

Performance Information for Appropriations

Vote Science and Innovation

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Science and Innovation (M84)

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

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

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister of Science and Innovation is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

Departmental appropriations consisting of:

- just under \$30 million for advice and support to shape the science and innovation system, including policy advice, public consultation and engagement on National Science Challenges, contract management and strategic leadership in the Science and Innovation sector.

Non-departmental appropriations consisting of:

- under \$202 million for Crown Research Institutes (CRI's) to provide greater financial certainty to deliver outcomes for the benefit of New Zealand and to assist the CRI's to contribute to the outcomes in their statement of core purpose
- just over \$303 million for research and research applications in the areas of high value manufacturing and services, biological industries, health and society, environmental, hazards and infrastructure and energy and minerals
- under \$145 million for Research and Development Growth Grants multi-year appropriation (MYA), Targeted Business Research and Development Funding MYA, and Repayable Grants for Start-Ups
- just over \$42 million for National Science Challenges to fund specific research projects in seeking answers to the most pressing issues of national significance facing New Zealand
- under \$19 million for services by the Crown entity Callaghan Innovation for development and maintenance of strategic capabilities required to meet immediate and future needs of business and industry
- under \$52 million for the Marsden Fund for excellent fundamental research
- under \$9 million for fellowships and grants to support the development of future research leaders
- under \$13 million for contract management services with regard to research, science and technology contract with organisations or individuals
- just under \$9 million for engaging New Zealanders with science and technology
- just over \$16 million for the advice, brokerage and networking services provided by Callaghan Innovation
- over \$6 million for Research Contract Management
- under \$6 million for providing specified standards to meet the needs for traceable physical measurements in New Zealand, and
- under \$7 million for the development of skilled people and organisations undertaking research that supports the four themes of Vision Mātauranga.

Non-departmental other expenses consisting of:

- under \$38 million for grants to organisations in New Zealand and overseas which ensures infrastructures and projects that have system-wide benefits or are too large for any one institution to fund, but are of benefit to New Zealand, can take place, and
- a total of \$135,000 for membership to the Convention du Metre.

Non-departmental capital expenditure consisting of:

- just under \$32 million to support the establishment and development of an advanced technology institute as the Crown entity Callaghan Innovation.

Departmental capital expenditure: please note that as a result of the formation of Ministry of Business, Innovation and Employment all departmental capital expenditure is now under Vote Economic Development.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Build a more competitive and productive economy Deliver better public services	More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy	Departmental Advice and Support on Shaping the Science and Innovation System MCOA Non-departmental Biological Industries Research Building Innovation Potential Business Research and Development Contract Management Callaghan Innovation Strategic Investment Crown Research Institute Core Funding Energy and Minerals Research Engaging New Zealanders with Science and Technology Environmental Research Fellowships for Excellence Hazards and Infrastructure Research Health and Society Research High Value Manufacturing and Services Research Marsden Fund National Measurement Standards National Science Challenges Realising the Benefits of Innovation Repayable Grants for Start-Ups Research and Development Growth Grants Research Contract Management Targeted Business Research and Development Funding Vision Mātauranga Capability Fund Non-departmental Other Expenses Advanced Network Capacity Australian Synchrotron Convention du Metre International Relationships National eScience Infrastructure Royal Society of New Zealand Science Collections and Infrastructure

Note - The Government Priorities are also referred to as the Government Goals.

The Ministry of Business, Innovation and Employment Statement of Intent 2013-2016 discusses the link between the Minister's priorities, and the Ministry's outputs and outcome in more detail.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	546,820	574,304	630,011	732,181	774,544	774,544	29,632	828,051	857,683	861,698	863,075	856,583
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	133,966	146,097	117,655	23,223	25,771	25,771	-	37,719	37,719	31,728	40,853	32,128
Capital Expenditure	4,630	1,217	22,419	1,290	-	-	-	31,900	31,900	20,600	23,600	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	685,416	721,618	770,085	756,694	800,315	800,315	29,632	897,670	927,302	914,026	927,528	888,711
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

New Policy Initiatives

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
International Growth Package	Research & Development Growth Grants - MYA	-	90,900	96,600	101,500	104,000
	High Value Manufacturing and Services Research	-	(110,200)	(110,200)	(110,200)	(110,200)
	Biological Industries Research	-	(6,800)	(6,800)	(6,800)	(6,800)
	Fellowships for Excellence	-	(5,700)	(5,700)	(5,700)	(5,700)
	Targeted Business Research and Development Funding - MYA	-	50,600	44,900	40,000	37,500
	Repayable Grants for Start-Ups	-	3,100	7,800	10,200	10,200
	National Science Challenges	-	23,100	18,400	16,000	16,000
	Marsden Fund	-	5,000	5,000	5,000	5,000

Analysis of Significant Trends

Departmental Output Expenses

The decreased appropriation is a result of the Business Investment function being transferred to Callaghan Innovation Crown entity.

Non-Departmental Output Expense

The significant movement is mainly due to the establishment of new appropriations within the Vote to support the establishment of Callaghan Innovation, creation of new appropriations for the Business Research and Development Grants administered by Callaghan Innovation and the new funding for business research and development, and the National Science Challenges which were established in Budget 2012 for commencement in 2013/14.

Non-Departmental Other Expenses

The significant movement in non-departmental other expense is from 2012/13 to 2013/14. This is mainly due to the Australian Synchrotron which was established in Budget 2012, and will commencing in 2013/14.

Non-Departmental Capital

Funding for Callaghan Innovation is now \$31.900 million in 2013/14, \$20.600 million in 2014/15 and \$23.600 million in 2015/16.

Departmental capital expenditure: please note that as a result of the formation of Ministry of Business, Innovation and Employment all departmental capital expenditure is now under Vote Economic Development.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcomes More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy Intermediate Outcomes Improved business capability and higher levels of innovation Improved international flows of people, ideas, investment and trade	Advice and Support on Shaping the Science and Innovation System (MCOA)

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Ministry of Business, Innovation and Employment Statement of Intent 2013-2016.

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

Scope of Appropriation

Contract Management

Negotiating, managing and monitoring contracts with the Crown's funding and investment agents and with other specific science and technology service providers.

Policy Advice

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by Ministers on government policy matters.

Public consultation and engagement on National Science Challenges

This output class is limited to costs of public engagement on National Science Challenges.

Science and Innovation Contract Management

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

Strategic Leadership in the Science and Innovation Sector

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

Explanation for Use of Multi-Class Output Expense Appropriation

The output classes relate to the provision of policy advice and related outputs such as Ministerial servicing, monitoring of funded Crown entities, sector leadership and funding contract management within Vote Science and Innovation.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	33,078	33,078	29,632
Contract Management	-	-	-
Policy Advice	4,406	4,406	5,097
Public consultation and engagement on National Science Challenges	1,250	1,250	-
Science and Innovation Contract Management	12,618	12,618	10,988
Strategic Leadership in the Science and Innovation Sector	14,804	14,804	13,547
Revenue from Crown	32,433	32,433	29,082
Contract Management	-	-	-
Policy Advice	4,406	4,406	5,097
Public consultation and engagement on National Science Challenges	1,250	1,250	-
Science and Innovation Contract Management	11,973	11,973	10,438
Strategic Leadership in the Science and Innovation Sector	14,804	14,804	13,547
Revenue from Other	645	645	550
Contract Management	-	-	-
Policy Advice	-	-	-
Public consultation and engagement on National Science Challenges	-	-	-
Science and Innovation Contract Management	645	645	550
Strategic Leadership in the Science and Innovation Sector	-	-	-

*Reasons for Change in Output Class***Policy Advice**

The increased output class is a result of a retention of underspend to 2013/14.

Science and Innovation Contract Management

The decreased output class is a result of a fiscally neutral adjustment (FNA) to non-departmental output expense Business Research and Development Contract Management for the Business Investment function being transferred to Callaghan Innovation.

Strategic Leadership in the Science and Innovation Sector

The decreased output class is a result of an FNA to non-departmental expense Business Research and Development Contract Management for the Business Investment function being transferred to Callaghan Innovation.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Strategic Leadership in the Science and Innovation Sector			
State of the science and innovation ecosystem report prepared and issued to the Minister by 30 June 2014.	Achieved	Achieved	Achieved
Percentage of drafts that meet the quality standard for Ministerial correspondence replies, parliamentary question responses, Ministerial Official Information Act 1982 request replies, and responses to information requests from the Minister.	95%	95%	Discontinued
Responses to Parliamentary Questions, Ministerial Correspondence and Ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	Replacement measure	Replacement measure	95% or above
Proportion of evaluations completed, of evaluations scheduled and confirmed.	Updated measure	Updated measure	90%
Science and Innovation Contract Management			
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives, eligibility and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	Updated measure	Updated measure	100%
Percentage of science contracts assessed annually as on-track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract output (see Note 2).	95%	95%	95%
Proportion of scheduled and confirmed science contract reviews completed (see Note 3).	Updated measure	Updated measure	90%
Quality of policy briefings as assessed independently by the New Zealand Institute of Economic Research (NZIER) or an equivalent organisation.	A median score of at least 7.5 (halfway between 'adequate' and 'good' - goes beyond the task at hand somewhat)	Achieved	Discontinued
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	Replacement measure	Replacement measure	At least an average of 73%
The satisfaction of the Minister of Science and Innovation with the policy advice service, as per the common satisfaction survey.	Replacement measure	Replacement measure	At least 70%
The total cost per hour of producing outputs.	New measure	New measure	At most \$155

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

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

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
MCOA Policy Advice - Creation of Policy Advice output class	2012/13	4,805	4,875	4,971	5,077	5,077
MCOA Policy Advice - Efficiency Savings	2012/13	(93)	(58)	(45)	(39)	(39)
MCOA Strategic Leadership in the Science and Innovation Sector - Administration of establishing the Advanced Technology Institute	2011/12	1,871	-	-	-	-
MCOA Strategic Leadership in the Science and Innovation Sector - Efficiency Savings	2012/13	(273)	(530)	(625)	(568)	(568)
MCOA Strategic Leadership in the Science and Innovation Sector - Creation of Policy Advice output class	2012/13	(4,561)	(4,858)	(5,215)	(5,183)	(5,183)
MCOA Science and Innovation Contract Management - Administration of National Science Challenges	2012/13	500	500	500	500	500
MCOA Science and Innovation Contract Management - Reduction of Contract Management other revenue	2011/12	(650)	(500)	(500)	(500)	(500)
MCOA Science and Innovation Contract Management - Creation of Policy Advice output class	2012/13	(625)	(403)	(321)	(384)	(384)
MCOA Science and Innovation Contract Management - Efficiency Savings	2012/13	(244)	(17)	244	106	106
MCOA Strategic Leadership in the Science and Innovation Sector - Realignment of Departmental output expenses	2011/12	4,756	4,433	4,433	4,433	4,433
MCOA Science and Innovation Contract Management - Realignment of Departmental output expenses	2011/12	(4,756)	(4,433)	(4,433)	(4,433)	(4,433)
MCOA Strategic Leadership in the Science and Innovation Sector - adjustment for rate change for capital charge	2011/12	324	326	326	326	326
MCOA Science and Innovation Contract Management - adjustment for rate change for capital charge	2011/12	447	445	445	445	445
MCOA Science and Innovation Contract Management - Technology Transfer - Global Technology Partnership	2011/12	400	400	400	400	400
MCOA Science and Innovation Contract Management - Technology Transfer - science/business collaboration	2010/11	1,180	1,180	1,180	1,180	1,180
MCOA Science and Innovation Contract Management - establish MSI	2010/11	18,013	17,758	17,758	17,758	17,758
MCOA Strategic Leadership in the Science and Innovation Sector	2010/11	14,178	14,178	14,178	14,178	14,178
MCOA Contract Management - establish MSI	2010/11	(1,089)	(1,089)	(1,089)	(1,089)	(1,089)
MCOA Policy Advice - establish MSI	2010/11	(13,702)	(13,702)	(13,702)	(13,702)	(13,702)
MCOA Policy Advice CRI policy capability	2010/11	1,000	1,000	1,000	1,000	1,000
MCOA Policy Advice Budget 2009 Discontinuation of Research and Development tax credit evaluation	2009/10	(250)	(250)	(250)	(250)	(250)
Previous Government						
MCOA Policy Advice Budget 2008 MoRST capability	2008/09	300	300	300	300	300

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcomes More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy Intermediate Outcomes Improved business capability and higher levels of innovation Improved international flows of people, ideas, investment and trade	Biological Industries Research Building Innovation Potential Business Research and Development Contract Management Callaghan Innovation Strategic Investment Crown Research Institute Core Funding Energy and Minerals Research Engaging New Zealanders with Science and Technology Environmental Research Fellowships for Excellence Hazards and Infrastructure Research Health and Society Research High Value Manufacturing and Services Research Marsden Fund National Measurement Standards National Science Challenges Realising the Benefits of Innovation Repayable Grants for Start-Ups Research and Development Growth Grants Research Contract Management Targeted Business Research and Development Funding Vision Mātauranga Capability Fund

Biological Industries Research (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	106,452	106,452	100,700

Reasons for Change in Appropriation

The decreased appropriation is a result of an expense transfer of \$6.925 million in 2012/13 to align business commitments made under funding contracts with research providers for research outputs, an FNA of \$6.800 million in 2013/14 to transfer the existing business research and development (R&D) grant funding to a new appropriation, and an FNA of \$2 million in response to the Christchurch earthquake. This was partially offset by a net movement of an expense transfer of \$10.600 million (\$5.300 million transferred from 2012/13 to 2013/14) as a result of the timing in a Research Partnership funding application.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%

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

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
International Growth Package (Business R&D Grants)	2013/14	-	(6,800)	(6,800)	(6,800)	(6,800)
Crown Research Institute Core Purpose (New NDOC)	2011/12	(65,788)	(65,788)	(65,788)	(65,788)	(65,788)
Response to Christchurch Earthquake	2010/11	(1,000)	(3,000)	(3,000)	(3,000)	(3,000)
Business Research and Development and Commercialisation BEFU 2011	2010/11	(400)	(1,700)	(1,700)	(1,700)	(1,700)
Global Alliance	2010/11	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Savings	2010/11	(1,716)	(1,859)	(1,859)	(1,859)	(1,859)
Science Priorities for Research, Science and Technology	2010/11	177,213	177,219	177,219	177,219	177,219

Building Innovation Potential (M84)

Scope of Appropriation

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	-	-	6,178

Reasons for Change in Appropriation

This appropriation was established in 2012/13 to fund Callaghan Innovation. The Better by Lean and Futureintech functions and associated funding were transferred from Vote Economic Development as an FNA, as well as an FNA from the non-departmental output expense High Value Manufacturing and Science Research.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Initiatives are developed, managed and implemented in accordance with Callaghan Innovation business case.	New measure	New measure	Achieved
Number of firms Callaghan Innovation engages with on Science and Engineering Technology Development (SETD) based innovation.	New measure	New measure	Baseline to be established in 2013/14

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer from High Value Manufacturing and Services	2013/14	-	3,800	6,700	6,700	6,700
Better by Lean Function Transfer	2013/14	-	1,134	1,134	1,134	1,134
Futureintech Function Transfer	2013/14	-	1,244	1,244	1,244	1,244

Business Research and Development Contract Management (M84)

Scope of Appropriation

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	2,526	2,526	6,256

Reasons for Change in Appropriation

This appropriation was established in 2012/13. Funding was transferred from departmental output expenses Science and Innovation Contract Management, and Strategic Leadership in the Science Section.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Contracts will be managed so that 95% of contracts will be on track to achieve their objectives and the critical steps.	New measure	New measure	95% of contracts
All contracts are monitored in terms of their likelihood of delivering on the contract outcomes.	New measure	New measure	100% monitored
An independent Advisory Group will provide advice to Callaghan Innovation on investment decisions for all business Research and Development grants.	New measure	New measure	100% of proposals recommended
For On Demand investments, applications in excess of \$250,000, Callaghan Innovation receives an independent expert review and advice.	New measure	New measure	100% of proposals recommended
For successful applicants the time between receipt of a proposal for business Research and Development support (TechNZ, Technology Development Grant (TDG), or Technology Transfer Vouchers (TTV)) from a business and the finalisation of a contract will not exceed six months.	New measure	New measure	95% of proposals
Contracts will be managed so that 95% of contracts will be on track to achieve their objectives, and critical steps.	New measure	New measure	95% of contracts

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer of funds from Science and Innovation Contract Management	2012/13	1,515	3,754	3,754	3,754	3,754
Transfer of funds from Strategic Leadership in the Science and Innovation Sector	2012/13	1,011	2,502	2,502	2,502	2,502

Callaghan Innovation Strategic Investment (M84)

Scope of Appropriation

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	-	-	18,523

Reasons for Change in Appropriation

This appropriation established in 2012/13, with an FNA from non-departmental output expense Crown Research Institute Core Funding.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Funds are managed in line with Callaghan Innovation business case and investment priorities to maintain strategic capability.	New measure	New measure	Achieved
Number of collaborative projects engaged with research science and technology providers and industry.	New measure	New measure	Baseline to be established in 2013/14
Increased level of co investment in research and development projects.	New measure	New measure	Baseline to be established in 2013/14

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer of funds from Crown Research Institute Core Funding	2013/14	-	18,523	18,523	18,523	18,523

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

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	215,514	215,514	201,622

Reasons for Change in Appropriation

The decreased appropriation is a result of an FNA to non-departmental output expense Callaghan Innovation Strategic Investment to support scientific capability.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Crown research institutes manage and administer their core funding in accordance with their Statements of Corporate Intent and their core funding agreement.	Achieved	Achieved	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer to Callaghan Innovation Strategic Investment	2012/13	(4,631)	(18,523)	(18,523)	(18,523)	(18,523)
Increase in Industrial Research Limited core funding	2011/12	5,000	5,000	5,000	5,000	5,000
Crown Research Institute(CRI) Core Purpose	2011/12	215,145	215,145	215,145	215,145	215,145

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

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	11,776	11,776	11,725

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on-track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%

See Notes 1 and 2 under Biological Industries Research appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Crown Research Institute (CRI) Core Purpose	2011/12	(9,706)	(9,706)	(9,706)	(9,706)	(9,706)
Restructure of the Vote - BEFU 2010	2010/11	(236)	(279)	(279)	(279)	(279)
Science Priorities for Research, Science and Technology	2010/11	20,803	20,819	20,819	20,819	20,819

Engaging New Zealanders with Science and Technology (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,433	10,433	8,969

Reasons for Change in Appropriation

The decreased appropriation is mainly a result of two FNAs: \$1.244 million for the Futureintech function to non-departmental output expense Callaghan Innovation Strategic Investment, and \$675,000 to Vote Prime Minister and Cabinet to support the Science Advisory Committee.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Initiatives are developed and managed to align with objectives of the fund.	Achieved	Achieved	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Transfer Futureintech to Callaghan Innovation	2013/14	-	(1,244)	(1,244)	(1,244)	(1,244)
Transfer of Funding for Prime Ministers Advisory Committee	2013/14	-	(675)	(675)	(675)	(675)
Transfer from New Zealand Trade and Enterprise for Futureintech	2012/13	1,244	1,244	1,244	1,244	1,244
Transfer of Funding for Prime Minister's Chief Science Adviser	2011/12	(625)	-	-	-	-
Creative Commons Aotearoa New Zealand	2010/11	170	-	-	-	-
Savings - Budget Economic Fiscal Update 2010	2010/11	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)
Science Priorities for Research, Science and Technology	2010/11	5,244	5,244	5,244	5,244	5,244
Budget 2009 Prime Minister's Prizes for Science	2009/10	1,000	1,000	1,000	1,000	1,000
Previous Government						
Budget 2008 Science Learning Hub and Media Centre	2008/09	1,825	1,825	1,825	1,825	1,825

Environmental Research (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	33,238	33,238	33,171

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action as been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%

See Notes 1 and 2 under Biological Industries Research appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<i>Current Government</i>						
Crown Research Institute Core Purpose	2011/12	(38,324)	(38,324)	(38,324)	(38,324)	(38,324)
Science Priorities for Research, Science and Technology	2010/11	(23,958)	(23,957)	-	-	-
Savings - BEFU 2010	2009/10	(5,446)	(5,514)	-	-	-

Fellowships for Excellence (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,355	13,355	8,570

Reasons for Change in Appropriation

The decreased appropriation is a result of:

- FNA of \$5.700 million of unallocated funding to implement the revised Business R&D Grants (part of the International Growth Package initiative)
- one-off expense transfer of \$1.085 million from 2010/11 to 2012/13 to match residual commitments made under the Post Doctorate Fellowship Scheme, and
- FNA of \$1 million to departmental expense Strategic Leadership in the Science and Innovation sector for the implementation of Callaghan Innovation.

These were partially offset by an FNA of \$2 million to non-departmental expense Hazards and Infrastructure Research as a response to the Christchurch earthquake, and an expense transfer of \$1 million to transfer balances from the dissolution of the Ministry of Research, Science and Technology (MoRST).

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Monitor and assess reporting from the investment agent against contractual agreements.	Updated measure	Updated measure	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
International Growth Package (Business R&D Grants)	2013/14	-	(5,700)	(5,700)	(5,700)	(5,700)
Science Entrepreneurial Scheme	2011/12	1,707	1,707	1,707	1,707	1,707
Business Research and Development and Commercialisation BEFU 2011	2010/11	(2,000)	(3,000)	-	-	-
James Cook Fellowship	2010/11	720	720	720	720	720
Top Talent	2010/11	6,000	7,000	7,000	7,000	7,000
Science Priorities for Research, Science and Technology	2010/11	7,843	7,843	7,843	7,843	7,843

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

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,783	14,783	14,614

Reasons for Change in Appropriation

The decreased appropriation is mainly a result of a reduction in an expense transfer from 2012/13 to 2013/14 to cover contract commitments with research providers for research outputs.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%

See Notes 1 and 2 under Biological Industries Research appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Response to Christchurch Earthquake BEFU 2011	2010/11	3,000	3,000	3,000	3,000	3,000
Science Priorities for Research, Science and Technology	2010/11	23,235	23,245	23,245	23,245	23,245

Health and Society Research (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	82,727	82,727	81,885

Reasons for Change in Appropriation

The decreased appropriation is a result of:

- forecast change of \$638,000 reflecting the Health Research Council no longer being part of the capital charge scheme, as taxpayers funds are currently less than the \$15 million threshold, and
- expense transfer of \$118,000 to 2015/16 to reflect Massey University's requirement of extending the contract period for a key contract in Youth at Risk in New Zealand.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%
Monitor and assess reporting from the funding agent against the output agreement.	New measure	New measure	Achieved

See Notes 1 and 2 under Biological Industries Research appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Transfer of Tourism based Economic Research	2011/12	(459)	(78)	-	-	-
Business Research and Development and Commercialisation	2010/11	(1,100)	(2,100)	(2,100)	(2,100)	(2,100)
Productivity Commission	2010/11	(150)	(150)	(150)	(150)	(150)
Science Priorities for Research, Science and Technology	2010/11	89,840	89,844	89,844	89,944	89,944

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

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	187,494	187,494	61,060

Reasons for Change in Appropriation

The decreased appropriation is mainly a result of:

- FNA of \$110,200 million in 2013/14 to transfer the existing business R&D grant funding to new appropriations
- two FNAs totalling \$20 million in 2013/14 in non-departmental output expenses: \$3.800 million to Building Innovation Potential and \$16.200 million to Realising the Benefits of Innovation relating to Callaghan Innovation
- expense transfer of \$7.860 million to 2012/13 to cover commitments made but not drawn-down during 2011/12
- FNA of \$4.631 million in 2012/13 from non-departmental output expense Crown Research Institute Core Funding to support Callaghan Innovation scientific capability
- FNA of \$810,000 in 2012/13 from non-departmental expense Biological Industries Research for High Technology Transformational Research, Science and Technology investment, and
- FNA of \$500,000 in 2012/13 from departmental Strategic Leadership in the Science and Innovation Sector for Callaghan Innovation Crown entity as approved by joint Ministers.

These were partially offset by:

- \$10 million approved in Budget 2012 for the establishment of the Advanced Technology Institute (ATI)
- FNA of \$2.050 million in 2012/13 to non-departmental Biological Industries Research to align business on demand funding to contract commitments
- \$2 million approved in Budget 2012 to commence in 2013/14 for the expansion of capability funding
- FNA of \$1.972 million to departmental output expense Strategic Leadership in the Science and Innovation Sector to support work of the Callaghan Innovation establishment team, and
- \$1.778 million as a result of the dissolution of MoRST initiative.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals and expressions of interest assessed against science and innovation priorities, programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of science contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%
Percentage of maturing science contracts that are assessed using predetermined guidelines for contract outputs (see Note 2).	95%	95%	95%

See Notes 1 and 2 under Biological Industries Research appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
International Growth Package (Business R&D Grants)	2013/14	-	(110,200)	(110,200)	(110,200)	(110,200)
Establishment of the Advanced Technology Institute	2012/13	10,000	20,000	30,000	30,000	30,000
Transfer of Tourism based Economic Research	2011/12	459	78	-	-	-
CRI Core Purpose	2011/12	(10,342)	(10,342)	(10,342)	(10,342)	(10,342)
Business Research and Development and Commercialisation BEFU 2011	2010/11	6,000	6,000	6,000	6,000	6,000
Savings - BEFU 2010	2010/11	(2,975)	(3,160)	(3,160)	(3,160)	(3,160)
Technology Development Grant (BEFU) 2010	2010/11	60,000	62,000	62,000	62,000	62,000
Technology Transfers initiatives (BEFU) 2010	2010/11	8,000	8,000	8,000	8,000	8,000
Science Priorities for Research, Science and Technology	2010/11	108,216	108,179	108,179	108,179	108,179
Actuals at MoRST Dissolution	2010/11	173,241	175,019	175,019	175,019	175,019

Marsden Fund (M84)*Scope of Appropriation*

This appropriation is limited to excellent investigator-initiated research.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	46,755	46,755	51,755

Reasons for Change in Appropriation

The increased appropriation is a result of new funding of \$5 million as part of the International Growth Package initiative in Budget 2013.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Monitor and assess reporting from the investment agent against the funding agreement.	Updated measure	Updated measure	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
International Growth Package	2013/14	-	5,000	5,000	5,000	5,000
Budget 2009 Increased funding	2009/10	9,000	9,000	9,000	9,000	9,000
Budget 2009 Reversal of unfunded Budget 2008 commitment	2009/10	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)

National Measurement Standards (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,764	5,764	5,764

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provision of measurements and standards and related services through Callaghan Innovation Research Limited six monthly reports to assess the adequacy of outcomes.	New measure	New measure	Achieved

Conditions on Use of Appropriation

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

National Science Challenges (M84)*Scope of Appropriation*

This appropriation is limited to research and research applications to find innovative solutions to fundamental issues New Zealand faces in its future development.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	42,100

Reasons for Change in Appropriation

The change in appropriation is a result of:

- new funding of \$23.100 million in Budget 2013 as part of the International Growth Package initiative
- expense transfer of \$13.500 million from 2012/13 and spread evenly from 2013/14 to 2015/16 (\$4.500 million per year) to reflect the timing of the National Sciences Challenges initiative, and
- FNA of \$1 million from 2012/13 to departmental output expense public consultation and engagement on National Science Challenges to fund consultation and engagement.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of investments in national science challenges	2-4	2-4	2-4

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
International Growth Package	2013/14	-	23,100	18,400	16,000	16,000
National Sciences Challenges	2012/13	(13,500)	4,500	4,500	4,500	-
Funding for National Science Challenges	2012/13	14,500	14,500	14,500	14,500	14,500

Realising the Benefits of Innovation (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	17,500

Reasons for Change in Appropriation

This appropriation was for the establishment of Callaghan Innovation in 2012/13 with an FNA of \$16.200 million from non-departmental High Value Manufacturing and Science Research and \$1.300 million from Vote Economic Development.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Initiatives are developed, managed and implemented in accordance with Callaghan Innovation business case.	New measure	New measure	Achieved
Number of participants in collaborative Science and Engineering Technology Development (SETD) projects.	New measure	New measure	Baseline to be established in 2013/14
Number of referrals between business facing partners.	New measure	New measure	Baseline to be established in 2013/14
Annual growth in commercial revenues for firms and SETD providers.	New measure	New measure	Baseline to be established in 2013/14

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Establish Realising the Benefits of Innovation	2013/14	-	16,200	23,300	23,300	23,300
Transfer from Vote Economic Development	2013/14	-	1,300	-	-	-

Repayable Grants for Start-Ups (M84)

Scope of Appropriation

This appropriation is limited to start-up funding for early-stage businesses.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	3,100

Reasons for Change in Appropriation

This appropriation was established as part of the International Growth Package initiative in Budget 2013.

Output Performance Measures and Standards

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Establish Repayable Grants for Start Ups Programme.	New measure	New measure	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
International Growth Package	2013/14	-	3,100	7,800	10,200	10,200

Research and Development Growth Grants (M84)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Research and Development Growth Grants (M84)	Original Appropriation	393,000
This appropriation is limited to co-funding for private businesses to invest in a multi-year programme of research and development.	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
Commences: 1 July 2013	Adjusted Appropriation	393,000
Expires: 30 June 2017	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	-
	Estimated Actual for 2013/14	90,900
	Estimated Appropriation Remaining	302,100

Reasons for Change in Appropriation

This appropriation was established as part of the changes to the Business R&D Grants and International Growth package initiative in Budget 2013.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of grants issued to businesses found to be eligible for the programme.	New measure	New measure	100%
Percentage of contracts monitored to ensure that only appropriate expenses are claimed.	New measure	New measure	100%
Percentage of businesses receiving a grant that maintain or increase their research and development expenditure over the grant period.	New measure	New measure	70%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
International Growth Package	2013/14	-	90,900	96,600	101,500	104,000

Research Contract Management (M84)*Scope of Appropriation*

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

Expenses

Total Appropriation	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	6,482	6,482	6,492

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Monitor and assess reporting from the funding and investment agents against the contractual agreements.	New measure	New measure	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Amalgamation of Ministry of Research, Science and Technology and Foundation of Research, Science and Technology	2011/12	1,000	2,000	2,000	2,000	2,000

Targeted Business Research and Development Funding (M84)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Targeted Business Research and Development Funding (M84)	Original Appropriation	173,000
This appropriation is limited to co-funding for private businesses to undertake research and development projects and for funding students to work in research and development active businesses.	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
Commences: 1 July 2013	Adjusted Appropriation	173,000
	Actual to 2011/12 Year End	-
Expires: 30 June 2017	Estimated Actual for 2012/13	-
	Estimated Actual for 2013/14	50,600
	Estimated Appropriation Remaining	122,400

Reasons for Change in Appropriation

This appropriation was established as part of the changes to the Business R&D Grants and International Growth package initiative in Budget 2013.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of eligible applications assessed against programme objectives and selection criteria.	New measure	New measure	100%
Percentage of total contract value, where contract has been assessed as on track (based on drawdown) or, if not on track, remedial action has been taken.	New measure	New measure	90%
Percentage of maturing contracts that are assessed as delivering as agreed.	New measure	New measure	70%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
International Growth Package	2013/14	-	50,600	44,900	40,000	37,500

Vision Mātauranga Capability Fund (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,167	4,167	6,567

Reasons for Change in Appropriation

The increased appropriation is a result of an expense transfer of \$1.800 million from 2012/13 to 2013/14 for future investment processes.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals assessed against programme objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Accommodate Future Investment Processes	2012/13	(1,800)	600	600	600	-
Science Priorities for Research, Science and Technology	2010/11	5,967	5,967	5,967	5,967	5,967

Summary of Service Providers for Non-Departmental Outputs

Provider	2012/13 Budgeted \$000	2012/13 Estimated Actual \$000	2013/14 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Health Research Council				Annual Report	As per contracts
• Health and Society Research	76,684	77,263	77,175		
• International Relationships	160	990	1,020		
• Vision Mātauranga Capability Fund	1,982	1,982	1,982		
• Research Contract Management	3,195	3,195	3,195		
Royal Society of New Zealand				Section 32A	As per contracts
• Fellowships for Excellence	5,668	5,668	8,247		
• International Relationships	2,530	2,530	2,477		
• Marsden Fund	46,755	46,755	51,755		
• Engaging New Zealanders with Science and Technology	5,096	5,096	5,096		
• Research Contract Management	2,813	2,729	2,729		
• Royal Society of New Zealand	500	500	500		
Callaghan Innovation Research Limited				Callaghan Innovation Annual Report	As per contracts
• Biological Industries Research	-	8,876	3,653		
• Energy and Minerals Research	-	442	1,712		
• Hazards and Infrastructure Research	-	79	239		
• High Value Manufacturing and Services Research	-	77,815	15,744		
• National Measurement Standards	-	2,402	5,764		
• Building Innovation Potential	-	-	6,178		
• Realising the benefits of Innovation	-	-	17,500		
• Research & Development Growth Grants	-	-	90,900		
• Targeted Research & Development Funding	-	-	50,600		
• Callaghan Innovation Strategic Investment	-	-	18,523		
• Business Research & Development Contract Management	-	-	6,256		

Provider	2012/13 Budgeted \$000	2012/13 Estimated Actual \$000	2013/14 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Fulbright New Zealand				MBIE Annual Report	As per contracts
• Engaging New Zealanders with Science and Technology	533	533	533		
• Research Contract Management	138	138	138		
Crown Research Institutes (see Note 1)				Crown Research Institutes Annual Reports	
• Biological Industries Research	48,542	50,149	49,112		
• Crown Research Institute Core Funding	220,145	215,514	201,622		
• Energy and Minerals Research	5,761	4,071	2,801		
• Environmental Research	23,454	28,298	28,298		
• Fellowships for Excellence	501	214	214		
• Hazards and Infrastructure Research	8,528	8,721	8,561		
• Health and Society Research	1,113	803	803		
• High Value Manufacturing and Services Research	18,464	14,372	5,408		
• International Relationships	1,314	1,503	1,503		
• Vision Mātauranga Capability Fund	351	310	310		
• National Measurement Standards	5,764	3,362	-		
• Science Collections and Infrastructure	4,500	5,500	5,500		
Total	484,490	569,808	676,046		

Note 1 - Industrial Research Limited ceased to a Crown Research Institute on 1 February 2013. The 2013/14 budget has not been finalised as a contestable investment round is currently underway. It is possible that the funding each CRI currently receives may change.

The above table summarises funding to be allocated through Vote Science and Innovation to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy	Advanced Network Capacity Australian Synchrotron Convention du Metre
Intermediate Outcomes Improved business capability and higher levels of innovation Improved international flows of people, ideas, investment and trade	International Relationships National eScience Infrastructure Royal Society of New Zealand Science Collections and Infrastructure

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Ministry of Business, Innovation and Employment Statement of Intent 2013-2016.

Advanced Network Capacity (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	4,000

Reasons for Change in Appropriation

This appropriation was established in 2012/13 to continue the operation of the Kiwi Advanced Research and Education Network.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grant made to Research and Education Advanced Network New Zealand in accordance with Crown funding agreement.	New measure	New measure	Achieved
Monitor and assess reporting from Research and Education Advanced Network New Zealand against the Crown funding agreement.	New measure	New measure	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Release of the Research Infrastructure Contingency	2013/14	-	4,000	4,000	4,000	4,000

Australian Synchrotron (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	7,500

Reasons for Change in Appropriation

The change in this appropriation is a result of net movement of an expense transfer of \$15 million (\$7.500 million transferred from 2012/13 to 2013/14) to align the Crown's payment schedule. This increase was partially offset by the following decreases:

- \$6 million baseline decrease from 2012/13 to 2013/14 reflecting budget 2012 decision for New Zealand's contribution to the Australian Synchrotron, and
- FNA of \$1.500 million in 2013/14 to non-departmental output expense Science Collections and Infrastructure for Future Research Infrastructure and Marine Research Strategy priorities (\$1.100 million) and for future operations of New Zealand's deep water Research Vessel (RV) Tangaroa (\$400,000).

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grant made to New Zealand Synchrotron Group in accordance with Crown funding agreement.	Updated measure	Updated measure	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
To align appropriation with the Crown Payments schedule	2012/13	(7,500)	7,500	-	-	-
Future Research Infrastructure and Marine Research Strategy priorities	2013/14	-	(1,100)	-	-	-
Future operations of New Zealand's deep water Research Vessel Tangaroa	2013/14	-	(400)	-	-	-
New Zealand's contribution to the Australian Synchrotron	2012/13	7,500	1,500	1,500	1,500	1,500

Convention Du Metre (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	135	135	135

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality			
Membership obligations are maintained and access to international peer review is ensured by making the annual subscription payment.	Paid in full and on time	Paid in full and on time	Paid in full and on time

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Budget 2009 foreign exchange cost pressures	2008/09	40	40	40	40	40

International Relationships (M84)*Scope of Appropriation*

This appropriation is limited to grants for international research relationships.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,851	9,851	8,951

Reasons for Change in Appropriation

The decreased appropriation is a result of an FNA for \$700,000 in 2013/14 to departmental output expense Strategic Leadership in the Science Innovation Sector to establish the China Science and Innovation Counsellor Budget, and an expense transfer of \$200,000 from 2011/12 to 2012/13 to reflect the postponement of the NZ-USA biannual Joint Commission Meeting from March 2012 to September 2012.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of proposals assessed against international relationship fund objectives and assessment criteria, prior to approval (proposals assessed/total proposals received) (see Note 1).	100%	100%	100%
Percentage of contracts assessed annually as on track to achieve their objectives and milestones to date, or where there is non-achievement, remedial action has been taken.	95%	95%	95%

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer to establish the China Science and Innovation Counsellor Budget	2013/14	-	(700)	-	-	-
The NZ-USA bi-annual Joint commission Meeting moved from 2011/12 to 2012/13	2011/12	(200)	200	-	-	-
Business Research and Development and Commercialisation BEFU 2011	2011/12	(400)	(400)	-	-	-
Science Priorities for Research, Science and Technology	2010/11	11,758	11,758	11,758	11,758	11,758

National eScience Infrastructure (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,350	8,350	9,773

Reasons for Change in Appropriation

The increased appropriation is a result of an expense transfer for rephasing to meet contractual commitments.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grant made to National eScience Infrastructure in accordance with Crown funding agreement.	Achieved	Achieved	Achieved
Monitor and assess reporting from the National eScience Infrastructure against the Crown funding and associated contractual agreements.	Updated measure	Updated measure	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
New Zealand eScience Infrastructure (NeSI) Cabinet decision	2010/11	7,182	7,182	7,182	7,182	7,182

Royal Society of New Zealand (M84)*Scope of Appropriation*

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	500	500	500

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grant made to the Royal Society of New Zealand to promote and advance science and technology.	Achieved	Achieved	Achieved
Monitor and assess reporting from the Royal Society of New Zealand against the contractual agreement.	Updated measure	Updated measure	Achieved

Conditions on Use of Appropriation

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Previous Government						
Provision of annual grant	2008/09	500	500	500	500	500

Science Collections and Infrastructure (M84)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,760	5,760	6,860

Reasons for Change in Appropriation

The increased appropriation is a result of:

- a net movement of \$1.200 million expense transfer (\$600,000 transferred from 2012/13 to 2013/14) to align the contract commitment of operating costs for deep water RV Tangaroa
- two FNAs in 2013/14 from non-departmental other expense Australian Synchrotron for \$1.100 million for Future Research Infrastructure and Marine Research Strategy priorities and \$400,000 for future operations of New Zealand's deep water RV Tangaroa.

These increases were partially offset by an FNA of \$1.600 million from Votes Environment, Primary Industry and Lands to support the running of RV Tangaroa in 2012/13.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Grants made to maintain and retain databases, collections and significant infrastructure dedicated to research purposes.	Achieved	Achieved	Achieved
Monitor and assess reporting from the investment agents against the contractual agreements.	Updated measure	Updated measure	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Align with 2013/14 contract commitment of Opex costs for RV Tangaroa	2012/13	(600)	600	-	-	-
Future Research Infrastructure and Marine Research Strategy priorities	2013/14	-	1,100	-	-	-
Transfer to assist with future operations of New Zealand's deep water RV Tangaroa	2013/14	-	400	-	-	-
Transfer from outside Votes to support the running of the RV Tangaroa	2012/13	(1,600)	-	-	-	-
Crown Research Institute (CRI) Core Purpose	2011/12	(17,619)	(17,619)	(17,619)	(17,619)	(17,619)
Science Priorities for Research, Science and Technology	2010/11	22,379	22,379	22,379	22,379	22,379

Reporting Mechanisms

Appropriation	Reporting Mechanism
Advanced Network Capacity	Reported in the Annual Report of REANZ Limited
Convention du Metre	Reported in the Annual Report of MBIE
Genomics Research Infrastructure	Reported in the Annual Report of New Zealand Genomics Limited, and respective Annual Reports of its respective shareholder members (Technical Education Institutes and Crown Research Institutes)
International Relationships	Section 32A
National e-Science Infrastructure	Section 32A
Royal Society of New Zealand	Reported in the Annual Report of MBIE
Science Collections and Infrastructure	Reported in the Annual Report of MBIE and where relevant Section 32A
Australian Synchrotron	Section 32A

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.2 - Non-Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcomes More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy	Advanced Technology Institute

Advanced Technology Institute (M84)

Scope of Appropriation

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

Capital Expenditure

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	31,900

Reasons for Change in Appropriation

The change in appropriation is a result of a net movement of a capital transfer of \$23.800 million (\$11.900 million from 2012/13 to 2013/14) to reflect the timing of the establishment of Callaghan Innovation and \$8.100 million increase in the funding flow from the Budget 2012 initiative that established the appropriation.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Timing of the implementation of Callaghan Innovation	2012/13	(11,900)	11,900	-	-	-
Establishment of an advanced technology institute	2012/13	11,900	20,000	20,600	23,600	-