

The Treasury

Budget 2014 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2014: Vote Science and Innovation Technical Initiatives

On 7 April 2014, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2014 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
8332	Callaghan Research and Development Growth Funds	(38.550)	-	19.000	19.550	-
8114	Savings from the formation of the Ministry of Business, Innovation and Employment	-	(0.453)	(0.453)	(0.453)	(0.453)
8276	New Zealand Ocean Survey 20/20 Programme	-	2.071	2.071	2.071	2.071
8261	Phasing of Business Incubator Operational Funding	-	1.000	-	(1.000)	(1.000)
8268	Vote Realignment to Reflect Implementation of One-Cost Allocation Methodology	(1.670)	-	-	-	-
Total Operating		(40.22)	2.618	20.618	20.168	0.618

- 2 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **agreed** that the changes to appropriations and/or projected balances of net assets for 2013/14 above be included in the 2013/14 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2013/14 Supplementary Estimates, the 2014/15 Estimates and the fiscal forecasts;

- 5 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 6 **noted** that all communications relating to the 2014 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: CAB (14) 160

Initiative No: 8332

Vote: Science and Innovation

Title: Callaghan Research and Development Growth Funds

Description: Rephase of the Research and Development Growth Grants and Targeted Business Research and Development Multi-Year Appropriation

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(38.550)	-	19.000	19.550	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(38.550)	-	19.000	19.550	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Output Expenses:					
Research and Development Growth Grants (MYA)	(25.800)	-	13.350	12.450	-
Targeted Business Research and Development Funding (MYA)	(12.750)	-	5.650	7.100	-
Total Operating	(38.550)	-	19.000	19.550	-
Total Capital	-	-	-	-	-

Additional recommendations

- 8 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Research and Development Growth Grants" are the change to the indicative annual spending profile;
- 9 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Targeted Business Research and Development Funding" are the change to the indicative annual spending profile.

Vote: Science and Innovation

Title: China Science and Innovation Counsellor

Description: To establish the China Science and Innovation Counsellor.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expenses:					
International Relationships	-	(0.700)	(0.700)	(0.700)	(0.700)
Multi-Category Expenses and Capital Expenditure					
Advice and Support on Shaping the Science and Innovation System					
Departmental Output Expense:					
Strategic Leadership in the Science and Innovation Sector (funded by revenue Crown)	-	0.700	0.700	0.700	0.700
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Science and Innovation

Title: Savings from the formation of the Ministry of Business, Innovation and Employment

Description: Savings as a result of the formation of the Ministry of Business, Innovation and Employment.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	(0.453)	(0.453)	(0.453)	(0.453)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.453)	(0.453)	(0.453)	(0.453)

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Multi-Category Expenses and Capital Expenditure					
Advice and Support on Shaping the Science and Innovation System					
Departmental Output Expenses:					
Policy Advice (funded by revenue Crown)	-	(0.090)	(0.090)	(0.090)	(0.090)
Science and Innovation Contract Management (funded by revenue Crown)	-	(0.212)	(0.212)	(0.212)	(0.212)
Strategic Leadership in the Science and Innovation Sector (funded by revenue Crown)	-	(0.151)	(0.151)	(0.151)	(0.151)
Total Operating	-	(0.453)	(0.453)	(0.453)	(0.453)
Total Capital	-	-	-	-	-

Initiative No: 8276

Vote: Science and Innovation

Title: New Zealand Ocean Survey 20/20 Programme

Description: This initiative provides for residual components of the NZ Ocean Survey 20/20 programme to be aligned with the development of the National Marine Research Strategy. Operational funding transferred from Vote Lands to Vote Science and Innovation will provide on-going support for the financial viability of the RV Tangaroa.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	2.071	2.071	2.071	2.071
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.071	2.071	2.071	2.071

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Other Expense:					
Science Collections and Infrastructure	-	2.071	2.071	2.071	2.071
Total Operating	-	2.071	2.071	2.071	2.071
Total Capital	-	-	-	-	-

Additional recommendation

10 **noted** that a corresponding initiative in Vote Lands will complete this fiscally neutral adjustment.

Initiative No: 8261

Vote: Science and Innovation

Title: Phasing of Business Incubator Operational Funding

Description: This initiative allows for a smoother transition period to lower ongoing funding for Business Incubators.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	1.000	-	(1.000)	(1.000)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	(1.000)	(1.000)

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Non-Departmental Output Expense:					
Repayable Grants for Start-Ups	-	1.000	-	(1.000)	(1.000)
Total Operating	-	1.000	-	(1.000)	(1.000)
Total Capital	-	-	-	-	-

Initiative No: 8268

Vote: Science and Innovation

Title: Vote Realignment to Reflect Implementation of One-Cost Allocation Methodology

Description: Fiscally neutral adjustments across votes and appropriations administered by the Ministry of Business, Innovation and Employment (MBIE) to reflect the introduction of one cost allocation methodology following the establishment of MBIE and implementation of the organisation management structure.

Appropriation Changes

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(1.670)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.670)	-	-	-	-

	\$m - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expenses:					
Advice and Support on Shaping the Science and Innovation System (MCOA)					
Policy Advice (funded by revenue Crown)	2.500	-	-	-	-
Science and Innovation Contract Management (funded by revenue Crown)	0.600	-	-	-	-
Strategic Leadership in the Science and Innovation Sector (funded by revenue Crown)	(4.770)	-	-	-	-
Total Operating	(1.670)	-	-	-	-
Total Capital	-	-	-	-	-