
Measure	Standard
Grants are made in accordance with funding agreements	Achieved
Monitor and assess reporting against the contractual agreements	Achieved

2016/17 Proposed	
<p>Multi-Category Expenses</p> <p>Science and Innovation: Talent and Science Promotion MCA (M84)</p> <p>Overarching Purpose Statement</p> <p>The single overarching purpose of this appropriation is to contribute to an excellent, high-performing science system through engagement with the public and the development of talented people.</p> <p>Intention</p> <p>This appropriation is intended to achieve high-quality engagement between scientists and the public, contributing to the development of talented individuals.</p> <p>How performance will be assessed for this appropriation</p> <p>Performance will be assessed by following the performance measures specified in each category below.</p>	
<p>Non-Departmental Output Expenses</p> <p>Category: Engaging New Zealanders with Science and Technology</p> <p>Scope</p> <p>This category is limited to engaging New Zealanders with science and technology through approaches determined by the Minister.</p> <p>Intention</p> <p>This category is intended to achieve the increased engagement by New Zealanders with science and technology.</p>	
Measure	Standard
Initiatives are developed and managed to align with objectives of the fund	Achieved
<p>Category: Vision Mātauranga Capability Fund</p> <p>Scope</p> <p>This category 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.</p> <p>Intention</p> <p>This category is intended to achieve development of skilled people and organisations undertaking research supporting four themes of Vision Mātauranga.</p>	
Measure	Standard
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes (refer to note 1)	100%
Percentage of contracts assessed to achieve their objectives and critical steps	100%
Maturing contracts assessed against contract outputs (refer to note 2)	100%
<p>Note 1: Assessment criteria are predetermined. For 2015/16 investment rounds these are criteria set out in the relevant Gazette notice, and in the corresponding Sector Investment Plan and Request for Proposals.</p> <p>Note 2: The outputs are those defined in the contract and to be achieved by the end of the contract.</p>	

<p>Category: Fellowships for Excellence</p> <p>Scope</p> <p>This category is limited to encouraging the career development of the country's talented early and mid-career researchers.</p> <p>Intention</p> <p>This category is intended to achieve an improvement in career development opportunities for New Zealand's early to mid-career researchers.</p>	
Measure	Standard
Monitor and assess reporting from the investment agent against contractual agreements	Achieved
<p>End of Year Performance Reporting</p> <p>Performance information for this appropriation will be reported as an appendix to the Ministry of Business, Innovation and Employment's annual report.</p>	
<p>Category: Royal Society of New Zealand</p> <p>Scope</p> <p>This category 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.</p> <p>Intention</p> <p>This category is intended to achieve ability for the Royal Society of New Zealand to deliver on its core functions.</p>	
Measure	Standard
Was exempt	
<p>End of Year Performance Reporting</p> <p>Performance information for this appropriation will be reported in the Ministry of Business, Innovation and Employment's annual report.</p>	

2016/17 Proposed	
<p>Multi-Category Expenses</p> <p>Science and Innovation: Contract Management MCA (M84)</p> <p>Overarching Purpose Statement</p> <p>The single overarching purpose of this appropriation is to enhance the impact science, technology and research has on New Zealand through the allocation of funds and the management of those funding contracts.</p> <p>Intention</p> <p>This appropriation is intended to achieve efficient and effective management of the science system.</p> <p>How performance will be assessed for this appropriation</p> <p>Performance will be assessed by following the performance measures specified in each category below.</p>	
<p>Departmental Output Expenses</p> <p>Category: Science and Innovation Contract Management</p> <p>Scope</p> <p>This category is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.</p> <p>Intention</p> <p>This category is intended to achieve the efficient and effective allocation and contracting of research, science and technology grants to maximise their returns to New Zealand.</p>	
Measure	Standard
Initiatives are developed and managed to align with objectives of the fund	Achieved
Applications are processed in accordance with specific guidelines	100%
Percentage of contracts assessed to achieve their objectives and critical steps	100%
<p>Non-Departmental Output Expenses</p> <p>Category: Research Contract Management</p> <p>Scope</p> <p>This category 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.</p> <p>Intention</p> <p>This category is intended to achieve assurance that contractual arrangements are met.</p>	
Measure	Standard
Monitor and assess reporting from the funding and investment agents against the contractual agreements	Achieved

Vote Business, Science and Innovation: Science and Innovation Portfolio

2016/17 Proposed			
Non-Departmental Output Expenses			
Science and Innovation: Health Research Council Fund (M84) / (M36?)			
Scope			
This appropriation is limited to payments to the Health Research Council for research and research applications to improve the health and social well-being of New Zealanders.			
Intention			
This appropriation is intended to achieve a pathway to benefits for New Zealand's economy and an <u>improvement in the health of New Zealanders</u> through excellent health research.			
How performance will be assessed	2015/16		2016/17
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of applications are assessed against eligibility and assessment criteria within agreed timeframes (refer to note 1)	100%		
Percentage of contracts assessed against their objectives and critical steps	100%		
Maturing contracts assessed against contract outputs (refer to note 2)	100%		
Monitor and assess reporting from the funding agent against the output agreement	Achieved		
<p>Note 1: Assessment criteria are predetermined. For 2015/16 investment rounds these are criteria set out in the relevant Gazette notice, and in the corresponding Sector Investment Plan and Request for Proposals.</p> <p>Note 2: The outputs are those defined in the contract and to be achieved by the end of the contract.</p>			
End of Year Performance Reporting			
Performance information for this appropriation will be reported by the Health Research Council in its annual report. Minister of Science and Innovation in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.			

From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Friday, 26 February 2016 10:38 a.m.
To: Jonathan Williams [TSY]
Cc: Trang Ly; Sebastian Doelle [TSY]; Alvin Yee; Roger Beyer [TSY]; Sam Holmes
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]
Attachments: 1668 15-16 Briefing-CRI Core Funding Review - Next Steps Final Draft.pdf

Hi Jonathan

Specific responses to your questions in the email below. I'll follow up with a phone call.

I've also had some suggestions internally on scope/intentions purpose/intentions, so will send you a revised briefing with all of those in there. We really need to get this up to our Minister, so I'm still pushing for a sign out at the end of the day, rather than springing it all on him with the sign off of the technical initiatives process.

Cheers,
 Philippa

From: Jonathan Williams [TSY] [mailto:Jonathan.Williams@treasury.govt.nz]
Sent: Thursday, 25 February 2016 6:11 p.m.
To: Philippa Yasbek
Cc: Trang Ly; Sebastian Doelle [TSY]; Alvin Yee; Roger Beyer [TSY]
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Hi Phillipa,

We have some comments on the new appropriations. Generally, we were happy with the Contestable Fund, Health & Contract Management scope statements, titles & mergers – we have some queries below however on the remaining proposals for appropriation restructure.

Timing

- Our feeling is these changes around the CRI MCA are significant, and that the outcomes of the CRI core funding review could affect the new MCA?

I've attached the briefing that went up in December on the Core Funding Review. I think that the MCA is consistent with the general direction but flexible enough to accommodate further changes from the review. We were thinking the IRO Capability funding should be combined with CRI Core Funding regardless, because the latter is modelled on the former.

Grouping of appropriations

- We had questions around some of the groupings of appropriations and how well some of the individual ones fit within the overall purpose statements.
 - In the Talent & Science Promotion appropriation, does Vision Matauranga have a strong enough fit with capability building to sit here?
 We have contemplated keeping Vision Matauranga as a separate appropriation to give it greater prominence. However, in our view it is very closely aligned with the other appropriations in the Talent and Engagement MCA. VM Funds are used to increase the capability of Maori researchers and they also

are used to improve the capability of researchers and institutions to engage with Maori. It's well aligned with both the Fellowships for Excellence and Engaging New Zealanders with Science and Technology.

- We also noted there hasn't been any transfers between the appropriations in the proposed Talent & Science Promotion appropriation in recent years, indicating there isn't a real overlap between these funds.

I'm not sure if transfers between appropriations is the right test for how well connected things are. The reason that there haven't been transfers between the funds is that some of these appropriations are stable ie Royal Society appropriation has a single contract for the amount of the appropriation, so no need for FNAs or ETs. Others have timing issues (Vision Maturanga) and required expense transfers. Sometimes the world is straightforward enough that we only need to spend the appropriated amount and don't require FNAs!

- We also had questions around the diverse mechanisms proposed to sit together in the research infrastructure/platforms appropriation. Some of these mechanisms seem to have significant differences in outputs; some have a domestic focus and some an international one. As your paper notes, for instance, the national collections & databases would probably sit better with CRI core funding. What's core to the platforms is the concept of underlying "infrastructure". This isn't the actual research, it's the stuff that is used to do the research. Some is more physical than others (databases vs synchrotrons). Some is internationally based and some is domestically based (synchrotron vs genomics). I'm not sure however that it is useful to draw distinctions between domestic or international: this forces an artificial bias towards buying or building locally rather than a more neutral assessment of the best way to access a service. For example, with the benefit of hindsight, it may have been more cost effective to buy access to gene sequencing machines overseas rather than buying the machines for NZGL. We also want the appropriation to be neutral between building/making and buying access (infrastructure as a service). There are some collections and databases currently in CRI core funding but over time we think these should be pulled out and funded as infrastructure, rather than research.

Most of the science funding is outcome based (we buy research) rather than input based. The infrastructure stuff is one of the few spheres where we fund inputs in to the science system. There are reasons for funding these inputs (multiple users, national scale etc).

- The proposed Applied Research Fund also has diverse funds which have not had transfers between them recently. There have been transfers between the programmes but these were not previously visible to the Treasury because they were buried in single, integrated appropriations. Biological Industries funded: PSAF, CPN, Partnerships and IRO Capability. HVMS funded PSAF, CPN and the Innovation Hub. Environment funded Envirolink. There were not infrequent transfers between these appropriations but the funds sitting underneath them and the tradeoffs were not clearly visible. We need some sort of appropriation to hold the 'residuals' from the creation of the Contestable Fund. We don't think it's sensible or coherent to keep the HVMS, Biological and Environment appropriations to hold the contracts/programmes that don't fit in the scope of the new Contestable Fund.
- The proposed Callaghan appropriation (Trang, please take this as our comment on this one) includes a category we have questions on. Placing the National Measurement Standards appropriation within a broader contract management/building innovation appropriation didn't match the proposed scope – would you be able to clarify? We think the National measurement Standards is very similar to the other research and technical services delivered by Callaghan Innovation. It just happens to be about metrology, rather than some other technology. The reason we kept National Measurement Standards in a separate appropriation from the other Research and Technical Services is that there are some statutory functions in there and it needs to be visible and protected from what seems to be an insatiable need for funding from Research and Technical Services. On the other hand, the National Measurement Standards tends not to have

funding transferred in and out of it. So while conceptually it fits with a broader Callaghan MCA, there wouldn't be much practical effect if it weren't included in the MCA.

Happy to discuss.

Thanks

Jonathan

Jonathan Williams | Analyst | Economic Performance & Strategy | **The Treasury**
Tel: +64 4 917 6001 | Jonathan.Williams@treasury.govt.nz

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From: Philippa Yasbek [<mailto:Philippa.Yasbek@mbie.govt.nz>]
Sent: Wednesday, 24 February 2016 11:03 a.m.
To: Jonathan Williams [TSY] <Jonathan.Williams@treasury.govt.nz>
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Sure.

From: Jonathan Williams [TSY] [<mailto:Jonathan.Williams@treasury.govt.nz>]
Sent: Wednesday, 24 February 2016 11:01 a.m.
To: Philippa Yasbek
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Deleted - Not Relevant to Request

Just on the below – would it be possible to get a copy of the briefing mentioned please?

Strategic Investment Fund MCA

1. Following on from our briefing note [2256 15-16] and discussion of the Strategic Investment Fund, we propose the following MCA:
2. Science and Innovation: Strategic Investment Fund MCA

From: Philippa Yasbek [<mailto:Philippa.Yasbek@mbie.govt.nz>]
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Cc: Sebastian Doelle [TSY] <Sebastian.Doelle@treasury.govt.nz>
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Cool. Deleted - Not Relevant to Request

From: Jonathan Williams [TSY] [<mailto:Jonathan.Williams@treasury.govt.nz>]
Sent: Tuesday, 23 February 2016 3:51 p.m.
To: Philippa Yasbek
Cc: Sebastian Doelle [TSY]
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Hi Phillipa,

No worries Deleted - Not Relevant to Request End of the day Thursday is fine, I'll be in touch in the meantime if we have any follow-up questions.

Cheers

Jonathan

From: Philippa Yasbek [<mailto:Philippa.Yasbek@mbie.govt.nz>]
Sent: Tuesday, 23 February 2016 3:34 p.m.
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Subject: Vote S+I appropriation changes [UNCLASSIFIED]

Hi Jonathan

Apologies as this has taken me slightly longer to get together than expected. I've attached a draft of our briefing to our Minister asking for his agreement on appropriation titles, scopes and intentions for the science and innovation portfolio. I've also attached some more detailed info on the appropriations and measures.

I really need to get this briefing up to our Minister at the end of the week so would appreciate your feedback on the appropriation titles, scopes and intentions by COP Thursday 25 Feb.

A few things to note:

- I've struggled a bit with performance measures on the MCAs. I'm suggesting that we potentially go with monitoring the performance of the categories, until we've done the work on the system performance report. Once that's done, we can align the Estimates measures with the system performance measures.
- Some of the measures I've just copied and pasted over from our old measures. I know that Audit has some issues with one of them. I'm going to do a bit more work on that this week.

Cheers,
Philippa

Philippa Yasbek
DIRECTOR

Science, Innovation & International Branch; Labour, Science and Enterprise Group
Ministry of Business, Innovation & Employment

philippa.yasbek@mbie.govt.nz | s9(2)(a)

www.govt.nz - your guide to finding and using New Zealand government services

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OFFICIAL INFORMATION ACT

From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Friday, 26 February 2016 11:06 a.m.
To: Jonathan Williams [TSY]
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]
Attachments: Appropriation restructure follow up.docx

Hi

Not sure if this affects things but we've been tweaking the wording a little bit on some of the appropriation scopes. Attached is our latest version of the briefing. Structure is still the same but minor wording changes.

Cheers,
Philippa

From: Jonathan Williams [TSY] [mailto:Jonathan.Williams@treasury.govt.nz]
Sent: Friday, 26 February 2016 10:45 a.m.
To: Philippa Yasbek
Subject: RE: Vote S+I appropriation changes [UNCLASSIFIED]

Thanks Phillipa – I'm heading out the door for meetings at Callaghan so will be around to take a call when I'm back and have had a proper read through.

Cheers

Jonathan

Jonathan Williams | Analyst | Economic Performance & Strategy | **The Treasury**
Tel: +64 4 917 6001 | Jonathan.Williams@treasury.govt.nz

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Happy to discuss.

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A few things to note:

- I've struggled a bit with performance measures on the MCAs. I'm suggesting that we potentially go with monitoring the performance of the categories, until we've done the work on the system performance report. Once that's done, we can align the Estimates measures with the system performance measures.
- Some of the measures I've just copied and pasted over from our old measures. I know that Audit has some issues with one of them. I'm going to do a bit more work on that this week.

Cheers,
Philippa

Philippa Yasbek
DIRECTOR

Science, Innovation & International Branch; Labour, Science and Enterprise Group
Ministry of Business, Innovation & Employment

philippa.yasbek@mbie.govt.nz | s9(2)(a)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Friday, 26 February 2016 2:41 p.m.
To: Jonathan Williams [TSY]
Subject: FW: minister's feedback: 2042 15-16 Science and Innovation Appropriation Restructure Proposals [UNCLASSIFIED]
Attachments: 10022016150336-0001.pdf

Hi

Sorry you weren't in the loop on this first time around.

Cheers,
 Philippa

From: Poppy Haynes [mailto:Poppy.Haynes@parliament.govt.nz]
Sent: Wednesday, 10 February 2016 5:00 p.m.
To: Richard Walley; Philippa Yasbek
Cc: Briefings; Michael Gibbons; Peter Crabtree; Tanya McKibben
Subject: minister's feedback: 2042 15-16 Science and Innovation Appropriation Restructure Proposals

Hi all,

Please see Minister's feedback attached. (He has noticed you are back, Philippa). Deciphered as follows:

Overall fine but need to continue the discussion about whether there is a 'strategic investment' category that includes infrastructure or separate. Either way, IRO capability and CRI capability (core) should be united in one appropriation: 'Strategic Investment Fund'.

See also the 'discuss' on first page of annex.

Would you like to put on the agenda for Monday's officials' meeting?

Thanks,

Poppy

Poppy Haynes | Private Secretary – Science and Innovation
 Office of Hon Steven Joyce | Minister of Science and Innovation
 7.2 Beehive, Parliament Buildings, Private Bag 18041, Wellington 6160, New Zealand
 T: 04 817 9866 |s9(2)(a) F: 04 817 6513
 E: poppy.haynes@parliament.govt.nz | W: <http://www.beehive.govt.nz> and <http://www.parliament.nz>

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Friday, 26 February 2016 5:47 p.m.
To: s9(2)(g)(i)
Cc: Jonathan Williams [TSY]; Roger Beyer [TSY]; Sebastian Doelle [TSY]; Richard Walley
Subject: RE: Following up our phone conversation [IN-CONFIDENCE]
Attachments: Appropriation restructure follow up.docx

Thank s9(2)(g)(i) is is where I've gotten to on the briefing. We still need to fix up the table in the appendix. Are you comfortable with the wording as it now stands?

Jonathan, I've also made changes that reflect where we got to in our conversation.

I do note that as I was putting together the Databases and Collections category, I was narrowing down the scope of the existing Science Collections and Infrastructure appropriation, which also includes the funding for the Tangaroa. So I'm unsure that we were originally proposing anything that was broader in scope than the pre-existing appropriation. I'd even argue we could possible just shift the NeSI, NZGL, Synchrotron, SKA and REANZ funding in to that appropriation ;-)

From: s9(2)(g)(i)
Sent: Friday, 26 February 2016 1:39 p.m.
To: Philippa Yasbek
Cc: Jonathan Williams [TSY]; Roger Beyer [TSY]; Sebastian Doelle [TSY]; Richard Walley
Subject: Following up our phone conversation [IN-CONFIDENCE]

[IN-CONFIDENCE]

Thanks Philippa for your phone call, I understand it's difficult co-ordinating this all!

Just to re-iterate the points I raised in our earlier phone conversation:

- Treasury considers the agreeing the establishment of this MCA before Cabinet appear has been signed would be a significant policy change as opposed to technical. The reason for this is essentially the MCA is merging two, distinct research fund for specific research organisation-one for CRI's and one for IROs'.
- I now understand MBIE intend to prepare a cabinet paper to go before budget (note Budget moratorium begins approx. 18th April), I have concerns that this paper and new framework it proposes would be rushed to meet budget deadlines. A friendly reminder that MCAs can be made throughout the year and we'd prefer MBIE have time to develop this new framework- as noted in the briefing, to be implemented for FY17/18 , with appropriate consultation. It's unclear what this rush is to create a new CRI MCA-this flexible funding structure is just one of the changes proposed (along with new performance expectations etc) and if the existing contracts are being rolled over until June 17 why are we rushing to get a new appropriation structure in place for June 16?

Thanks,

s9(2)(g)(i)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Monday, 29 February 2016 1:27 p.m.
To: s9(2)(g)(i)
Cc: Matthew Gilbert [TSY]; Sebastian Doelle [TSY]; Jonathan Williams [TSY]; Roger Beyer [TSY]; Richard Walley
Subject: RE: Updated Treasury wording for briefing [IN-CONFIDENCE]

Hi

Thank s9(2)(g)(i) have incorporated with only minor changes for proof reading and flow.

Will send you the final briefing paper when it's signed out.

Cheers,
Philippa

From: s9(2)(g)(i)
Sent: Monday, 29 February 2016 12:50 p.m.
To: Philippa Yasbek
Cc: Matthew Gilbert [TSY]; Sebastian Doelle [TSY]; Jonathan Williams [TSY]; Roger Beyer [TSY]; Richard Walley
Subject: Updated Treasury wording for briefing [IN-CONFIDENCE]

[IN-CONFIDENCE]

Hi Philippa,

Please see updated wording for the Treasury comment below:

1. Treasury have raised concerns about making changes to the CRI Core Funding appropriation. If the changes to open up the core funding mechanism to Independent Research Organisations occur without a proper consultation process, there are likely to be significant stakeholder reactions which limits the ability of Cabinet to consider the full range of options. Additionally, the other policy changes underpinning the CRI reforms to be implemented through the Cabinet process such as, improve performance reporting, will be rushed if the Cabinet paper is prepared in time to meet the Budget moratorium deadline on 18 April. In their view the policy decision to merge the funding of distinct, separate funding mechanisms constitutes a significant policy change and, as per paras 5.11 and 5.12 of the Cabinet Manual, requires wider Ministerial oversight **before** appropriations are changed. Treasury are also concerned that significant changes to the appropriation structure may affect the completion of the Vote Business, Science and Innovation Estimates chapter on time.
2. Treasury recommends to consider changes to the CRI Core Funding in the 2016/17 financial year to allow due Cabinet consultation process. The existing CRI core funding contracts have been rolled over to allow changes to the funding model to be implemented for the 2017/18 financial year.

Happy to discuss and thank you for waiting for us.

Kind regards,

s9(2)(g)(i)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Monday, 29 February 2016 2:25 p.m.
To: Jonathan Williams [TSY]
Cc: Richard Selby; Trang Ly; Simon Litten; Sam Holmes; Ewan Delany
Subject: Emailing: Appropriation Restructure S & I [UNCLASSIFIED]
Attachments: Appropriation Restructure S & I.pdf

Hi Jonathan

To help you understand the appropriations, I have annotated the attached pdf with a bit of our thinking on why we've grouped things and a bit more on the specifics. It summarises what we've talked about on the phone, with a bit extra here and there.

Cheers,
Philippa

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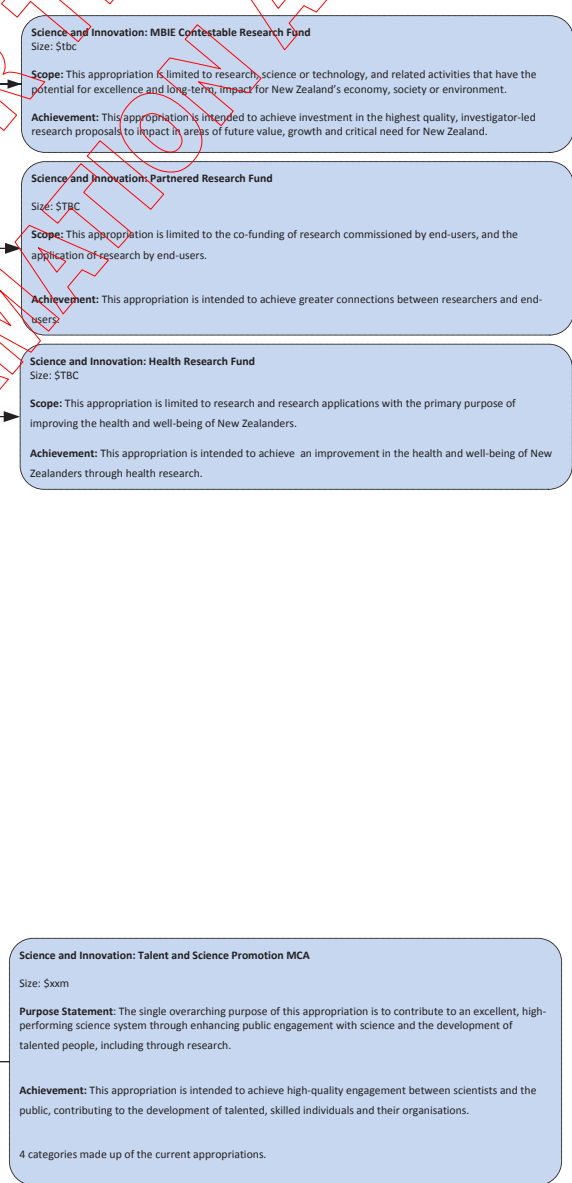
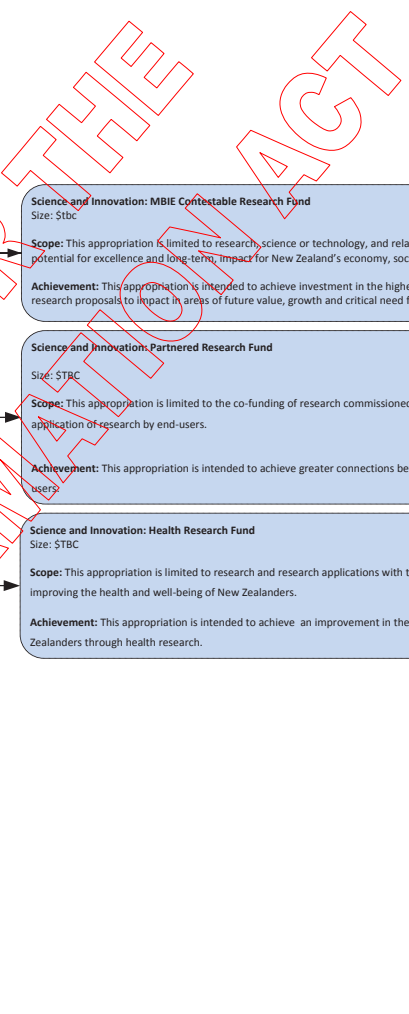
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Vote Business, Science and Innovation – Science and Innovation



2015/16 Structure

Concept Structure



Incorporate into a cross portfolio appropriation for international subscriptions and membership fees



2015/16 Structure

Concept Structure

Science and Innovation: Business Research and Development Contract Management (M84)
Size: \$7.8m
Number of measures: 3
Achievement: Efficient and effective allocation and contracting of research, science and technology outputs, and grants to maximise their returns to New Zealand
Scope: 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

Science and Innovation: Building Business Innovation (M84)
Size: \$32.4m
Number of measures: 3
Achievement: Acceleration in the growth of knowledge intensive firms in New Zealand through contributing to a stronger culture of innovation and increased skills and expertise
Scope: Activities that raise awareness about and increase business investment in Research and Development

Science and Innovation: Research and Development Services and Facilities for Business and Industry (M84)
Size: \$19.5m
Number of measures: 3
Achievement: Growth in knowledge intensive firms' global scale and competitiveness through the provision of niche science, engineering, technology, and design services
Scope: Providing research and technical expertise and facilities to business and industry

Science and Innovation: Advanced Network Capacity (M84)
Size: \$4.0m
Number of measures: 2
Achievement: Improvement in innovation, knowledge and learning by connecting New Zealand research and education networks to each other and the world through an advanced research and education network
Scope: 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

Science and Innovation: Australian Synchrotron (M84)
Size: \$7.5m
Number of measures: 1
Achievement: A contribution to the operation of a synchrotron located in Victoria, Australia
Scope: A grant being New Zealand Government's contribution to the operation of a synchrotron located in Victoria, Australia

Science and Innovation: Genomics Research Infrastructure (M84)
Size: \$12.7m
Number of measures: 2
Achievement: Improvement in access for New Zealand scientists to genomics infrastructure and expertise to enhance innovation, economic development and international competitiveness
Scope: A grant to contribute towards the purchase and operation of infrastructure that will support genomics research

Science and Innovation: National Science Infrastructure (M84)
Size: \$7.2m
Number of measures: 2
Achievement: Increased access and use of a high performance computer infrastructure by New Zealand's research sector
Scope: A grant to contribute to the operation of the National Science Infrastructure, including high-performance computational infrastructure and associated science services, that will support New Zealand research

Science and Innovation: Science Collections and Infrastructure (M84)
Size: \$7.9m
Number of measures: 2
Note: If we confirm that all of this appropriation goes entirely to CRIS, then consideration will be given to adding this into the CRI core funding appropriation
Achievement: Improvement in the access to science and research information through maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes
Scope: Grants to contribute to the maintenance and retention of databases, collections and significant infrastructure dedicated to research purposes

Science and Innovation: Square Kilometre Array (M84)
Size: \$0.8m
Number of measures: 0
Achievement: Improved benefits for New Zealand's science, economic development, and the Information and Communications Technology (ICT) sector through access to the Square Kilometre Array (SKA) - a global astronomy radio project
Scope: Supporting New Zealand's engagement on the Square Kilometre Array project in collaboration with Australia

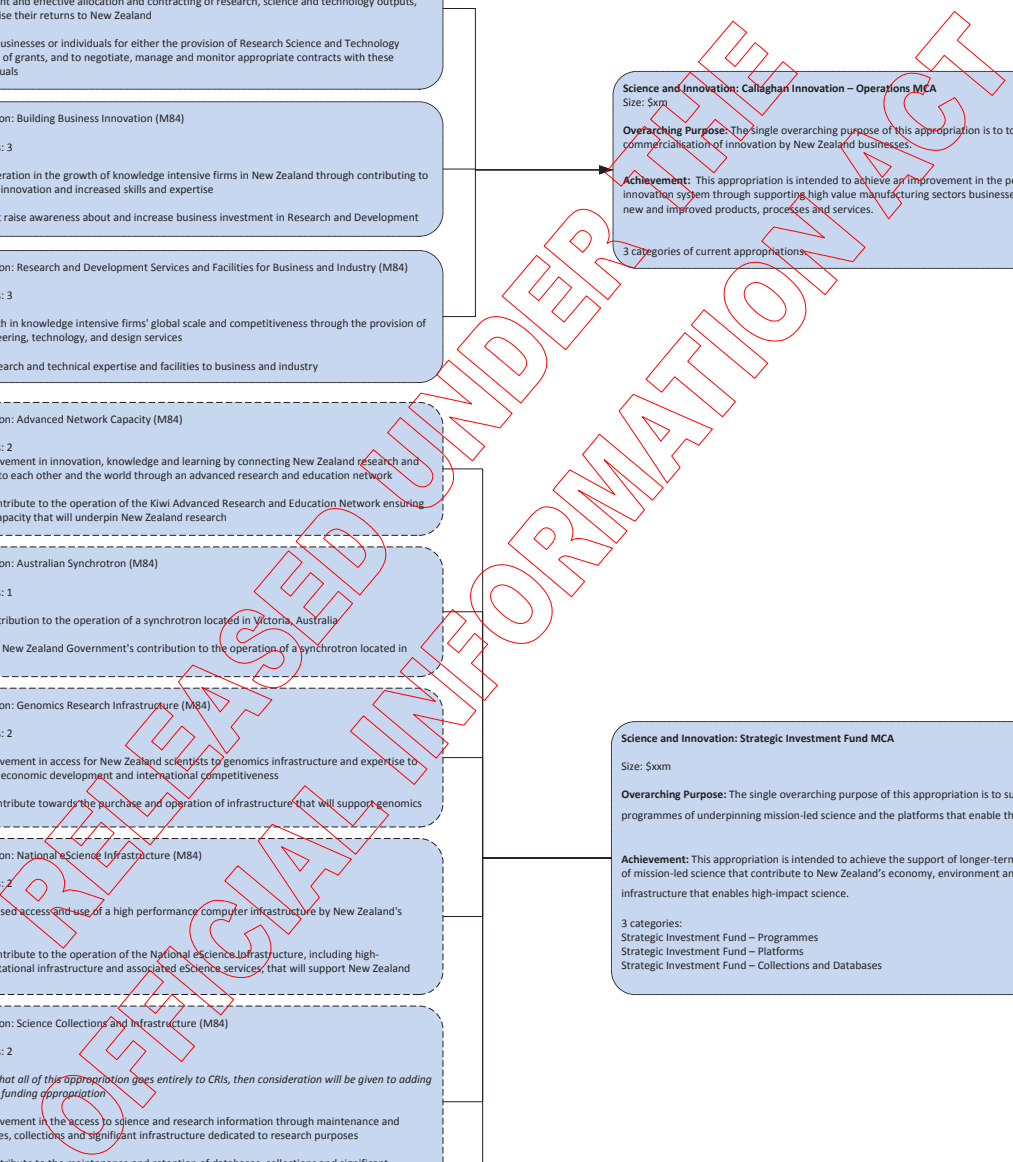
Science and Innovation: Science and Innovation Contract Management (M84)
Size: \$20.2m
Number of measures: 3
Achievement: Efficient and effective allocation and contracting of research, science and technology grants to maximise their returns to New Zealand
Scope: Contract management, planning, monitoring and evaluating science and innovation outputs and impacts

Science and Innovation: Research Contract Management (M84)
Size: \$6.2m
Number of measures: 1
Achievement: Assurance that contractual arrangements are met
Scope: 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

Science and Innovation: Callaghan Innovation – Operations MCA
Size: \$xm
Overarching Purpose: The single overarching purpose of this appropriation is to accelerate the commercialisation of innovation by New Zealand businesses.
Achievement: This appropriation is intended to achieve an improvement in the performance of New Zealand's innovation system through supporting high value manufacturing sectors businesses to successfully develop new and improved products, processes and services.
3 categories of current appropriations:

Science and Innovation: Strategic Investment Fund MCA
Size: \$xxm
Overarching Purpose: The single overarching purpose of this appropriation is to support long-term programmes of underpinning mission-led science and the platforms that enable those programmes.
Achievement: This appropriation is intended to achieve the support of longer-term underpinning programmes of mission-led science that contribute to New Zealand's economy, environment and well-being, including the infrastructure that enables high-impact science.
3 categories:
Strategic Investment Fund – Programmes
Strategic Investment Fund – Platforms
Strategic Investment Fund – Collections and Databases

Science and Innovation: Contract Management MCA
Size: \$xm
Purpose Statement: The single overarching purpose of this appropriation is to allocate funds for science, research and technology, and to manage the related contracts.
Achievement: This appropriation is intended to achieve efficient and effective management of the science system.
2 Categories made out of pre existing appropriations.



From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Tuesday, 1 March 2016 10:14 a.m.
To: s9(2)(g)(i) Jonathan Williams [TSY]
Subject: FW: 2212 15-16 Science and Innovation Appropriation Restructure Follow Up [IN-CONFIDENCE:RELEASE EXTERNAL]
Attachments: Appropriation restructure follow up.pdf; Appropriation restructure follow up.docx

Hi

Here is the briefing in its final form as it went to the Minister's office. Thanks for your help in getting it to this point.

Cheers,
Philippa

From: s9(2)(g)(i)
Sent: Monday, 29 February 2016 5:19 p.m.
To: Poppy Haynes
Cc: LSE Coordinator; Briefings; Richard Walley; Sam Holmes; Philippa Yasbek
Subject: 2212 15-16 Science and Innovation Appropriation Restructure Follow Up [IN-CONFIDENCE:RELEASE EXTERNAL]

Hi Poppy,

The above attached briefing is in tomorrow morning's bag along with two copies.

Please find attached the word and pdf versions.

If you need anything else please let me know.

Many thanks,

s9(2)(g)(i)



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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Friday, 4 March 2016 1:45 p.m.
To: Jonathan Williams [TSY]; s9(2)(g)(i)
subject: Follow up on Collections/Databases and Infrastructure [UNCLASSIFIED]
Attachments: Appropriation restructure follow up post Minister version for finance.docx

Hi

Jonathan, not sure if s9(2)(g)(i) has updated you. Our Minister has come back on the appropriations changes with a few minor wording edits. He also would like the collections and databases combined with the other infrastructure. We originally split them out on your advice: and signalled this in the briefing. We will be going with our Minister's preferences in CFISnet and the draft Estimates document. In the attached document I have tracked in the changes requested by the Minister – we're not putting this back up to him but rather it's just for our Finance people to enter in to CFISnet

However, it would be really useful to discuss this further with you, in the hopes that any potential disagreement isn't elevated to Ministerial level. I'm around the rest of this afternoon or anytime on Monday except 12-2:30. I'm the only one who needs to be involved from MBIE's end. Let me know when you'd like to discuss. I'm actually based in Christchurch at the moment, so it will be over the phone. Or we could make sacrifices to the technology gods and attempt the VC.

Our Minister raised one other issue. He asked if the National Measurements Standards appropriation should be included in the Strategic Investment Fund. My thinking is as follows:

- the appropriation is used to fulfil a statutory function and therefore needs to be visible at either an appropriation or category level.
- While there is some research and equipment associated with the function, the Measurement Standards Laboratory primarily provides standards and services and therefore doesn't fit easily with the Strategic Investment Fund MCA over-arching purpose.
- We advise that it should be a stand-alone appropriation (in the absence of being combined in to an MCA with the other Callaghan Innovation services).

Cheers,
Philippa

Philippa Yasbek
DIRECTOR

Science, Innovation & International Branch; Labour, Science and Enterprise Group
Ministry of Business, Innovation & Employment

philippa.yasbek@mbie.govt.nz s9(2)(a)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Tuesday, 15 March 2016 3:00 p.m.
To: Jonathan Williams [TSY]; s9(2)(g)(i)
c: Trang Ly
Subject: RE: CRI core funding issue [UNCLASSIFIED]

Hi

Thanks. This sounds like a sensible approach.

Cheers,
 Philippa
 s9(2)(a)

From: Jonathan Williams [TSY] [mailto:Jonathan.Williams@treasury.govt.nz]
Sent: Tuesday, 15 March 2016 2:53 p.m.
To: Philippa Yasbek; s9(2)(g)(i)
Cc: Trang Ly
Subject: RE: CRI core funding issue [UNCLASSIFIED]

Hi Phillipa,

I have to head into a meeting so will send through track changes on this after 4.

In terms of comments on this briefing on the CRI policy issues (these are the only outstanding issues for the briefing). My thinking is we would rather engage further & provide feedback on this through the Cabinet paper process, as opposed to through this briefing on estimates. So I'll edit this paper to take out the Treasury comments on that particular issue so we can keep that discussion open for Thursday's meeting & the resulting paper from there.

Cheers

Jonathan

Jonathan Williams | Analyst | Economic Performance & Strategy | **The Treasury**
 Tel: +64 4 917 6001 | Jonathan.Williams@treasury.govt.nz

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From: Philippa Yasbek [<mailto:Philippa.Yasbek@mbie.govt.nz>]
Sent: Monday, 14 March 2016 4:44 p.m.
To: s9(2)(g)(i) Jonathan Williams [TSY] <Jonathan.Williams@treasury.govt.nz>
Cc: Trang Ly <Trang.Ly@mbie.govt.nz>
Subject: CRI core funding issue [UNCLASSIFIED]

Hi

We are going to send a briefing up to our Minister on Wednesday on the changes to supps and mains. We've also drafted a letter for him to send to the MoF on setting up the MCAs. To finalise the briefing, it would be good to understand where you stand on the question of putting CRI core funding and IRO capability funding in to the same category, now that you've had a chance to digest the draft Cabinet paper on the proposed changes to CRI core funding.

MBIE's view is that the changes to appropriations in no way pre-empt Cabinet decisions on CRI core funding because the appropriation scope is broad enough to accommodate both the existing arrangements and the proposed arrangements. We believe that the CRI reaction to the appropriation changes is easily managed. Cabinet will be considering the substantive policy changes ahead of the changes to the Vote in the technical initiatives process. The policy may be parallel processing but the decisions will be appropriately sequenced for other Ministers.

I'd be grateful if you can let me know where you stand some time tomorrow and if you'd like me to re-use your previous comments, put in new text or say that you're comfortable with the proposed approach.

Cheers,
Philippa

Philippa Yasbek
DIRECTOR

Science, Innovation & International Branch; Labour, Science and Enterprise Group
Ministry of Business, Innovation & Employment

philippa.yasbek@mbie.govt.nz s9(2)(a)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Wednesday, 16 March 2016 1:11 p.m.
To: Jonathan Williams [TSY]; Trang Ly; Sebastian Doelle [TSY]; s9(2)(g)(i)
Cc: Emma Coker [TSY]; Jeanie Polwart; Richard Selby; Alvin Yee; ^MBIE: Bill MacKenzie
Subject: RE: Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio [UNCLASSIFIED]

Hi

Thanks for this Jonathan. I'm glad we don't have to escalate this to Ministerial level at this stage.

Cheers,
 Philippa

s9(2)(a)

From: Jonathan Williams [TSY] [mailto:Jonathan.Williams@treasury.govt.nz]
Sent: Tuesday, 15 March 2016 5:11 p.m.
To: Trang Ly; Sebastian Doelle [TSY]; s9(2)(g)(i)
Cc: Emma Coker [TSY]; Philippa Yasbek; Jeanie Polwart; Richard Selby; Alvin Yee; Bill MacKenzie
Subject: RE: Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio [UNCLASSIFIED]

Hi Trang & Philippa,

As discussed, we think the way forward here is to engage further on the CRI policy issues in the cabinet paper process - here's a version where the relevant paras have been removed, so this briefing has a focus just on the changes to estimates/appropriations.

We don't have any other further substantive comments to add - I've removed the highlighting on the rec with us/Audit NZ agreeing to the performance measures changes as well to show our agreement.

Cheers

Jonathan

Jonathan Williams | Analyst | Economic Performance & Strategy | **The Treasury**
 Tel: +64 4 917 6001 | Jonathan.Williams@treasury.govt.nz

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From: Trang Ly [mailto:Trang.Ly@mbie.govt.nz]
Sent: Tuesday, 15 March 2016 10:01 a.m.
To: Sebastian Doelle [TSY] <Sebastian.Doelle@treasury.govt.nz>; Jonathan Williams [TSY] <Jonathan.Williams@treasury.govt.nz>; s9(2)(g)(i)
Cc: Emma Coker [TSY] <Emma.Coker@treasury.govt.nz>; Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>; Jeanie Polwart <Jeanie.Polwart@mbie.govt.nz>; Richard Selby <Richard.Selby@mbie.govt.nz>; Alvin Yee

<Alvin.Yee@mbie.govt.nz>; ^MBIE: Bill MacKenzie <Bill.MacKenzie@mbie.govt.nz>

Subject: Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio
[UNCLASSIFIED]

Hi all

Attached a copy of the draft briefing to the Minister which seeks his feedback and agreement to the non-financial content for the Science and Innovation Portfolio. It includes the structural changes (para 17 onwards) and the state of play as we understand it and includes a letter to MoF for the new MCAs.

We will include paragraphs in the MoF letter regarding the inclusion of CRI/IRO in the Programmes category of the Strategic Investment Funds MCA if we don't manage to reach agreement on their inclusion. I'll send this to you separately so that you can see the paragraphs to make sure that it represents the Treasury view appropriately.

We will be seeking internal sign out for the briefing tomorrow morning. Can you please provide your feedback by early afternoon at the latest so that we can incorporate your feedback into the final briefing.

Thanks ☺

Trang Ly

PRINCIPAL ADVISOR

Planning and Performance, Finance and Performance Group
Ministry of Business, Innovation & Employment

trang.ly@mbie.govt.nz | Telephone: +64 4 901 3876 | s9(2)(a)

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From: Philippa Yasbek <Philippa.Yasbek@mbie.govt.nz>
Sent: Wednesday, 23 March 2016 12:10 p.m.
To: Jonathan Williams [TSY]
Subject: FW: Signed with feedback: 2466 15-16 Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio [UNCLASSIFIED]
Attachments: 23032016092205-0001.pdf; to MoF re new S&I MCAs for Budget 16.pdf

Hi Jonathan

The Minister has signed off this briefing with only minor changes.

Cheers,
 Philippa

s9(2)(a)

From: Poppy Haynes [mailto:Poppy.Haynes@parliament.govt.nz]
Sent: Wednesday, 23 March 2016 9:47 a.m.
To: Paul Stocks; Philippa Yasbek; Jeanie Polwart; Ewan Delany; Simon Rae; Eileen Basher
Cc: Tanya McKibben; Lucy McDonald; Joanne Looyen s9(2)(g)(i); Karen McDonald
Subject: Signed with feedback: 2466 15-16 Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio

Hi all,

Please find attached signed S&I supps and estimates briefing, and letter to the MoF. Have not scanned the other annexes as there was no feedback on those. I will take the signed letter through to the MoF's office today.

The Minister comments: "we need to discuss phasing of R&D funding with Callaghan in appropriations – currently has a lump in 16/17 which I think doesn't reflect the actual likely flow". Shall we add to the agenda for next Tuesday's 8.30am meeting?

Note also that on p6 the Minister has clarified it should be the 'Science and Innovation: Contract Management MCA'

Thanks,

Poppy

Poppy Haynes | Private Secretary – Science and Innovation
 Office of Hon Steven Joyce | Minister of Science and Innovation
 7.2 Beehive, Parliament Buildings, Private Bag 18041, Wellington 6160, New Zealand
 T: 04 817 9866 s9(2)(a) F: 04 817 6513
 E: poppy.haynes | W: <http://www.beehive.govt.nz> and <http://www.parliament.nz>

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From s9(2)(g)(i)
Sent: Friday, 18 March 2016 12:38 p.m.
To: Poppy Haynes
Cc: Jeanie Polwart; Tanya McKibben; Lucy McDonald; Paul Stocks; Joanne Looyen; Peter Crabtree; Philippa Yasbek
Subject: 2466 15-16 Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the SandI Portfolio [IN-CONFIDENCE:RELEASE EXTERNAL]

Hi Poppy

Please find attached the signed 2466 15-16 Budget 2016-Draft information for inclusion in the Estimates of Appropriations for the Science and Innovation Portfolio. Word and scanned PDF are enclosed 1 original and 2 copies will be sent in the bag this afternoon.

Feel free to contact me for any further information.

Kind regards

s9(2)(g)(i)



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Office of Hon Steven Joyce

Minister for Economic Development

Minister for Regulatory Reform

Minister of Science and Innovation

Minister for Tertiary Education, Skills and Employment

Minister Responsible for Novopay

Associate Minister of Finance

Hon Bill English
Minister of Finance
Parliament Buildings
WELLINGTON

23 MAR 2016

Establishing new multi-category appropriations for the Science and Innovation portfolio (as part of Vote Business, Science and Innovation) for Budget 2016

Over the past few months I have been reviewing the structure of the appropriations within the Science and Innovation portfolio. As a result of this review I am proposing to consolidate 21 existing appropriations into four new Multi-Category Appropriations (MCAs) and three new appropriations.

The proposed changes will simplify the funding structure for the Science and Innovation portfolio and improve its alignment with the strategic intentions set out in the National Statement of Science Investment 2015-2025 (NSSI).

I am seeking your approval to establish four multi-category appropriations in the Science and Innovation portfolio (as part of Vote Business, Science and Innovation) as set out in the attached Annex.

I recommend that you:

1. **approve** the establishment of the four multi-category appropriations set out in the Annex

Yours sincerely

Approved / Not approved

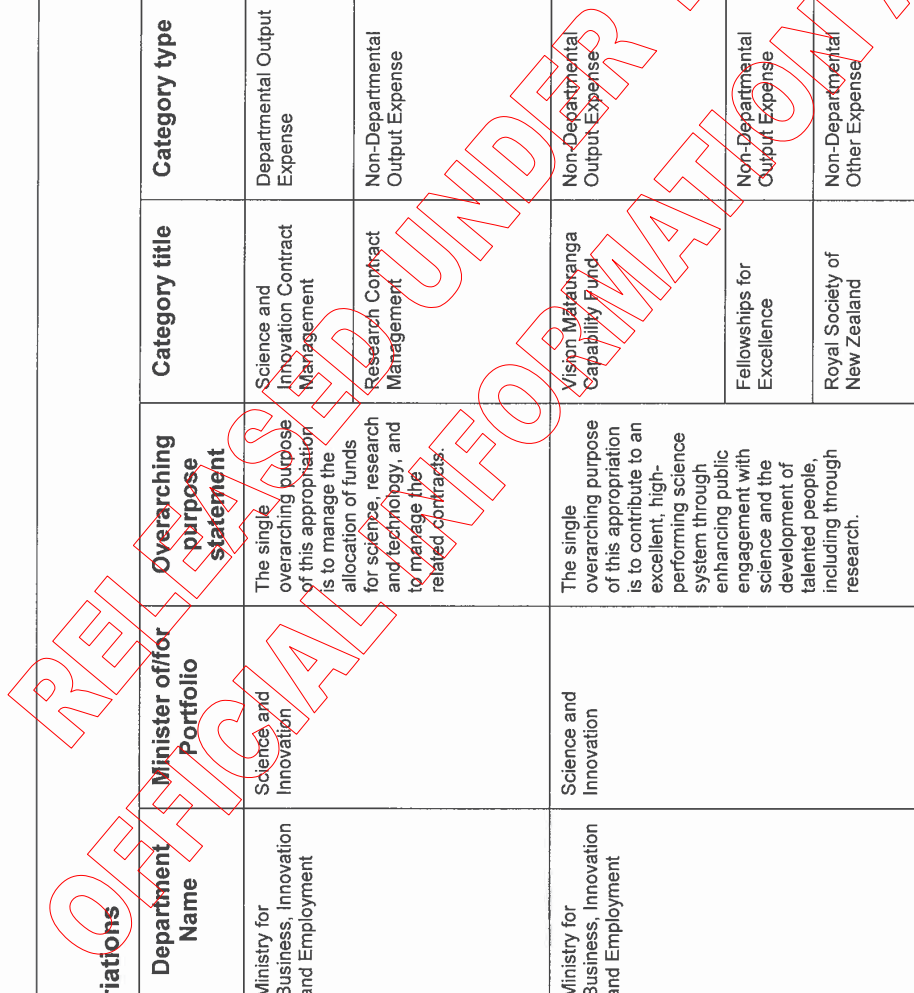
Hon Steven Joyce
Minister of Science and Innovation

Hon Bill English
Minister of Finance

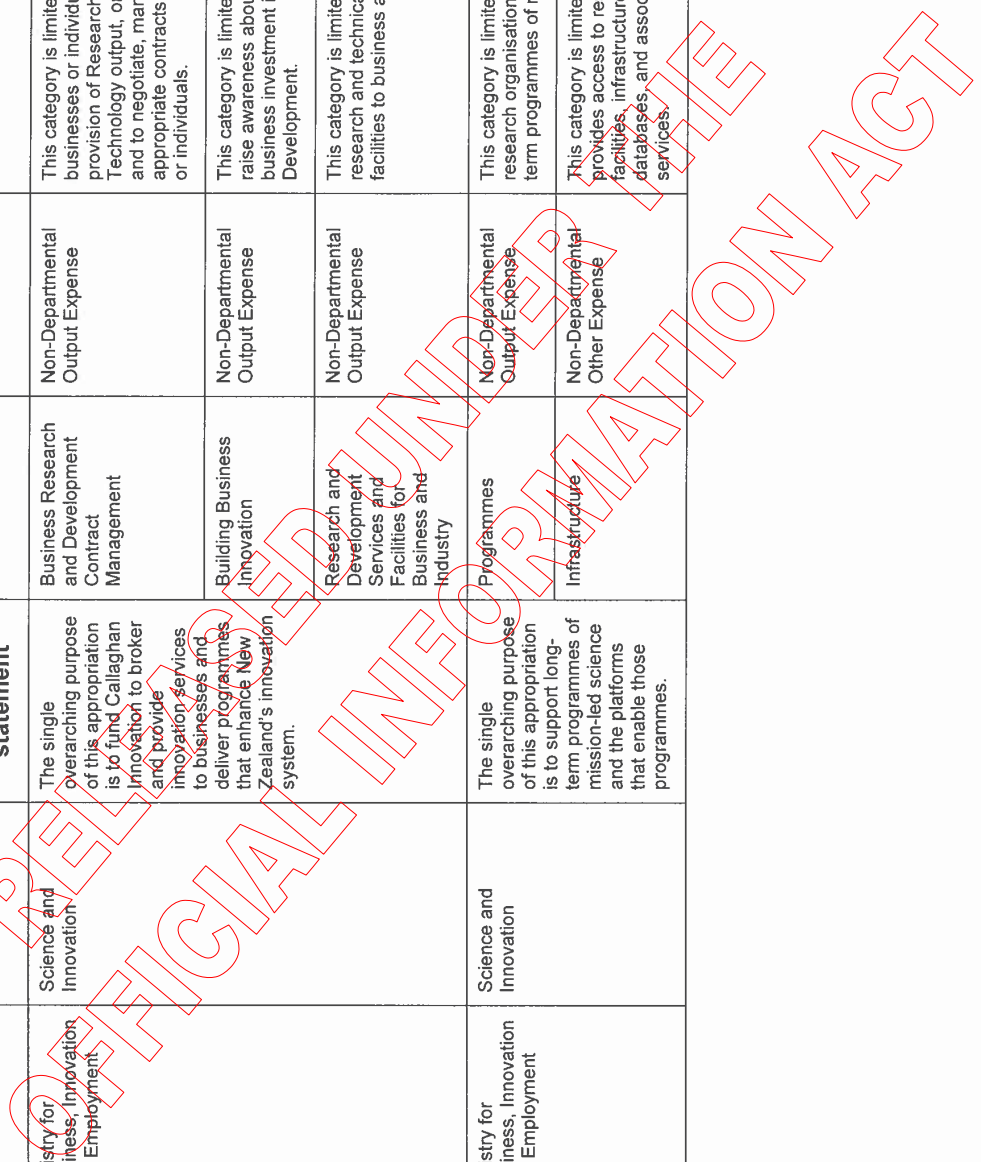
Annex 1

Proposed multi-category appropriations

MCA Title	Vote Name	Department Name	Minister of/for Portfolio	Overarching purpose statement	Category title	Category type	Category scope
Contract Management	Vote Business, Science and Innovation	Ministry for Business, Innovation and Employment	Science and Innovation	The single overarching purpose of this appropriation is to manage the allocation of funds for science, research and technology, and to manage the related contracts.	Science and Innovation Contract Management	Departmental Output Expense	This category is limited to contract management, planning, monitoring and evaluating science and innovation outputs and impacts.
Talent and Science Promotion	Vote Business, Science and Innovation	Ministry for Business, Innovation and Employment	Science and Innovation	The single overarching purpose of this appropriation is to contribute to an excellent, high-performing science system through enhancing public engagement with science and the development of talented people, including through research.	Research Contract Management Vision Mātauranga Capability Fund	Non-Departmental Output Expense	This category is limited to the 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.
					Fellowships for Excellence	Non-Departmental Output Expense	This category 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.
					Royal Society of New Zealand	Non-Departmental Other Expense	This category is limited to encouraging the career development of the country's talented early and mid-career researchers.
					Science in Society	Non-Departmental Output Expense	This category 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.



MCA Title	Vote Name	Department Name	Minister of/for Portfolio	Overarching purpose statement	Category title	Category type	Category scope
Callaghan Innovation – Operations	Vote Business, Science and Innovation	Ministry for Business, Innovation and Employment	Science and Innovation	The single overarching purpose of this appropriation is to fund Callaghan Innovation to broker and provide innovation services to businesses and deliver programmes that enhance New Zealand's innovation system.	Business Research and Development Contract Management	Non-Departmental Output Expense	This category 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.
					Building Business Innovation	Non-Departmental Output Expense	This category is limited to activities that raise awareness about and increase business investment in Research and Development.
					Research and Development Services and Facilities for Business and Industry	Non-Departmental Output Expense	This category is limited to providing research and technical expertise and facilities to business and industry.
Strategic Investment Fund	Vote Business, Science and Innovation	Ministry for Business, Innovation and Employment	Science and Innovation	The single overarching purpose of this appropriation is to support long-term programmes of mission-led science and the platforms that enable those programmes.	Programmes Infrastructure	Non-Departmental Output Expense Non-Departmental Other Expense	This category is limited to funding for research organisations to undertake longer-term programmes of mission-led research. This category is limited to funding that provides access to research technology, facilities, infrastructure, collections and databases, and associated support services.



From: Simon Litten <Simon.Litten@mbie.govt.nz>
Sent: Wednesday, 23 March 2016 4:15 p.m.
To: Jonathan Williams [TSY]
Cc: Sebastian Doelle [TSY]
Subject: FW: Capital Appropriation Balance of \$59.4m - Phasing [UNCLASSIFIED]

Simon Litten
FINANCIAL ACCOUNTANT – GROUP REPORTING

Finance, Practice and Performance, Finance and Performance Group
Ministry of Business, Innovation and Employment

Simon.litten@mbie.govt.nz | Telephone: +64 (4) 901 2280
Level 6, 15 Stout St, Wellington 6011

From: Liz Clayton
Sent: Thursday, 10 March 2016 11:16 a.m.
To: Sue Phillips
Cc: Simon Litten
Subject: FW: Capital Appropriation Balance of \$59.4m - Phasing [UNCLASSIFIED]

Here is the email from Callaghan re capital appropriation

Liz Clayton PhD
Senior Analyst
Monitoring & Governance
Evidence, Monitoring & Governance
Ministry of Business, Innovation & Employment

liz.clayton@mbie.govt.nz

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15 Stout Street, Wellington 6011; PO Box 1473, Wellington 6140



From: Peter Jelley [<mailto:Peter.Jelley@callaghaninnovation.govt.nz>]
Sent: Thursday, 3 March 2016 5:07 p.m.
To: Liz Clayton
Cc: Richard Perry; Fleur Francois; Megan Simmons; Purnima Damodaran; Stephen Malanchak
Subject: Capital Appropriation Balance of \$59.4m - Phasing

Hi Liz,

Thanks for the phone call / voicemail message.

So we need to move the \$59.4m balance into the following years as per below (via Budget Technical as recommended by you).

Year	\$m
FY2017	8.000
FY2018	10.000
FY2019	20.000
FY2020	21.400
Total	59.400

Explanation is along the following:

The Callaghan Innovation Capital Appropriation balance of \$59.4 has been reforecasted across FY2017 to FY2020 to better reflect the latest forecast in spend for the Innovation Quarter Programme. The Treasury Better Business Case for the Innovation Quarter Programme is scheduled for submission to Treasury in early FY2017.

Any questions let me know.

Many thanks.

Pete

Pete Jelley

Manager, Management Accounting

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From: Simon Litten <Simon.Litten@mbie.govt.nz>
Sent: Wednesday, 23 March 2016 4:15 p.m.
To: Jonathan Williams [TSY]
Cc: Keli Leaupepe; Sebastian Doelle [TSY]
Subject: RE: Question about technical initiative [IN-CONFIDENCE]

Hi Jonathan

numbers came straight from Callaghan Innovation (total was \$10k understated).
I shall forward the email to you.

Simon Litten
FINANCIAL ACCOUNTANT – GROUP REPORTING

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Ministry of Business, Innovation and Employment

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Level 6, 15 Stout St, Wellington 6011

From: Keli Leaupepe
Sent: Wednesday, 23 March 2016 4:09 p.m.
To: Simon Litten
Subject: FW: Question about technical initiative [IN-CONFIDENCE]

Hi Simon,

Please refer to Jonathan's message. Who at Callaghan Innovation would have provided those figures so I can get them to respond to his email.

Thanks

Keli Leaupepe
MANAGEMENT ACCOUNTANT

Finance Practice and Performance Team, Finance and Performance Group
Ministry of Business, Innovation & Employment

Keli.Leaupepe@mbie.govt.nz, Telephone: +64 4 474 2878
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From: Jonathan Williams [TSY] [<mailto:Jonathan.Williams@treasury.govt.nz>]
Sent: Wednesday, 23 March 2016 4:01 p.m.
To: Keli Leaupepe
Cc: Sebastian Doelle [TSY]
Subject: Question about technical initiative [IN-CONFIDENCE]

[IN-CONFIDENCE]

Hi Keli,

Of the remaining science & innovation technical initiatives (beyond the ones relating to the new MCAs where I am waiting for MoF's signature on the Joint Ministers letter, and the Square Kilometer Array one we're getting unlocked), I have one remaining query:

9381	Callaghan Innovation capital expenditure programme
Description:	Reallocation of Callaghan Innovation capital injections to reflect Innovation Quarter Programme and the accompanying Better Business Case review process.

I am a bit puzzled by the proposed re-allocation of funding across specific years, in specific amounts. Can the team working on this provide some information as to why they have chosen these figures? I have some involvement with the Business Case through my work and these numbers are new to me. Happy to discuss by phone.

Cheers

Jonathan

Jonathan Williams | Analyst | Economic Performance & Strategy | **The Treasury**

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